
Covered compensation tables; 1999.

The covered compensation tables for the 1999 calendar year for determining contributions to defined benefit plans and permitted disparity are set forth.

Rev. Rul. 98-53

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 1999 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 § 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) 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.

Section 1.401(l)-1(c)(34) of the regulations defines the taxable wage base as the contribution and benefit base under § 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 this § 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 1999 year the taxable wage base is \$72,600.

The following tables provide covered compensation for 1999:

1999 Covered Compensation Table

Calendar Year of Birth	Calendar Year of Social Security Retirement Age	1999 Covered Compensation
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

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

26 CFR 1.401(l)-1: Permitted disparity with respect to employer-provided contributions or benefits.

1999 Covered Compensation Table (Continued)

Calendar Year of Birth	Calendar Year of Social Security Retirement Age	1999 Covered Compensation
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	34,992
1936	2001	36,888
1937	2002	38,772
1938	2004	42,468
1939	2005	44,328
1940	2006	46,176
1941	2007	47,988
1942	2008	49,752
1943	2009	51,456
1944	2010	53,124
1945	2011	54,768
1946	2012	56,364
1947	2013	57,936
1948	2014	59,352
1949	2015	60,684
1950	2016	61,920
1951	2017	63,060
1952	2018	64,116
1953	2019	65,112
1954	2020	66,060
1955	2022	67,752
1956	2023	68,544
1957	2024	69,240
1958	2025	69,852
1959	2026	70,404
1960	2027	70,884
1961	2028	71,316
1962	2029	71,664
1963	2030	71,988
1964	2031	72,264
1965	2032	72,480
1966 or later	2033	72,600

1999 Rounded Covered Compensation Table

Year of Birth	Covered Compensation
1934	33,000
1935 – 1936	36,000
1937	39,000
1938	42,000
1939 – 1940	45,000
1941	48,000
1942 – 1943	51,000
1944 – 1945	54,000
1946 – 1947	57,000
1948 – 1949	60,000
1950 – 1952	63,000
1953 – 1954	66,000
1955 – 1959	69,000
1960 – 1964	72,000
1965 or later	72,600

Drafting Information

The principal author of this revenue ruling is Todd Newman of the Employee Plans Division. For further information regarding this revenue ruling, call (202) 622-6076 between 2:30 and 3:30 Eastern time (not a toll free number) Monday thru Thursday. Mr. Newman's number is (202) 622-8458 (also not a toll free number).

Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, September 30, 1998.