# Verifying Salary Cap for 12-Month Employees

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

**Appointment**

**12-Month (Monthly)**

**Salary Limitation (12-month)**

**DHHS**

NIH - January 1, 2024 through September 30, 2024 (Executive Level II) $221,900.00

This limitation 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>

**Other Agencies**

Reference the Award agreement for the corresponding limitation amount

**The Percent of IBS Salary Allowable**

Allowable Percent = Salary Limitation / Institutional Base Salary

 Unallowable Percent = 1 – (Salary Limitation / Institutional Base Salary)

**Allowable Amount**

**The total salary 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 (or that has been applied) to the award. The remainder is unallowable and must be applied to an INSxx subaccount.**

## Verifying Salary Cap – 12-Month Employees

Salary Limitation $221,900.00

Institutional Base Salary $250,000.00

Allowable Percent $221,900.00 / $250,000.00 = 88.76%

Unallowable Percent 1 – ($221,900.00 / $250,000.00) = 11.24%

Amount Charged to Award Account

 Direct Charges to Award Account $4,000.00

 Cost Share Charges to Award Account $1,000.00

 **Total Salary allocated to Award Account $5,000.00**

Allowable Amount

 Total Salary allocated to Award Account x Allowable Percent = Allowable Amount

$5,000.00 x 88.76% = $4,438.00

Unallowable Amount

 Total Salary allocated to Award Account x Unallowable Percent = Unallowable Amount

$5,000.00 x 11.24% = $562.00

**The Unallowable Amount must be reallocated to an INSxx subaccount from the direct charge and/or the cost share portion originally allocated to the award account.**