

**Office of Financial Compliance for Research**  
**Instruction Guide**  
**Retroactive Salary Increases**

Note: These instructions were developed in FY 2020 when the salary cap was \$192,300. The cap amount may have changed since then, but the methods for updating SPARs for retroactive pay increases remains the same. These examples walk you through the process but understand that you must use the DHHS salary cap in effect for the period in which you are working.

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**SCENARIO 1:** For employees with an Annual Salary above the DHHS salary cap prior to the current increase, follow the steps below to properly reflect MCS on the September – December SPAR.

### A. Original SPAR

The beginning SPAR will reflect the salary distribution based on the previous annual salary of \$200,000. See the [Cost Sharing Template](#) calculation below confirming the Mandatory Cost Sharing (MCS) percentages at the \$200,000 rate.

**Labor Distribution and Cost Sharing Percentages**

**Person Info**  
 Emp Number  Full Name  SPAR No.  Start Period  End Period

**SPAR Info**  
 SPAR No.  SPAR Suffix  Start Period  End Period  Pay Year Type  Dept   
 Reason for SPAR  ☐ Recert Overridden ☐ Certification Complete

**Effort Reporting and Distribution**

New	Line No	Start Date	End Date	Account Number	Actual%	Dist%	Cap Acct	CS Ind
	1	01-SEP-2021	31-DEC-2021	02.34204.5100.00000.000000.01000.00000.N	30.00	32.70	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	2	01-SEP-2021	31-DEC-2021	05.13203.5100.00000.129292.00000.00000.M	10.00	9.61	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	3	01-SEP-2021	31-DEC-2021	05.13207.5100.00000.127530.00000.00000.M	20.00	19.23	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	4	01-SEP-2021	31-DEC-2021	05.13226.5100.00000.129850.00000.00000.M	40.00	38.46	<input checked="" type="checkbox"/>	<input type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>

**Cost Sharing for Effort Reporting**

New	Line No	Start Date	End Date	Account Number	CS%
	1.01	01-SEP-2021	31-DEC-2021	05.13203.5100.00000.129292.00000.00000.M	.39
	1.02	01-SEP-2021	31-DEC-2021	05.13207.5100.00000.127530.00000.00000.M	.77
	1.03	01-SEP-2021	31-DEC-2021	05.13226.5100.00000.129850.00000.00000.M	1.54

UNIVERSITY OF PITTSBURGH				Revised February 16, 2018			
Template for Use in Calculating Mandatory Cost Sharing							
<u>Institutional Base Salary (IBS) Calculation</u>				Effective Salary Cap		192,300.00	
Contract Salary	200,000.00			Faculty Member:	SPAR20, Faculty G		
Length of Contract	12.00			Percentage FTE:	1.00		
Annualized Salary	200,000.00			Effective Allowable Salary Rate		96.15%	
Percentage FTE	1.00						
Annualized Salary @ 1 FTE	200,000.00						
Administrative Supplements							
Annualized IBS	200,000.00						
							Annual Cost Sharing Charged to Department Based on Length of Contract
Proposal/Award #		Proposed/Actual Effort %		Allowable Effort Distribution to Award	Required Cost Sharing %	Monthly Cost Share Dollars Charged to Department	
129292		10.00%		9.61%	0.39%	65.00	780.00
127530		20.00%		19.23%	0.77%	128.33	1,540.00
129850		40.00%		38.46%	1.54%	256.67	3,080.00

## **B. Update SPAR to Reflect MCS at New Annual Salary**

The new Annual Salary rate is \$215,000 and is entered into PRISM. Until action is taken on the SPAR, the Dist%'s and CS%'s will continue to represent the required MCS based on the former Annual Salary of \$200,000. The steps below must be taken on the Cap Acct lines (#2, 3, and 4) to adjust the MCS to the appropriate level for the new Annual Salary of \$215,000.

1. Zero out the Actual% for lines 2-4. Go back to each of these lines and re-enter the original Actual% values. It is important to zero out the line, leave the line, and then return to that line and re-enter the Actual%. The line will turn blue if this sequence has been followed properly. Dist% will be recalculated for each of the lines to the maximum allowable distribution based on the new Annual Salary.

*TIP: For complex SPARs, you may want to do this process for each affected line individually.*

2. Click the Refresh Shared Pcts button in the Cost Sharing portion of the screen to update the CS% values.
3. Click the Refresh/New Pct button on the top half of the screen to ensure the SPAR is in balance.

At this point all Cap Account lines are established at the MCS rate based on the new Annual Salary. Note the CS%'s agree with the template calculation for the new \$215,000 salary.



UNIVERSITY OF PITTSBURGH						Revised February 16, 2018	
Template for Use in Calculating Mandatory Cost Sharing							
<u>Institutional Base Salary (IBS) Calculation</u>				Effective Salary Cap		192,300.00	
Contract Salary	215,000.00			Faculty Member:	SPAR20, Faculty G		
Length of Contract	12.00			Percentage FTE:	1.00		
Annualized Salary	215,000.00			Effective Allowable Salary Rate		89.44%	
Percentage FTE	1.00						
Annualized Salary @ 1 FTE	215,000.00						
Administrative Supplements							
Annualized IBS	215,000.00						

### C. Cost Sharing for Cap Acct Lines

Since the employee was already over the cap prior to the increase, all of the retroactive salary distributed in September is also over the cap and needs to be cost shared in its entirety with 'R' cost share code.

The September distribution must include regular and joint 'M' lines to satisfy the MCS requirement on the regular monthly salary. Regular and joint 'R' lines are required to cost share the entire retroactive salary increase.

1. Lines 1-4 and the related joint lines currently reflect the MCS rate for the new salary. Change the Start Date for each line to 01-OCT-20XX. If the SPAR contains other non-CAP Accts that are cost shared to the same cost share recipient line, these lines and the related joint lines must also have the dates changed.
- A [Retroactive Salary Adjustment Template](#) is available to assist in the calculation of required **September** cost sharing under the 'Cost Sharing Templates' drop down menu on the [FCR Website](#). Complete the fields highlighted in blue on the template. Below is a completed template for this example.

SCENARIO 1 - Over Salary Cap Before and After Retroactive increase									
UNIVERSITY OF PITTSBURGH									
Retroactive Salary Adjustment Template									
DHHS Awards									
		Effective Salary Cap		192,300.00					
		Faculty Member:		SPAR20, Faculty G					
Institutional Base Salary (IBS) Calculation									
		Percentage FTE:		1.00					
Contract Salary		245,000.00		Retro Month		Regular Salary			
Length of Contract		12		Effective Allowable Salary Rate		78.49%		89.44%	
Annualized Salary		245,000.00		Month of Pay IBS Calculation					
Percentage FTE		1.00		New Annual Salary		215,000.00			
Annualized Salary @ 1 FTE		245,000.00		Former Annual Salary		200,000.00			
Administrative Supplements		-		Amount of Annual Increase		15,000.00			
						12.00			
Annualized IBS		245,000.00		Monthly Increase		1,250.00			
				New Monthly Salary		17,916.67			
# of Months of Retro Adj		2.00		Retro Increase Included in Pay		2,500.00			
				Total Salary Paid Including Retro		20,416.67			
						12.00			
				Salary Plus Retro Annualized for MCS		245,000.00			
Note: See SPAR Detail tab for guidance in updating SPAR lines.									
				MCS - Month of Retro Pay		MCS - All Subsequent Months			
				Maximum Allowable Effort Distribution to Award		Allowable Effort Distribution to Award		Month of Retro Pay 'M' Line Actual Effort	
				Required Cost Sharing %		Required Cost Sharing %		Month of Retro Pay 'R' Line Actual Effort/Cost Sharing %	
Proposal/Award #		Proposed/Actual Effort %							
129292		10.00%		7.84%		8.94%		8.77%	
127530		20.00%		15.69%		17.88%		17.54%	
129850		40.00%		31.39%		35.77%		35.10%	

Note: The SPAR Detail tab on the Retroactive Salary Adjustment Template provides the detail of SPAR entries for the September lines color-coded to the headings on the Template tab for use as a guide in modifying the related SPAR. See below for the entries associated to this example.

Retroactive Salary Adjustment Template					
SPAR Presentation					
Effort Reporting and Distribution					
Begin Date	End Date	Proposal/Award #	Cost Share Code	Actual Effort	Dist %
01-SEP-XXXX	30-SEP-XXXX	129292	M	8.77%	7.84%
01-SEP-XXXX	30-SEP-XXXX	129292	R	1.23%	0.00%
01-SEP-XXXX	30-SEP-XXXX	127530	M	17.54%	15.69%
01-SEP-XXXX	30-SEP-XXXX	127530	R	2.46%	0.00%
01-SEP-XXXX	30-SEP-XXXX	129850	M	35.10%	31.39%
01-SEP-XXXX	30-SEP-XXXX	129850	R	4.90%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	M	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	R	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	M	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	R	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	M	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	R	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	M	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	R	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	M	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	R	0.00%	0.00%
Cost Sharing for Effort Reporting					
Begin Date	End Date	Proposal/Award #	Cost Share Code	CS%	
01-SEP-XXXX	30-SEP-XXXX	129292	M	0.93%	
01-SEP-XXXX	30-SEP-XXXX	129292	R	1.23%	
01-SEP-XXXX	30-SEP-XXXX	127530	M	1.85%	
01-SEP-XXXX	30-SEP-XXXX	127530	R	2.46%	
01-SEP-XXXX	30-SEP-XXXX	129850	M	3.71%	
01-SEP-XXXX	30-SEP-XXXX	129850	R	4.90%	



2. Using the values from the template's SPAR Detail tab, create new regular 'M' and 'R' SPAR lines for the month of September for each of the regular SPAR lines changed in Step 1 above. If a non-Cap Account line was changed in Step 1, a new regular line and any related joint line, if applicable, is required for that account. September 'M' line Actual% values (SPAR lines 6, 8, and 10 in this example) are identified in yellow on the SPAR Detail tab. September 'R' line Actual% values (SPAR lines 7, 9, and 11 in this example) are identified in green. The resulting 'M' line Dist % values should agree with the orange SPAR Detail values (plus or minus .01%).
3. Create the associated joint lines required for all new regular Cap Acct lines. MCS will be calculated for the joint 'M' lines based on the \$215,000 salary. Joint 'R' lines will have CS% values in green equal to Actual%. The Dist% for each of the 'R' regular lines will be 0%.
4. Save the SPAR.

Emp Number 190558

Full Name SPAR20, Faculty G

SPAR No.

Start  
PeriodEnd  
Period- **SPAR Info**

SPAR No. 908204

SPAR Suffix 3

Start Period

SEP-21

End Period

Pay Year Type

Dept

Reason for SPAR LD % Change - Certification Required

☒ Recert Overridden

**■ Certification Complete**

## Effort Reporting and Distribution

New	Line No	Start Date	End Date	Account Number	Actual%	Dist%	Cap Acct	CS Ind
	1	01-OCT-2021	31-DEC-2021	02.34204.5100.00000.000000.01000.00000.N	30.00	37.41	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	2	01-OCT-2021	31-DEC-2021	05.13203.5100.00000.129292.00000.00000.M	10.00	8.94	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	3	01-OCT-2021	31-DEC-2021	05.13207.5100.00000.127530.00000.00000.M	20.00	17.88	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	4	01-OCT-2021	31-DEC-2021	05.13226.5100.00000.129850.00000.00000.M	40.00	35.77	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	5	01-SEP-2021	30-SEP-2021	02.34204.5100.00000.000000.01000.00000.N	30.00	45.09	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	6	01-SEP-2021	30-SEP-2021	05.13203.5100.00000.129292.00000.00000.M	8.77	7.84	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	7	01-SEP-2021	30-SEP-2021	05.13203.5100.00000.129292.00000.00000.R	1.23	.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	8	01-SEP-2021	30-SEP-2021	05.13207.5100.00000.127530.00000.00000.M	17.54	15.68	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	9	01-SEP-2021	30-SEP-2021	05.13207.5100.00000.127530.00000.00000.R	2.46	.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	10	01-SEP-2021	30-SEP-2021	05.13226.5100.00000.129850.00000.00000.M	35.10	31.39	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	11	01-SEP-2021	30-SEP-2021	05.13226.5100.00000.129850.00000.00000.R	4.90	.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>

## Cost Sharing for Effort Reporting

New	Line No	Start Date	End Date	Account Number	CS%
	1.01	01-OCT-2021	31-DEC-2021	05.13203.5100.00000.129292.00000.00000.M	1.06
	1.02	01-OCT-2021	31-DEC-2021	05.13207.5100.00000.127530.00000.00000.M	2.12
	1.03	01-OCT-2021	31-DEC-2021	05.13226.5100.00000.129850.00000.00000.M	4.23
	5.01	01-SEP-2021	30-SEP-2021	05.13203.5100.00000.129292.00000.00000.M	.93
	5.02	01-SEP-2021	30-SEP-2021	05.13203.5100.00000.129292.00000.00000.R	1.23
	5.03	01-SEP-2021	30-SEP-2021	05.13207.5100.00000.127530.00000.00000.M	1.86
	5.04	01-SEP-2021	30-SEP-2021	05.13207.5100.00000.127530.00000.00000.R	2.46
	5.05	01-SEP-2021	30-SEP-2021	05.13226.5100.00000.129850.00000.00000.M	3.71
	5.06	01-SEP-2021	30-SEP-2021	05.13226.5100.00000.129850.00000.00000.R	4.90

The Dist%'s for the September 'M' lines (lines 6, 8, and 10) agree to the percentages calculated in the template's "Maximum Allowable Effort Distribution to Award" column and are in compliance with the salary cap. Variations of .01% between the template and the SPAR are due to rounding and are acceptable.

The Actual%'s for each Cap Account, when adding the 'M' and 'R' line values, agree to the Actual Effort performed. For example, the Actual% for project 127530 on Lines 8 and 9 combined, agrees to the Proposed/Actual Effort % of 20% on the template.

**SCENARIO 2:** For employees with an Annual Salary below the DHHS salary cap prior to the current increase but with an Annual Salary above the DHHS salary cap after the current increase, follow the steps below to properly reflect MCS on the September – December SPAR.

### A. Original SPAR

The beginning SPAR will reflect the salary distribution based on the \$185,000 previous annual salary with no entries for Mandatory Cost Sharing.

**Labor Distribution and Cost Sharing Percentages**

**Person Info**  
 Emp Number  Full Name  SPAR No.  Start Period  End Period

**SPAR Info**  
 SPAR No.  SPAR Suffix  Start Period  End Period  Pay Year Type  Dept   
 Reason for SPAR  ☐ Recert Overridden ☐ Certification Complete

**Effort Reporting and Distribution**

New	Line No	Start Date	End Date	Account Number	Actual%	Dist%	Cap Acct	CS Ind
<input type="checkbox"/>	1	01-SEP-2021	31-DEC-2021	02.22291.5100.00000.000000.01000.00000.N	30.00	30.00	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	2	01-SEP-2021	31-DEC-2021	05.13203.5100.00000.131657.00000.00000.N	10.00	10.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	3	01-SEP-2021	31-DEC-2021	05.13207.5100.00000.128525.00000.00000.N	20.00	20.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	4	01-SEP-2021	31-DEC-2021	05.13226.5100.00000.131075.00000.00000.N	40.00	40.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>

**Cost Sharing for Effort Reporting**

New	Line No	Start Date	End Date	Account Number	CS%
<input type="checkbox"/>					
<input type="checkbox"/>					

## **B. Update SPAR to Reflect MCS at New Annual Salary**

The new \$215,000 Annual Salary rate, which exceeds the DHHS Salary Cap, has been entered into PRISM. The Cap Eligible box is checked. DHHS sponsored accounts are identified as Cap Accts with checkmarks in the “Cap Acct” column, a cost share code of ‘N,’ and Dist% equal to the Actual%. Because no action has been taken on these lines since the new Annual Salary was loaded into PRISM, there are no Mandatory Cost Sharing regular or joint lines. The steps below must be taken to recognize MCS at the new Annual Salary of \$215,000.

1. For any regular line identified as a Cap Acct with an ‘N’ cost share code (lines 2, 3, and 4 in the above example), zero out the Actual%.
2. For each ‘N’ line that was zeroed out, create a new regular ‘M’ line with a Start Date of 01-OCT-20XX and an End Date of 31-DEC-20XX (lines 5, 6, and 7 in the example below). The new regular ‘M’ lines will have a Dist% less than the Actual%, identifying the maximum allowable distribution based on the new Annual Salary limited by the DHHS salary cap.
3. Change the Start Date of the Institutional cost share recipient line (#1) and any other non-Cap Account line related to the Institutional cost share recipient line to 01-OCT-20XX. If the initial SPAR distribution did not include an Institutional cost share account (entity 02, 03, or 04), one must be created to fund the MCS required for the new portion of the Annual Salary over the DHHS salary cap.
4. Create joint ‘M’ lines (#1.01, 1.02, and 1.03) to recognize the MCS and change the Start Date on any existing non-MCS joint line(s) to 01-OCT-20XX as needed.

**Labor Distribution and Cost Sharing Percentages**

**Person Info**  
 Emp Number  Full Name  SPAR No.  Start Period  End Period

**SPAR Info**  
 SPAR No.  SPAR Suffix  Start Period  End Period  Pay Year Type  Dept   
 Reason for SPAR  ☐ Recert Overridden ☐ Certification Complete

**Effort Reporting and Distribution**

New	Line No	Start Date	End Date	Account Number	Actual%	Dist%	Cap Acct	CS Ind
<input type="checkbox"/>	1	01-OCT-2021	31-DEC-2021	02.22291.5100.00000.000000.01000.00000.N	30.00	37.41	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	2	01-SEP-2021	31-DEC-2021	05.13203.5100.00000.131657.00000.00000.N	.00	.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	3	01-SEP-2021	31-DEC-2021	05.13207.5100.00000.128525.00000.00000.N	.00	.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	4	01-SEP-2021	31-DEC-2021	05.13226.5100.00000.131075.00000.00000.N	.00	.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	5	01-OCT-2021	31-DEC-2021	05.13203.5100.00000.131657.00000.00000.M	10.00	8.94	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	6	01-OCT-2021	31-DEC-2021	05.13207.5100.00000.128525.00000.00000.M	20.00	17.88	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	7	01-OCT-2021	31-DEC-2021	05.13226.5100.00000.131075.00000.00000.M	40.00	35.77	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>

**Cost Sharing for Effort Reporting**

New	Line No	Start Date	End Date	Account Number	CS%
<input type="checkbox"/>	1.01	01-OCT-2021	31-DEC-2021	05.13203.5100.00000.131657.00000.00000.M	1.06
<input type="checkbox"/>	1.02	01-OCT-2021	31-DEC-2021	05.13207.5100.00000.128525.00000.00000.M	2.12
<input type="checkbox"/>	1.03	01-OCT-2021	31-DEC-2021	05.13226.5100.00000.131075.00000.00000.M	4.23
<input type="checkbox"/>					

### C. Calculate the Effective Annual Salary for the September Pay and Required MCS

The September lines must reflect a higher percentage of cost sharing due to the inclusion of the retroactive salary adjustment. The "[Retroactive Salary Adjustment Template – Newly Cap Eligible](#)" is available to assist in this calculation and can be found under the 'Cost Sharing Templates' drop down menu on the [FCR Website](#). Complete the fields highlighted in blue on the template.

This template is different from the one used in Scenario #1 above and is to be used for any employee whose new Annual Salary exceeds the DHHS salary cap for the first time. The portion of the retroactive increase that is below the salary cap is excluded from the determination of the MCS requirement. The rate of distribution for September is based on the sum of the DHHS salary cap and the annualized amount of salary below the cap that was earned in July and August but paid in September. In this example, both July and August were below the salary cap by \$608.33, therefore \$1,216.66 of the September distribution is not cap eligible. Annualizing \$1,216.66 results in \$14,600 that is excluded from any cost sharing. The effective base that can

The template includes MCS rates for both the FY 2020 Annual Salary and the September pay (which includes the retroactive increase). The two columns farthest right at the bottom of the template will provide the Actual% to be recorded on the September 'M' lines and the Actual% and related 'R' cost sharing % that must be recognized on the 'R' lines for the September retroactive increase.

SCENARIO 2 - Newly Cap Eligible after Retroactive Increase			Effective Salary Cap		192,300.00											
UNIVERSITY OF PITTSBURGH			Annualized Retro Not Subject to CS		14,600.00											
Retroactive Salary Adjustment Template - Newly Cap Eligible For Faculty Newly Over the DHHS Salary Cap			Effective MCS Base		206,900.00											
			Faculty Member: SPAR01, Faculty J													
			Percentage FTE: 1.00													
Computed Contract Salary			275,000.00		Retro Month		Regular Salary									
Length of Contract			12		Effective Allowable Salary Rate		75.24%		89.44%							
			Month of Pay IBS Calculation													
Annualized Salary			275,000.00		New Annual Salary		215,000.00									
Percentage FTE			1.00		Former Annual Salary		185,000.00									
Annualized Salary @ 1 FTE			275,000.00		Monthly Cap rate		16,025.00									
Administrative Supplements			-		Former Monthly Salary		15,416.67									
Annualized IBS			275,000.00		Increase Not Subject to Cost Sharing		608.33									
					2											
					Retro Adj in Pay Not Subject to MCS		1,216.67									
					New Monthly Salary		17,916.67									
# of Months of Retro Adj			2		Plus Retro Increase Included in Pay		5,000.00									
					Total Salary Paid Including Retro		22,916.67									
							X 12									
					Salary Plus Retro Annualized for MCS		275,000.00									
					MCS - Month of Retro Pay		MCS - All Subsequent Months									
					Maximum Allowable Effort Distribution to Award		Required Cost Sharing %									
					Allowable Effort Distribution to Award		Required Cost Sharing %									
					Month of Retro Pay 'M' Line Actual Effort		Month of Retro Pay 'R' Line Actual Effort/Cost Sharing %									
Proposal/Award #			Proposed/Actual Effort %													
131657			10.00%		7.52%		2.48%		8.94%		1.06%		8.41%		1.59%	
128525			20.00%		15.04%		4.96%		17.88%		2.12%		16.82%		3.18%	
131075			40.00%		30.09%		9.91%		35.77%		4.23%		33.64%		6.36%	

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Retroactive Salary Adjustment Template - Newly Cap Eligible					
For Faculty Newly Over the DHHS Salary Cap					
SPAR Presentation					
<b>Effort Reporting and Distribution</b>					
Begin Date	End Date	Proposal/Award #	Cost Share Code	Actual Effort	Dist %
01-SEP-XXXX	30-SEP-XXXX	131657	M	8.41%	7.52%
01-SEP-XXXX	30-SEP-XXXX	131657	R	1.59%	0.00%
01-SEP-XXXX	30-SEP-XXXX	128525	M	16.82%	15.04%
01-SEP-XXXX	30-SEP-XXXX	128525	R	3.18%	0.00%
01-SEP-XXXX	30-SEP-XXXX	131075	M	33.64%	30.09%
01-SEP-XXXX	30-SEP-XXXX	131075	R	6.36%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	M	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	R	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	M	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	R	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	M	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	R	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	M	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	R	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	M	0.00%	0.00%
01-SEP-XXXX	30-SEP-XXXX	0	R	0.00%	0.00%
<b>Cost Sharing for Effort Reporting</b>					
Begin Date	End Date	Proposal/Award #	Cost Share Code	CS%	
01-SEP-XXXX	30-SEP-XXXX	131657	M	0.89%	
01-SEP-XXXX	30-SEP-XXXX	131657	R	1.59%	
01-SEP-XXXX	30-SEP-XXXX	128525	M	1.78%	
01-SEP-XXXX	30-SEP-XXXX	128525	R	3.18%	
01-SEP-XXXX	30-SEP-XXXX	131075	M	3.55%	
01-SEP-XXXX	30-SEP-XXXX	131075	R	6.36%	



#### **D. Create September Lines**

Because the employee was not over the cap prior to the increase, only a portion of the retroactive salary distributed in September is over the cap. Only this portion of the retroactive salary needs to be cost shared with the 'R' cost share code. An 'M' and an 'R' line are needed for each Cap Acct in September.

1. Create the September-only cost share recipient line (# 8).
2. Create new September-only regular 'M' and 'R' SPAR lines to reflect effort for this period as indicated on the SPAR Detail tab of the Template. September 'M' line Actual% values (SPAR lines 9, 11, and 13 in this example) are identified in yellow on the SPAR Detail tab. September 'R' line Actual% values (SPAR lines 10, 12, and 14 in this example) are identified in green. The resulting 'M' line Dist % values should agree with the orange SPAR Detail values (plus or minus .01%).
3. Create the associated joint lines required for all new regular Cap Acct lines. MCS will be calculated for the joint 'M' lines based on the \$215,000 salary. Joint 'R' lines will have CS% values in green equal to Actual%. The Dist% for each of the 'R' regular lines will be 0%.
4. Save the SPAR.

**Labor Distribution and Cost Sharing Percentages**

**Person Info**  
 Emp Number  Full Name  SPAR No.  Start Period  End Period

**SPAR Info**  
 SPAR No.  SPAR Suffix  Start Period  End Period  Pay Year Type  Dept   
 Reason for SPAR  ☐ Recert Overridden ☐ Certification Complete

**Effort Reporting and Distribution**

New	Line No	Start Date	End Date	Account Number	Actual%	Dist%	Cap Acct	CS Ind
	1	01-OCT-2021	31-DEC-2021	02.22278.5100.00000.000000.01000.00000.N	30.00	37.41	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	2	01-SEP-2021	31-DEC-2021	05.13203.5100.00000.131657.00000.00000.N	.00	.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	3	01-SEP-2021	31-DEC-2021	05.13207.5100.00000.128525.00000.00000.N	.00	.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	4	01-SEP-2021	31-DEC-2021	05.13226.5100.00000.131075.00000.00000.N	.00	.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	5	01-OCT-2021	31-DEC-2021	05.13203.5100.00000.131657.00000.00000.M	10.00	8.94	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	6	01-OCT-2021	31-DEC-2021	05.13207.5100.00000.128525.00000.00000.M	20.00	17.88	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	7	01-OCT-2021	31-DEC-2021	05.13226.5100.00000.131075.00000.00000.M	40.00	35.77	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	8	01-SEP-2021	30-SEP-2021	02.22278.5100.00000.000000.01000.00000.N	30.00	47.36	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	9	01-SEP-2021	30-SEP-2021	05.13203.5100.00000.131657.00000.00000.M	8.41	7.52	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	10	01-SEP-2021	30-SEP-2021	05.13203.5100.00000.131657.00000.00000.R	1.59	.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	11	01-SEP-2021	30-SEP-2021	05.13207.5100.00000.128525.00000.00000.M	16.82	15.04	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	12	01-SEP-2021	30-SEP-2021	05.13207.5100.00000.128525.00000.00000.R	3.18	.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	13	01-SEP-2021	30-SEP-2021	05.13226.5100.00000.131075.00000.00000.M	33.64	30.08	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	14	01-SEP-2021	30-SEP-2021	05.13226.5100.00000.131075.00000.00000.R	6.36	.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Cost Sharing for Effort Reporting**

New	Line No	Start Date	End Date	Account Number	CS%
	1.01	01-OCT-2021	31-DEC-2021	05.13203.5100.00000.131657.00000.00000.M	1.06
	1.02	01-OCT-2021	31-DEC-2021	05.13207.5100.00000.128525.00000.00000.M	2.12
	1.03	01-OCT-2021	31-DEC-2021	05.13226.5100.00000.131075.00000.00000.M	4.23
	8.01	01-SEP-2021	30-SEP-2021	05.13203.5100.00000.131657.00000.00000.M	.89
	8.02	01-SEP-2021	30-SEP-2021	05.13203.5100.00000.131657.00000.00000.R	1.59
	8.03	01-SEP-2021	30-SEP-2021	05.13207.5100.00000.128525.00000.00000.M	1.78
	8.04	01-SEP-2021	30-SEP-2021	05.13207.5100.00000.128525.00000.00000.R	3.18
	8.05	01-SEP-2021	30-SEP-2021	05.13226.5100.00000.131075.00000.00000.M	3.56
	8.06	01-SEP-2021	30-SEP-2021	05.13226.5100.00000.131075.00000.00000.R	6.36

The Dist% for the September 'M' lines (lines 9, 11, and 13) agree to the percentages calculated in the template's September "Maximum Allowable Effort Distribution to Award" column, in compliance with the salary cap. Variations of .01% between the template and the SPAR are due to rounding and are acceptable.

The Actual% for each Cap Account, when adding the 'M' and 'R' line values, agree to the actual effort performed. For example, the Actual% for project 131075 on Lines 13 and 14 combined, agree to the Proposed/Actual Effort % of 40% on the template.

**Scenario 3:** For employees who have an Annual Salary below the DHHS salary cap both before and after the current increase; however, retroactive pay distributed in September causes the September only pay to be over the allowable monthly cap (\$16,025 for cap of \$192,300), no action is required.

No September cost sharing is needed in this scenario because the distribution of the retroactive salary increase represents payment of deferred salary. Payment of salary deferrals is not considered in the determination of Institutional Base Salary for purposes of computing mandatory cost sharing related to the DHHS salary cap. And, because the employee's new Annual Salary does not exceed the salary cap, there is no need to compute cost sharing for the months of July and August when the retroactive increase was earned.