Georgia Institute of Technology
NIH Limit on Graduate Student Compensation

The National Institutes of Health (NIH) published guidance regarding the salary limitation for Graduate Student compensation charged to NIH awards, including flow-through awards from other institutions, in Notice NOT-OD-17-003, dated December 15, 2016. This salary limitation applies to the sum total of graduate student salaries or wages, fringe benefits and tuition remission. The NIH policy states the following:

"…the maximum amount awarded by the NIH for the support of a graduate student supported on a research grant or a cooperative agreement is tied to the zero level National Research Service Award (NRSA) stipend in effect at the time the grant award is issued. The schedule for NRSA stipends can be found at https://grants.nih.gov/grants/guide/notice-files/NOT-OD-17-003.html For all new and competing grant and cooperative agreement awards, the NIH will provide reasonable amounts for graduate compensation, consistent with the requested budget for the position(s) and up to the currently effective NRSA zero postdoctoral stipend level…In general, graduate student compensation will not be considered reasonable if in excess of the amount paid to a first-year postdoctoral scientist at the same institution performing comparable work.

…Institutions may continue to re-budget funds to charge more than the awarded amount provided that OMB cost principles requiring reasonable compensation are observed. In general, graduate student compensation will not be considered reasonable if in excess of the amount paid to a first-year postdoctoral scientist at the same institution performing comparable work…grantees may re-budget to accommodate the higher compensation level."

Guidance:

Based on the NIH Notice, Georgia Tech may pay a higher compensation level if the individual schools or colleges establish a published salary for a first-year postdoctoral scientist each year. An NIH-funded award should not be charged for graduate student compensation at a level exceeding what a first-year post-doc in the same unit would cost. **NIH will award a maximum up to the NRSA "zero" level stipend at the time the award is issued.** However, NIH will allow re-budgeting of project funds so that a higher level may be charged for graduate student support up to the unit's (area's) established minimum for a first year postdoctoral scientist.

If a graduate student's compensation exceeds the established first-year level in the unit (area), the excess cannot be charged to the NIH award. The unit should request a companion cost-sharing project and transfer the appropriate amount of the graduate student's salary to bring the combined salary, fringe benefits and tuition remission in line with the established first-year level in the unit. When the unit's compensation for first-year level postdoctoral scientists is not published and uniformly applied, then the NIH cap will be used.

Example: Department of Biomedical Engineering (BME)

NRSA Maximum	**Postdoc "0" level**	**$47,484**		
Dept BME	**GRA Salary**	**$29,500**		
	GT Fringe Benefits	1,918	6.5%	**Graduate Student Health - Standard rate**
	Tuition Remission	18,312	1,526	**Standard GSTRP rate used if "GRA" is charged to an NIH-funded project**
	GRA Comparison	**$49,730**	**$(2,246)**	**Difference**
	Minimum 1st Year Postdoc Salary	**$47,844**		
	GT Fringe Benefits	14,258	29.8%	**Full Benefits**
	Total Compensation	**$62,102**	**$12,372**	**BME GRA Compensation is less than minimum compensation for a 1st year Postdoc**

NOTE: Rebudgeting to cover graduate student salary, fringe benefits, and tuition remission is allowed;
assuming other budget categories can absorb the additional cost per student.

Additional Questions: Contact Grants and Contracts Accounting or the Salary Planning and Distribution (SPD) Center at gc.ask@business.gatech.edu or spd.ask@business.gatech.edu