

Part I

Section 401. -- Qualified Pension, Profit-Sharing, and Stock Bonus Plans

26 CFR 1.401(l)-1: Permitted disparity in employer-provided contributions or benefits

Rev. Rul. 2014-3

This revenue ruling provides tables of covered compensation under § 401(l)(5)(E) of the Internal Revenue Code (the “Code”) and the Income Tax Regulations thereunder, for the 2014 plan year.

Section 401(l)(5)(E)(i) defines covered compensation with respect to an employee as the average of the contribution and benefit bases in effect under section 230 of the Social Security Act (the “Act”) for each year in the 35-year period ending with the year in which the employee attains social security retirement age.

Section 401(l)(5)(E)(ii) states that the determination for any year preceding the year in which the employee attains social security retirement age shall be made by assuming that there is no increase in the contribution and benefit base after the determination year and before the employee attains social security retirement age.

Section 1.401(l)-1(c)(34) of the Income Tax Regulations (the “Regulations”) defines the taxable wage base as the contribution and benefit base under section 230 of the Act.

Section 1.401(l)-1(c)(7)(i) of the Regulations defines covered compensation for an employee as the average (without indexing) of the taxable wage bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which the employee attains (or will attain) social security retirement age. A 35-year period is used for all individuals regardless of the year of birth of the individual. In determining an employee's covered compensation for a plan year, the taxable wage base for all calendar years beginning after the first day of the plan year is assumed to be the same as the taxable wage base in effect as of the beginning of the plan year. An employee's covered compensation for a plan year beginning after the 35-year period applicable under § 1.401(l)-1(c)(7)(i) is the employee's covered compensation for a plan year during which the 35-year period ends. An employee's covered compensation for a plan year beginning before the 35-year period applicable under § 1.401(l)-1(c)(7)(i) is the taxable wage base in effect as of the beginning of the plan year.

Section 1.401(l)-1(c)(7)(ii) provides that, for purposes of determining the amount of an employee's covered compensation under § 1.401(l)-1(c)(7)(i), a plan may use tables, provided by the Commissioner, that are developed by rounding the actual amounts of covered compensation for different years of birth.

For purposes of determining covered compensation for the 2014 year, the taxable wage base is \$117,000.

The following tables provide covered compensation for 2014.

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2014 COVERED COMPENSATION TABLE

CALENDAR YEAR OF BIRTH	CALENDAR YEAR OF SOCIAL SECURITY RETIREMENT AGE	2014 COVERED COMPENSATION TABLE II
1907	1972	\$ 4,488
1908	1973	4,704
1909	1974	5,004
1910	1975	5,316
1911	1976	5,664
1912	1977	6,060
1913	1978	6,480
1914	1979	7,044
1915	1980	7,692
1916	1981	8,460
1917	1982	9,300
1918	1983	10,236
1919	1984	11,232
1920	1985	12,276
1921	1986	13,368
1922	1987	14,520
1923	1988	15,708
1924	1989	16,968
1925	1990	18,312
1926	1991	19,728
1927	1992	21,192
1928	1993	22,716
1929	1994	24,312
1930	1995	25,920
1931	1996	27,576

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2014 COVERED COMPENSATION TABLE

CALENDAR YEAR OF BIRTH	CALENDAR YEAR OF SOCIAL SECURITY RETIREMENT AGE	2014 COVERED COMPENSATION TABLE II
1932	1997	29,304
1933	1998	31,128
1934	1999	33,060
1935	2000	35,100
1936	2001	37,212
1937	2002	39,444
1938	2004	43,992
1939	2005	46,344
1940	2006	48,816
1941	2007	51,348
1942	2008	53,952
1943	2009	56,628
1944	2010	59,268
1945	2011	61,884
1946	2012	64,560
1947	2013	67,308
1948	2014	69,996
1949	2015	72,600
1950	2016	75,084
1951	2017	77,508
1952	2018	79,824
1953	2019	82,092
1954	2020	84,300
1955	2022	88,536
1956	2023	90,600
1957	2024	92,568
1958	2025	94,440
1959	2026	96,264
1960	2027	98,016
1961	2028	99,720
1962	2029	101,328
1963	2030	102,924
1964	2031	104,472
1965	2032	105,948
1966	2033	107,340
1967	2034	108,600

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2014 COVERED COMPENSATION TABLE

CALENDAR YEAR OF BIRTH	CALENDAR YEAR OF SOCIAL SECURITY RETIREMENT AGE	2014 COVERED COMPENSATION TABLE II
1968	2035	109,764
1969	2036	110,820
1970	2037	111,732
1971	2038	112,584
1972	2039	113,424
1973	2040	114,192
1974	2041	114,840
1975	2042	115,404
1976	2043	115,824
1977	2044	116,124
1978	2045	116,412
1979	2046	116,700
1980	2047	116,904
1981 and Later	2048 and Later	117,000

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2014 ROUNDED COVERED COMPENSATION TABLE

CALENDAR YEAR OF BIRTH	2014 COVERED COMPENSATION ROUNDED
1937	\$ 39,000
1938 - 1939	45,000
1940	48,000
1941	51,000
1942	54,000
1943	57,000
1944	60,000
1945	63,000
1946 - 1947	66,000
1948	69,000
1949	72,000
1950	75,000

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2014 ROUNDED COVERED COMPENSATION TABLE

CALENDAR YEAR OF BIRTH	2014 COVERED COMPENSATION ROUNDED
1951	78,000
1952 - 1953	81,000
1954	84,000
1955 - 1956	90,000
1957 - 1958	93,000
1959	96,000
1960 – 1961	99,000
1962 – 1963	102,000
1964 – 1965	105,000
1966 – 1967	108,000
1968 – 1970	111,000
1971 – 1975	114,000
1976 and Later	117,000

DRAFTING INFORMATION

The principal author of this revenue ruling is Michael Spaid of the Employee Plans, Tax Exempt and Government Entities Division. For further information regarding this revenue ruling, please contact the Employee Plans taxpayer assistance telephone service at 1-877-829-5500, between the hours of 8:30 a.m. and 4:30 p.m. Eastern time, Monday through Friday (a toll-free number). Mr. Spaid may be reached via e-mail at RetirementPlanQuestions@irs.gov.