

## 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. 2022-24

This revenue ruling provides tables of covered compensation under § 401(l)(5)(E) of the Internal Revenue Code and the Income Tax Regulations thereunder, for the 2023 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 (“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 covered compensation 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 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) 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 2023 year, the taxable wage base is \$160,200.

The following tables provide covered compensation for 2023.

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#### 2023 COVERED COMPENSATION TABLE

| CALENDAR<br>YEAR OF<br>BIRTH | CALENDAR YEAR OF<br>SOCIAL SECURITY<br>RETIREMENT AGE | 2023 COVERED<br>COMPENSATION<br>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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| CALENDAR<br>YEAR OF<br>BIRTH | CALENDAR YEAR OF<br>SOCIAL SECURITY<br>RETIREMENT AGE | 2023 COVERED<br>COMPENSATION<br>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  | 72,636                                   |
| 1950                         | 2016  | 75,180                                   |
| 1951                         | 2017  | 77,880                                   |
| 1952                         | 2018  | 80,532                                   |
| 1953                         | 2019  | 83,244                                   |
| 1954                         | 2020  | 86,052                                   |
| 1955                         | 2022  | 91,884                                   |
| 1956                         | 2023  | 95,172                                   |
| 1957                         | 2024  | 98,376                                   |
| 1958                         | 2025  | 101,484                                  |
| 1959                         | 2026  | 104,544                                  |
| 1960                         | 2027  | 107,532                                  |
| 1961                         | 2028  | 110,460                                  |
| 1962                         | 2029  | 113,304                                  |
| 1963                         | 2030  | 116,136                                  |
| 1964                         | 2031  | 118,920                                  |
| 1965                         | 2032  | 121,632                                  |
| 1966                         | 2033  | 124,260                                  |

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2023 COVERED COMPENSATION TABLE

| CALENDAR YEAR OF BIRTH | CALENDAR YEAR OF SOCIAL SECURITY RETIREMENT AGE | 2023 COVERED COMPENSATION TABLE II |
|------------------------|---|------------------------------------|
| 1967                   | 2034  | 126,756                            |
| 1968                   | 2035  | 129,156                            |
| 1969                   | 2036  | 131,436                            |
| 1970                   | 2037  | 133,584                            |
| 1971                   | 2038  | 135,684                            |
| 1972                   | 2039  | 137,748                            |
| 1973                   | 2040  | 139,752                            |
| 1974                   | 2041  | 141,636                            |
| 1975                   | 2042  | 143,424                            |
| 1976                   | 2043  | 145,092                            |
| 1977                   | 2044  | 146,616                            |
| 1978                   | 2045  | 148,140                            |
| 1979                   | 2046  | 149,664                            |
| 1980                   | 2047  | 151,104                            |
| 1981                   | 2048  | 152,424                            |
| 1982                   | 2049  | 153,660                            |
| 1983                   | 2050  | 154,860                            |
| 1984                   | 2051  | 156,048                            |
| 1985                   | 2052  | 156,984                            |
| 1986                   | 2053  | 157,896                            |
| 1987                   | 2054  | 158,676                            |
| 1988                   | 2055  | 159,324                            |
| 1989                   | 2056  | 159,816                            |
| 1990 and Later         | 2057 and Later                                  | 160,200                            |

## ATTACHMENT II

### 2023 ROUNDED COVERED COMPENSATION TABLE

| CALENDAR<br>YEAR OF<br>BIRTH | 2023 COVERED<br>COMPENSATION<br>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                                  |
| 1951                         | 78,000                                  |
| 1952                         | 81,000                                  |
| 1953                         | 84,000                                  |
| 1954                         | 87,000                                  |
| 1955                         | 93,000                                  |
| 1956                         | 96,000                                  |
| 1957                         | 99,000                                  |
| 1958                         | 102,000                                 |
| 1959                         | 105,000                                 |
| 1960                         | 108,000                                 |
| 1961                         | 111,000                                 |
| 1962                         | 114,000                                 |
| 1963                         | 117,000                                 |
| 1964                         | 120,000                                 |
| 1965 – 1966                  | 123,000                                 |
| 1967                         | 126,000                                 |
| 1968                         | 129,000                                 |
| 1969                         | 132,000                                 |
| 1970 – 1971                  | 135,000                                 |
| 1972                         | 138,000                                 |
| 1973 – 1974                  | 141,000                                 |
| 1975 – 1976                  | 144,000                                 |
| 1977 – 1978                  | 147,000                                 |

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### 2023 ROUNDED COVERED COMPENSATION TABLE

| CALENDAR<br>YEAR OF<br>BIRTH | 2023 COVERED<br>COMPENSATION<br>ROUNDED |
|------------------------------|---|
| 1979 – 1980                  | 150,000                                 |
| 1981 – 1982                  | 153,000                                 |
| 1983 – 1985                  | 156,000                                 |
| 1986 – 1988                  | 159,000                                 |
| 1989 and Later               | 160,200                                 |

#### DRAFTING INFORMATION

The principal author of this notice is Tom Morgan of the Office of the Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). However, other personnel from the IRS participated in the development of this guidance. For further information regarding this notice, contact Mr. Morgan at 202-317-6700 or Greg Davis at 443-853-5590 (not toll-free numbers).