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IRS ISSUES 2019 COVERED COMPENSATION TABLES

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IRS [Rev. Rul. 2019-06](#) provides 2019 covered compensation tables, including unrounded and rounded values, confirming Mercer's earlier estimates. Some qualified retirement plans use covered compensation in their benefit formulas, consistent with the design-based, safe-harbor "permitted disparity" rules under Internal Revenue Code Section 401(l). Other qualified retirement plans use covered compensation to determine "imputed disparity" under the general nondiscrimination testing rules of Section 401(a)(4).

2019 covered compensation is determined using the [2019 Social Security taxable wage base](#) of \$132,900 — a 3.26% increase from the \$128,200 wage base used to determine 2018 covered compensation.

RELATED RESOURCES

- [Rev. Rul. 2019-06](#) (IRS, March 13, 2019)
- [Maximum Taxable Earnings](#) (Social Security Administration, Oct. 11, 2018)

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