
SALARY CAPS
NATIONAL INSTITUTES OF HEALTH (NIH)

Faculty salaries paid on these funding sources are subject to the following salary caps for 100 percent effort. Supplementation of NIH capped salaries may be made only from available non-federal or non-state funding sources.

For awards made with federal FY 2008 funds:

Effective 01/01/08, the annual salary limit is \$191,300.
The monthly rate is \$15,941.67.

Note: If in doubt as to which salary cap applies to a specific NIH fund source, please contact the Grants Officer or Contracts Officer assigned to your department.

Additional information on calculating budgets utilizing the salary rate cap can be found at the ORA website at <http://www.research.uci.edu/ora/sp/nihsalarycap.htm>.

For faculty whose 1/9th, 1/11th, or 1/12th summer additional compensation rate exceeds the appropriate monthly capped rate, and who have available funding to supplement their salaries, prepare the Employee Data Gathering Worksheet as follows:

1. Calculate the difference between the faculty member's summer additional compensation pay rate and the capped rate (\$15,941.67). That difference is the amount of the supplement.
2. Set up a new appointment using Title Code 3998, "Salary Supplementation" for the same dates (See Caution Section below) as the research appointment. This is a "by-agreement" type payment, so enter an "F" in the Fixed/Variable field. The Rate, Pay Schedule, Time and Leave Code should be entered with the values of B-MO-R-N.
3. Using the Daily Time Factors sheet (APP Section 9-51, Appendix V), calculate the amount of each month's supplement as follows:

$$\begin{array}{r} \text{Amount of Differential} \\ \text{(Additional Compensation} \\ \text{Rate Minus Capped Rate--} \\ \text{\$15,941.67)} \end{array} \quad \times \quad \begin{array}{r} \text{Daily Rate Factor} \\ \text{(Number of Days} \\ \text{Worked)} \end{array} \quad = \quad \begin{array}{r} \text{Amount of Monthly} \\ \text{Supplement} \end{array}$$

4. Set up a separate distribution line for each month of supplemented summer additional compensation. Enter the amount of the supplement in the Pay Period/Rate Amount field. Enter the total of all the "by-agreement" amounts in the Annual Salary field. Since this is a "by-agreement" type of compensation, the Percent Time field is blank. The Description of Service Code is ABR (Addl Comp Rsch CAP-BYA).

Caution: In order to pay an employee accurately, any salary supplementation appointments must be set up for an entire calendar month. Enter the appropriate Begin Date and End Date for the month on the appointment and distribution lines (e.g., 09/01/08-09/30/08). Enter the exact dates of service in the Comments field of the PAN notice (e.g., "For service from 09/01/08-09/21/08"). If partial months are entered on appointment or distribution lines, the Payroll/Personnel System will reduce the proposed "by-agreement" supplement to a lesser amount and the faculty member will not be accurately compensated. (See APP Section 9-52, Appendix I, Exhibit G.)