

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

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

**2005 covered compensation tables; permitted disparity.** The covered compensation tables under section 401 of the Code for the year 2005 are provided for use in determining contributions to defined benefit plans and permitted disparity.

### Rev. Rul. 2004–104

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 2005 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) 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 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 2005 year, the taxable wage base is \$90,000.

The following tables provide covered compensation for 2005:

2005 COVERED COMPENSATION TABLE

CALENDAR YEAR OF BIRTH	CALENDAR YEAR OF SOCIAL SECURITY RETIREMENT AGE	2005 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
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

## 2005 COVERED COMPENSATION TABLE

CALENDAR YEAR OF BIRTH	CALENDAR YEAR OF SOCIAL SECURITY RETIREMENT AGE	2005 COVERED COMPENSATION
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	48,696
1941	2007	51,012
1942	2008	53,268
1943	2009	55,464
1944	2010	57,636
1945	2011	59,772
1946	2012	61,872
1947	2013	63,936
1948	2014	65,856
1949	2015	67,680
1950	2016	69,408
1951	2017	71,052
1952	2018	72,600
1953	2019	74,100
1954	2020	75,540
1955	2022	78,228
1956	2023	79,512
1957	2024	80,712
1958	2025	81,816
1959	2026	82,860
1960	2027	83,844
1961	2028	84,780
1962	2029	85,620
1963	2030	86,436
1964	2031	87,216
1965	2032	87,924
1966	2033	88,536
1967	2034	89,040
1968	2035	89,424
1969	2036	89,700
1970	2037	89,844
1971	2038	89,940
1972 and later	2039	90,000

2005 Rounded Covered  
Compensation Table

Year of Birth	Covered Compensation
1937	39,000
1938 – 1939	45,000
1940	48,000
1941	51,000
1942 – 1943	54,000
1944	57,000
1945	60,000
1946–1947	63,000
1948	66,000
1949–1950	69,000
1951–1952	72,000
1953–1954	75,000
1955	78,000
1956–1958	81,000
1959–1961	84,000
1962 – 1965	87,000
1966 and later	90,000

Drafting Information

The principal author of this revenue ruling is Lawrence Isaacs of the Employee Plans, Tax Exempt and Government Enti-

ties 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 8:00 a.m. and 6:30 p.m.

Eastern time, Monday through Friday (a toll-free number). Mr. Isaacs's number is (202) 283-9710 (not a toll-free number).