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Internal Revenue Code Section 414(s)

Definitions and special rules

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(s) Compensation.

For purposes of any applicable provision-

(1) In general.

Except as provided in this subsection, the term "compensation" has the meaning given such term by section 415(c)(3).

(2) Employer may elect not to treat certain deferrals as compensation.

An employer may elect not to include as compensation any amount which is contributed by the employer pursuant to a salary reduction agreement and which is not includible in the gross income of an employee under section 125, 132(f)(4), 402(e)(3), 402(h), or 403(b).

(3) Alternative determination of compensation.

The Secretary shall by regulation provide for alternative methods of determining compensation which may be used by an employer, except that such regulations shall provide that an employer may not use an alternative method if the use of such method discriminates in favor of highly compensated employees (within the meaning of subsection (q)).

(4) Applicable provision.

For purposes of this subsection, the term "applicable provision" means any provision which specifically refers to this subsection.

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