

2008 401(k) Benchmarking Survey

Technology, Media & Telecommunications Sector

Ninety three (93) surveys were completed from companies within the TMT sector (technology, media & telecommunications), representing 21.3% of the total respondents. The TMT sector consists of five sectors, of which technology durable manufacturing accounts for the largest proportion (50.5%) followed by technology wholesale and retail (18.3%), media & technology business services (14.0%), communications (10.8%), and media related nondurable manufacturing (6.5%).

Demographics

The TMT sector was more likely to be from the Northeast (30.1%) and West (25.8%) regions while less likely from the South (18.3%) and Midwest (25.8%) regions versus the nation 24.5%, 17.0%, 23.6%, and 34.9% respectively.

TMT sector respondents were more likely to have publicly held ownership structures (65.2%) as compared to the nation (46.4%).

The numbers of employees in the TMT sector respondents was more likely to be mid sized (39.1%; 1001-5000) as compared to the nation (32.8%).

The average employee tenure (years of service) in the TMT sector was more likely to be 1-5 (32.9%) as compared to the nation (27.2%).

Participation rates in the TMT sector were more likely to be 80.01 to 90% plus (34.8%) vs. the nation (25.5%).

Eligibility

Service requirements in the TMT sector are more likely (59.5%) to be immediate than the nation (50.8%).

The minimum age requirement in the TMT sector (45.2% none, 21.4% <21 years, 33.3% 21 years) mirrors the national sample (45.9% none, 18.6% <21 years, 35.4% 21 years).

The TMT sector was more likely (92.9%) not to have changed eligibility requirements in the past year than the nation (83%).

The incidence of an automatic enrollment/negative election feature in the TMT sector (60.7% no, 39.3% yes) mirrored the nation (57.8% no, 42.2% yes).

The TMT sector was more likely to report not having but considering a contribution step up feature (22.6%) than the nation (18.4%).

Employee Contributions

Compared to the national results (56.1%), the TMT sector respondents were more likely to be 6-7.99% (65.3%).

The TMT sector NHCE ADPs were more likely to be 8% plus (13.5%) than the nation (9.2%).

The TMT sector was more likely not to be offering a Roth 401(k) but was considering (25.3%) as compared to the nation (18.2%).

Employer Contributions

Service requirements in the TMT sector were shorter (64.1% immediate) than the nation (48.4%).

The TMT sector is more likely to offer a safe harbor contribution (36.4%) compared to the national sample (29.6%).

Matching only plans are more likely in the TMT sector (70.9%) than the nation (62.2%).

Investments

The average number of investment options was 18.7 in the TMT sector.

Participant Experience

The availability of individual counseling/investment advice in the TMT sector (49.3% no, 50.7% yes) compares to the nation as follows (39.8% no, 51.4% yes).

Statements are more likely to be available to TMT sector participants between 6-10 days after the end of each quarter (41.9%) compared to the nation (28.7%)

Technology Usage

The features utilized by the TMT sector participants were: Internet (100%), call center representatives (92.5%), voice response systems (70.1%) and PDA/wireless (9%) compared to the nation were: Internet (99.7%), call center representatives (94.2%), voice response systems (76.9%) and PDA/wireless (8.4%).

Usage of Internet inquiry and transactions in the TMT sector was more likely to be high over 60% participant usage level (65.6%) as compared to the nation (47.8%).

Plan Effectiveness

The TMT sector viewed 401(k) plans as effective recruiting tools (79%) mirroring the national sample (80.8%). Conversely, the TMT sector was more likely to not feel 401(k) plans assist in retaining existing employees (30.2%) vs. the nation (24.5%).

The TMT sector was more likely to believe that the provisions of their 401(k) plans are as competitive as their peers (58.7%) compared to the nation (53.6%).

TMT sector respondents were more likely to have the opinion that some employees are or will be financially prepared for retirement (69.8%) compared to the nation (65.4%).

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