

## DHHS Salary Cap Calculation

### Faculty with Part-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. (**\*Executive Level II salary may change, please review the NIH Salary Cap summary for correct salary limitation.**)

Dr. Harrison's received a new NIH award. Dr. Harrison is providing 30% of effort the on NIH Award #2.

#### Step 1: Calculate Salary to be charged to NIH Award

Dr. Harrison's current Institutional Base Salary is \$240,000 and Actual Salary is 75% of his IBS or \$180,000 (\$240,000 X 75%). The current NIH Salary Cap Limitation is \$199,300, at 75% is \$149,475 (\$199,300 X 75%). Dr. Harrison's labor distribution (Infotype 9027 Base Pay and Labor Distribution) will be calculated using the NIH Salary Cap, \$149,475 X 30% of effort provided to new NIH Award #2. Salary Cap (Executive Level II) X Effort Percentage

#### Calculation for Adjusted Salary Cap

Actual Salary Paid/IBS=Percentage of Salary

$$\$180,000/240,000 = 75\%$$

Percentage of Salary X Salary Cap (Executive Level II) = Adjusted Salary Cap

$$75\% \times \$199,300 = \$149,475$$

#### Calculate Salary to be charged to NIH Award

Adjusted Salary Cap (Executive Level II) X Actual Effort

$$\$149,475 \times 30\% = \$44,842.50^* \text{ this is the maximum salary allowed to be charged to the NIH Award \#2.}$$

$$\$44,842.50/24 = \$1,868.44 \text{ per pay period}$$

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


NIH Salary Cap (Adjusted) X Actual Effort (Payroll Amount)  
**\$149,475 X 30% = \$44,842.50 (For six months \$22,421.25)**

The effort percentages on the Effort Form are calculated using the Actual Salary Paid  
 Actual Salary X Effort Percentage  
**\$180,000 X 30% = \$54,000 (For six months \$27,000)**




The cost sharing amount on Cost Sharing Column  
**\$54,000-\$44,842.50 = \$9,157.50 (For six months \$4,578.75)**

After the cost sharing adjustment, the effort form will reflect the 30% of effort on NIH Award #2.


Pre Review

Name: Harrison, Sally  Employee ID: 00000002 Title: Faculty  
 Sub Dept: 00000000 - ERS BSPH IH Division: 162 - ERS Testing Title Code: U020

Changes Saved

Reporting Period: 063021 (01-01-2021 through 06-30-2021)							
Payroll	Accounts	Description	Cost Sharing	Total \$	Total %		
Sponsored Accounts							
\$22,421.25	25%	70000002	NIH Award #2	\$4,578.75	5%	\$27,000.00	30%
\$35,696.25	40%	70000006	Robert Wood John	\$0.00	0%	\$35,696.25	40%
\$58,117.50	65%	<b>Sponsored Subtotal</b>		\$4,578.75	5%	\$62,696.25	70%
Non-Sponsored Accounts							
\$31,882.50	35%	71000000	General Salaries	-\$4,578.75	-5%	\$27,303.75	30%
\$31,882.50	35%	<b>Non-Sponsored Subtotal</b>		-\$4,578.75	-5%	\$27,303.75	30%
\$90,000.00	100%	<b>Grand Total</b>		\$0.00	0%	\$90,000.00	100%

 Add Account

If 25% 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 \$44,842.50 - \$37,368.75 (see calculation below) = \$7,473.75 (\$311.41 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)

**\$149,475 X 25% = \$37,368.75 (For six months \$18,684.38)**

IBS X Effort Percentage

**\$180,000 x 25% = \$45,000 (For six months \$22,500)**



The cost sharing amount on Cost Sharing Column

**\$45,000 - \$37,368.75 = \$7,631.25 (For six months \$3,815.62)**

**Pre Review**

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Name: Harrison, Sally ⓘ      Employee ID: 00000002      Title: Faculty  
Sub Dept: 00000000 - ERS BSPH IH      Division: 162 - ERS Testing      Title Code: U020

Reporting Period: 063021 (01-01-2021 through 06-30-2021)								
Payroll	Accounts	Description	Cost Sharing	Total \$	Total %			
<b>Sponsored Accounts</b>								
\$18,684.38	21%	70000002	NIH Award #2	\$3,815.62	4%	\$22,500.00	25%	
\$35,696.25	40%	70000006	Robert Wood John	\$0.00	0%	\$35,696.25	40%	
\$54,380.63	61%		<b>Sponsored Subtotal</b>	<b>\$3,815.62</b>	<b>4%</b>	<b>\$58,196.25</b>	<b>65%</b>	
<b>Non-Sponsored Accounts</b>								
\$35,619.37	39%	71000000	General Salaries	-\$3,815.62	-4%	\$31,803.75	35%	
\$35,619.37	39%		<b>Non-Sponsored Subtotal</b>	<b>-\$3,815.62</b>	<b>-4%</b>	<b>\$31,803.75</b>	<b>35%</b>	
\$90,000.00	100%		<b>Grand Total</b>	<b>\$0.00</b>	<b>0%</b>	<b>\$90,000.00</b>	<b>100%</b>	

References:

\*NIH Salary Cap Summary

[https://grants.nih.gov/grants/policy/salcap\\_summary.htm](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](mailto:effort@jhu.edu) or 443-997-3806.