

## 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. 2025-2

This revenue ruling provides tables of covered compensation under § 401(l)(5)(E) of the Internal Revenue Code (“Code”) and the Treasury Regulations thereunder, for the 2025 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) of the Code 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.

Treas. Reg. § 1.401(l)-1(c)(34) 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 2025 plan year, the taxable wage base is \$176,100.

The following tables provide covered compensation for 2025.

#### ATTACHMENT I

#### 2025 UNROUNDED COVERED COMPENSATION TABLE

CALENDAR YEAR OF BIRTH	CALENDAR YEAR OF SOCIAL SECURITY RETIREMENT AGE	2025 COVERED COMPENSATION UNROUNDED
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
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	98,616
1958	2025	102,180
1959	2026	105,684
1960	2027	109,140
1961	2028	112,524
1962	2029	115,824
1963	2030	119,100
1964	2031	122,340
1965	2032	125,508
1966	2033	128,580
1967	2034	131,544
1968	2035	134,400
1969	2036	137,124
1970	2037	139,740
1971	2038	142,284
1972	2039	144,804
1973	2040	147,264

1974	2041	149,604
1975	2042	151,848
1976	2043	153,960
1977	2044	155,940
1978	2045	157,920
1979	2046	159,900
1980	2047	161,784
1981	2048	163,572
1982	2049	165,264
1983	2050	166,908
1984	2051	168,552
1985	2052	169,944
1986	2053	171,312
1987	2054	172,548
1988	2055	173,640
1989	2056	174,600
1990	2057	175,428
1991	2058	175,884
1992 and Later	2059 and Later	176,100

ATTACHMENT II

2025 ROUNDED COVERED COMPENSATION TABLE

CALENDAR YEAR OF BIRTH	2025 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
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	114,000
1962	117,000
1963	120,000
1964	123,000
1965	126,000
1966	129,000
1967	132,000
1968	135,000
1969	138,000
1970 – 1971	141,000
1972	144,000
1973	147,000
1974	150,000

1975 – 1976	153,000
1977	156,000
1978 – 1979	159,000
1980	162,000
1981 – 1982	165,000
1983 – 1984	168,000
1985 – 1986	171,000
1987 – 1989	174,000
1990 and Later	176,100

#### DRAFTING INFORMATION

The principal author of this revenue ruling is Tom Morgan of the Office of 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 revenue ruling, contact Mr. Morgan at 202-317-6700 (not a toll-free number).