

**Social Security Administration**

**§ 404.1049**

you or to the order, count as wages paid to you by the third party. These wages are in addition to any wages counted under paragraph (a) of this section.

[55 FR 7309, Mar. 1, 1990; 55 FR 17530, Apr. 25, 1990]

**§ 404.1047 Annual wage limitation.**

Payments made by an employer to you as an employee in a calendar year that are more than the annual wage limitation are not wages. The annual wage limitation is:

Calendar year	Wage limitation
1951-54 .....	\$3,600
1955-58 .....	4,200
1959-65 .....	4,800
1966-67 .....	6,600
1968-71 .....	7,800
1972 .....	9,000
1973 .....	10,800
1974 .....	13,200
1975 .....	14,100
1976 .....	15,300
1977 .....	16,500
1978 .....	17,700
1979 .....	22,900
1980 .....	25,900
1981 .....	29,700
1982 .....	32,400
1983 .....	35,700
1984 .....	37,800
1985 .....	39,600
1986 .....	42,000
1987 .....	43,800
1988 .....	45,000
1989 .....	48,000
1990 .....	51,300
1991 .....	53,400
1992 .....	55,500

[52 FR 8249, Mar. 17, 1987, as amended at 57 FR 44098, Sept 24, 1992]

**§ 404.1048 Contribution and benefit base after 1992.**

(a) *General.* The contribution and benefit base after 1992 is figured under the formula described in paragraph (b) of this section in any calendar year in which there is an automatic cost-of-living increase in old-age, survivors, and disability insurance benefits. For purposes of this section, the calendar year in which the contribution and benefit base is figured is called the determination year. The base figured in the determination year applies to wages paid after (and taxable years beginning after) the determination year.

(b) *Formula for figuring the contribution and benefit base.* For wages paid

after (and taxable years beginning after) the determination year, the contribution and benefit base is the larger of—

(1) The contribution and benefit base in effect for the determination year; or

(2) The amount determined by—

(i) Multiplying the contribution and benefit base in effect for the determination year by the ratio of—

(A) The average of the total wages (as described in paragraph (c) of this section) reported to the Secretary of the Treasury for the calendar year before the determination year to

(B) The average of the total wages reported to the Secretary of the Treasury for the calendar year before the most recent calendar year in which an increase in the contribution and benefit base was enacted or a determination under this section resulting in an increase of the base was made; and

(ii) Rounding the result of the multiplication, if not a multiple of \$300, to—

(A) The nearest multiple of \$300; or

(B) The next higher multiple of \$300 if the result is a multiple of \$150.

(c) *Average of the total wages.* The average of the total wages means the amount equal to all remuneration reported as wages on Form W-2 to the Internal Revenue Service for all employees for income tax purposes plus contributions to certain deferred compensation plans described in section 209(k) of the Social Security Act (also reported on Form W-2), divided by the number of wage earners. If both distributions from and contributions to any such deferred compensation plan are reported on Form W-2, we will include only the contributions in the calculation of the average of the total wages. The reported remuneration and deferred compensation contributions include earnings from work not covered under social security and earnings from work covered under social security that are more than the annual wage limitation described in § 404.1047.

[45 FR 20075, Mar. 27, 1980, as amended at 55 FR 7309, Mar. 1, 1990; 57 FR 1382, Jan. 14, 1992]

**§ 404.1049 Payments under an employer plan or system.**

(a) Payments to, or on behalf of, you or any of your dependents under your