# Salary Cap Determination IU Employee Receiving Indiana University and Practice Plan Compensation

**Institutional Base Salary**

When employees receive practice plan compensation, both the Indiana University base salary and the practice plan components must be included in the determination of institutional base salary. Therefore, any required Salary Cap must be applied to the combined compensation. See the Indiana University (IU) Institutional Base Salary (IBS) webpage for additional information.

**These salary cap guidelines apply to any agency with a salary cap requirement.**

**Appointment**

**12-Month (Monthly)**

**Salary Limitation (12-month)**

**HHS**

NIH - January 1, 2023 through September 30, 2023 (Executive Level II) $212,100.00

This rate applies to all Health and Human Services (HHS) agencies. A listing of HHS agencies can be found at the following

link: [https://www.hhs.gov/about/agencies/hhs-agencies-and-offices/index.html](https://www.hhs.gov/about/agencies/hhs-agencies-and-offices/index.html" \o "U.S. Department of Health and Human Services Listing of Agencies and Offices)

**Other Agencies**

Reference the Award agreement for the corresponding limitation amount

**Institutional Base Salary**

The current Institutional Base Salary (IBS) which includes both the Indiana University base salary and the practice plan components

**Institutional Base Salary Percent**

The percent of IBS effort (Direct Salary + Cost Share) to be allocated to the project

**The Percent of IBS Salary Allowable**

Allowable Percent = Salary Limitation / Institutional Base Salary

**Allowable Amount**

**The total effort percentage charged to an award account (Direct Salary + Cost Share) is multiplied by the Allowable Percent to determine the allowable amount that can be to be applied to the award. The remainder is unallowable and must be applied to an INSxx subaccount.**

## Calculation - Determination of Salary Cap – 12-Month Employees with IU Base + Practice Plan Salary

|  |  |  |
| --- | --- | --- |
| **Appointment** | **Monthly** |  |
| Salary Limitation | $ 212,100.00 |  |
| Institutional Base Salary (IU + IUHP) | $ 250,000.00 |  |
| Total Effort Percentage on Project | 50% |  |
| Allowable Percent | 42.42% |  |
|  | **Dollars** | **Percent** |
| Direct Salary + Cost Share / Effort Percent | $ 106,050.00 | 42.42% |
| Unallowable (INSxx) | $ 18,950.00 | 7.58% |
| Total Salary (Effort Percentage) | $ 125,000.00 | 50.00% |

**The Unallowable Amount must be reallocated to an INSxx subaccount.**

## Calculation Determination of Salary Cap – 12-Month Employees with IU Base + Practice Plan Salary By Component

|  |  |  |
| --- | --- | --- |
| **Appointment** | **Practice Plan** | **IU** |
| Salary Limitation | $ 212,100.00 | $ 212,100.00 |
| Institutional Base Salary | $200,000.00 | $ 50,000.00 |
| Total Effort Percentage on Project | 50% | 50% |
| Allowable Percent | 42.42% | 42.42% |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Practice Plan Salary** | | **IU Base Salary** | | **Total (Practice Plan + IU)** | |
| Dollars | Percent | Dollars | Percent | Dollars | Percent |
| Direct Salary + Cost Share / Effort Percent | $ 84,840.00 | 42.42% | $ 21,210.00 | 42.42% | $ 106,050.00 | 42.42% |
| Unallowable (INSxx) | $ 15,160.00 | 7.58% | $ 3,790.00 | 7.58% | $ 18,950.00 | 7.58% |
| Total Salary (Effort Percentage) | $ 100,000.00 | 50.00% | $ 25,000.00 | 50.00% | $ 125,000.00 | 50.00% |

**The Unallowable Amount must be reallocated to an INSxx subaccount.**