

DHHS Salary Cap Calculation

Faculty with Full-Time Appointment (based on the Executive Level II salary of \$199,300)

To ensure compliance to DHHS/NIH policy, it has been recommended that a manual calculation of the actual payroll amounts to the current CAP limit be used to determine the amount of cost sharing as it relates to the limitation.

When a JHU employee's Institutional Base Salary (IBS) is over the amount of Executive Level II of the Federal Executive pay scale, the Executive Level II salary of \$199,300 will be used to calculate the JHU employee's labor distribution.

Dr. Rosenbluth's received a new NIH award. Dr. Rosenbluth is providing 40% of effort on the NIH Award #2.

Step 1: Calculate Salary to be charged to NIH Award

Dr. Rosenbluth's current Institutional Base Salary is \$240,000. The current NIH Salary Cap Limitation is \$199,300. Dr. Rosenbluth's labor distribution (Infotype 9027 Base Pay and Labor Distribution) will be calculated using the NIH Salary Cap, \$199,300 X 40% of effort provided to the new NIH Award #2. Salary Cap (Executive Level II) X Effort Percentage

Salary Cap (Executive Level II) X Actual Effort

$\$199,300 \times 40\% = \$79,720^*$ **this is the maximum salary allowed to be charged to the NIH Award #2.**

$\$79,720/24 = \$3,321.67$ per pay period

Step 2: Review the Semi-Annual Effort Form and Calculate the NIH Salary Cap Cost Sharing

Helpful Hint: If a JHU Employee's total pay is over the salary cap, the effort form will give the Pre Reviewer a warning message "This Effort Form is potentially over the Salary Cap. Please review."



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This Effort Form is potentially over Salary Cap. Please review.

This Effort Form is a newly created RCT form. Click [here](#) to view the original effort copy.

Pre Review

Name: Rosenbluth, Donald ⊙

Sub Dept: 00000000 - ERS BSPH IH

Employee ID: 00000004

Division: 162 - ERS Testing

Title: Faculty

Title Code: U010

Reporting Period: 063021 (01-01-2021 through 06-30-2021)							
Payroll		Accounts	Description	Cost Sharing		Total \$	Total %
Sponsored Accounts							
\$39,880.00	33%	70000002	NIH Award #2	\$0.00	0%	\$39,880.00	33%
\$29,460.00	25%	70000008	Robert Wood John	\$0.00	0%	\$29,460.00	25%
\$69,320.00	58%		Sponsored Subtotal	\$0.00	0%	\$69,320.00	58%
Non-Sponsored Accounts							
\$50,680.00	42%	71000000	General Salaries	\$0.00	0%	\$50,680.00	42%

NIH Salary Cap X Actual Effort (Payroll Amount)
\$199,300 X 40% = \$79,720 (For six months \$39,860)

The effort percentages on the Effort Form are calculated using the Institutional Base Salary (IBS)
 IBS X Effort Percentage

\$240,000 X 40% = \$96,000 (For six months \$48,000)

The cost sharing amount on Cost Sharing Column
\$96,000-\$79,720 = \$16,280 (For six months \$8,140)

After the cost sharing adjustment, the effort form will reflect the 40% of effort on NIH Award #2.

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Pre Review

Name: Rosenbluth, Donald ⓘ Employee ID: 00000004 Title: Faculty
 Sub Dept: 00000000 - ERS BSPH IH Division: 162 - ERS Testing Title Code: U010

Changes Saved

Reporting Period: 063021 (01-01-2021 through 01-30-2021)

Payroll	Accounts	Description	Cost Sharing	Total \$	Total %
Sponsored Accounts					
\$39,860.00	33% 70000002	NIH Award #2	\$8,140.00 7%	\$48,000.00	40%
\$29,460.00	25% 70000006	Robert Wood John	\$0.00 0%	\$29,460.00	25%
\$69,320.00	58%	Sponsored Subtotal	\$8,140.00 7%	\$77,460.00	65%
Non-Sponsored Accounts					
\$50,680.00	42% 71000000	General Salaries	\$-8,140.00 -7%	\$42,540.00	35%
\$50,680.00	42%	Non-Sponsored Subtotal	\$-8,140.00 -7%	\$42,540.00	35%
\$120,000.00	100%	Grand Total	\$0.00 0%	\$120,000.00	100%

If 33% of effort is correct effort provided to the NIH Award #2 the department will need to reduce the salary on the NIH/DHHS award by using an E form. Once the E form is approved the Effort Form will be updated with E form changes.

E form will credit NIH Award #2 and debit a non-sponsored account
 Originally charged \$79,720(3,321.67/per pay) -\$65,769 (2,740.38/per pay) (see calculation below) = credit of \$13,951 (\$581.29 per pay period)

After the approved E form has been updated in ERS, the Effort Form will appear as below:

NIH Salary Cap X Actual Effort (Payroll Amount)

\$199,300 x 33% = \$65,769 (For six months \$32,884.50)

IBS X Effort Percentage

\$240,000 x 33% = \$79,200 (For six months \$39,600.00)




The cost sharing amount on Cost Sharing Column

\$79,200-\$65,769 = \$13,431 (For six months \$6,715.50)

Pre Review

Name: Rosenbluth, Donald ⓘ Employee ID: 00000004 Title: Faculty
 Sub Dept: 00000000 - ERS BSPH IH Division: 162 - ERS Testing Title Code: U010

Changes Saved

Reporting Period: 063021 (01-01-2021 through 06-30-2021)

Payroll	Accounts	Description	Cost Sharing	Total \$	Total %
Sponsored Accounts					
\$32,884.50	27%	70000002	NIH Award #2	\$6,715.50 6%	\$39,600.00 33%
\$29,460.00	25%	70000006	Robert Wood John	\$0.00 0%	\$29,460.00 25%
\$62,344.50	52%		Sponsored Subtotal	\$6,715.50 6%	\$69,060.00 58%
Non-Sponsored Accounts					
\$57,655.50	48%	71000000	General Salaries	\$-6,715.50 -6%	\$50,940.00 42%
\$57,655.50	48%		Non-Sponsored Subtotal	\$-6,715.50 -6%	\$50,940.00 42%
\$120,000.00	100%		Grand Total	\$0.00 0%	\$120,000.00 100%

References:

NIH Salary Cap Summary

https://grants.nih.gov/grants/policy/salcap_summary.htm

DHHS

Please review the DHHS Agencies grant policies and Notice of Award

If you have any further question about this please contact effort@jhu.edu or 443-997-3806.