

2008 Federal Salary Cap

Salaries paid under National Institutes of Health (NIH), Agency for Healthcare Research and Quality (AHRQ) or Substance Abuse and Mental Health Administration (SAMHSA) grants, cooperative agreements, or contracts, are tied to Executive Level I of the Federal Executive Pay scale. As of January 1, 2008, Executive Level I salaries were increased to \$191,300.

This means that as of January 1, 2008, the maximum rate of pay for full-time effort under all National Institutes of Health (NIH), Agency for Healthcare Research and Quality (AHRP) and SAMHSA grants, cooperative agreements and contracts increased to \$191,300 per year, or \$15,941.67 per month. Salaries paid prior to January 1, 2008, under grants, cooperative agreements or contracts from these agencies are unaffected by this increase.

We expect that competing awards funded with FY 2008 funds with salaries requested at or above the new annual full-time rate of \$191,300 will be awarded at the new salary level. If proposals reflected salaries at or below the previously capped rate, no additional funds will be provided to increase salaries to the \$191,300 level. Both the NIH Grants Policy Statement and the NIH Guide for Grants and Contracts instruct applicants to use actual salaries in preparing budget requests for traditionally formatted competitive proposals. However, the capped rate should be used in estimating personnel costs for modular grant applications.

Please note that neither modular awards nor previously established commitments for non-competing awards will be adjusted by the awarding agencies. Re-budgeting from within all existing active federal awards to pay salaries at the new rate as of January 1, 2008, is permitted if adequate funds are available, and the individual's actual institutional full-time annual salary exceeds \$191,300.

PLEASE NOTE: The NIH salary cap is to be used only for those agencies referenced in this notice and **does not apply** to other federal agencies or private organizations unless program guidelines specifically require the use of the current NIH salary cap. Budgets developed for these proposals should use actual institutional salaries.

A copy of the NIH Guide Notice (NOT-OD-08-035) can be found at:
<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-08-035.html>

A salary cap history and time frames associated with existing salary caps can be found at: http://grants.nih.gov/grants/policy/salcap_summary.htm

Additional information about the application of the salary cap at UCLA is available at:
<http://www.research.ucla.edu/ocga/NIH/SalaryCapFaq.htm>