YSM Procedures & Guidelines

Yale School of Medicine Salary over the Retirement Pension Cap

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General:

☐ The 1993 Omnibus Budget Reconciliation Act included a provision that reduced the amount of compensation that could be included for the purpose of calculating University and employee contributions to the Yale University Retirement Annuity Plan.

☐ As a result, neither the individual nor the University is allowed to contribute funds to the individual’s basic retirement account on any salary payments above the salary cap.

☐ For the School of Medicine, these changes are effective the following July 1. (The regulatory cap changes are effective January 1.) As of July 1, 2013, the cap is $255,000.

☐ Applies to Faculty IRB salaries only.

☐ Departments have the option of incurring a nominal fringe expense on Faculty salaries that are over the cap for the fiscal year.

☐ If this is the first time to implement this option, the Department must notify Anna Maria Hummerstone of their intent to do so.

Restrictions:

☐ In any given fiscal year, salary up to the retirement pension cap must be assessed at the full fringe rate.

☐ For those Faculty on Sabbatical and Triennial Leaves, sabbatical reimbursements are up to the pension cap compensation amount. Salary over the maximum must be covered by other department funds.

Charging Instructions:

☐ Salary above the maximum is charged to Med Fac Salaries Over Pension Cap.

☐ This expenditure type is assessed 2% fringe.

☐ Expenditure type 712220 should not be charged to Federally sponsored agreements. Contact your GCA Reviewer regarding compliance to other sponsored agreements.

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