

**Subject:** FW: COGR Update: NIH Salary Cap Guidance  
**From:** Andrew Boulter <Andrew.Boulter@UCOP.EDU>  
**Date:** 1/6/2012 11:41 AM  
**To:** UCRAO-L@LISTSERV.UCOP.EDU

People –

Please note the email message below regarding the reduction in the NIH salary cap for FY2012. NIH will be issuing guidance sometime in the week of Jan 9-13. In the interim, however, COGR has provided their expectations of how NIH will be implementing the reduction. I've **highlighted** some of the salient points below.

-- Andrew

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**From:** COGR [mailto:cogr@usc.edu]  
**Sent:** Friday, January 06, 2012 10:00 AM  
**To:** COGR Email List  
**Subject:** COGR Update: NIH Salary Cap Guidance

As a follow up to the December 22, 2011 COGR Holiday Update and the December 19, 2011 note to the COGR ListServe, the new Executive Level II salary limitation (\$179,700) is now effective. The effective date is December 24, 2011, which corresponds with the final passage of H.R. 2055 (December 23, 2011).

Per Section 203, General Provisions of H.R. 2055: *None of the funds appropriated in this title shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level II.* Consequently, this provision reduces the salary cap on extramural grants from Executive Level I (\$199,700 in 2011) to Executive Level II (\$179,700).

NIH currently is finalizing guidance, which should be available during the week of January 9<sup>th</sup> (next week). Per COGR discussions with NIH officials, we expect the following will be included in the NIH guidance. Below are updated notes from the December 22, 2011 Holiday Update (items 1 thru 5) and additional notes (items 6 thru 8):

1) H.R. 2055 funds most agencies (including DHHS, NIH) for the period December 24, 2011 through September 30, 2012.

2) **The new Executive II salary level is applicable to FY2012 NIH funds awarded on or after December 24, 2011.**

3) Our understanding is that the **new Executive II salary limitation WILL NOT be applicable to FY2012 NIH funds awarded on or between October 1, 2011 and December 23, 2011. However, if these awards continue into FY2013, the new Executive II salary limitation will become applicable.**

- 4) Our understanding is that **the new Executive II salary limitation WILL NOT be applicable to NIH funds awarded in prior fiscal years (FY2011, FY2010, etc.) that have been carried over into FY2012.**
- 5) Our understanding is that **adjustments WILL NOT be necessary for awards funded prior to December 24, 2011.**
- 6) **Awards made on or after December 24, 2011 should be charged at the new Executive Level II salary limitation (\$179,700). If your institution has received an award in this small window and already has charged salaries, according to NIH, it is absolutely acceptable if you have delayed implementation.** However, institutions should understand that you will need to make retroactive adjustments dating back to December 24, 2011 for those awards that were made on or after December 24, 2011.
- 7) For new proposal applications and corresponding budgets, institutions should use the Executive Level II salary limitation (\$179,700) per H.R. 2055.
- 8) **All HHS operating divisions are equally affected by H.R. 2055. Under prior year's appropriation legislation, only NIH, AHRQ and SAMHSA were affected. Guidance from these agencies should be forthcoming.**

Again, NIH will address these issues in their forthcoming guidance. COGR will keep the membership posted as we learn of new developments.

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