

TI Corporate Citizenship Topic Brief



Employee compensation and benefits

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Why it matters

We are committed to recruiting and retaining the best and brightest talent in the industry. Offering strong compensation and benefits programs helps us remain competitive and gives our employees tools to help them live their best lives – at work, at home and in their communities.



See Our employees to learn about TI's human resources:

- Management strategies
- Policies
- Grievance mechanisms
- Governance and accountability

Our approach

Our competitive benefits help our employees improve their health, reduce stress, balance their careers and personal lives, and increase their financial security. Our total compensation philosophy is based on the employee's individual contribution to our success, and is designed to be competitive to ensure that key talent, who will drive future growth, remain with the company.

The compensation and benefits we provide exceed or are in accordance with local laws. We do not maintain a standard entry wage for every country; however, we have verified that we pay employees above the local minimum wage in every country where we operate.

Competitive and equitable wages

We are confident that we pay our employees equitably. TI has long been committed to competitive and equitable compensation regardless of gender, race, ethnicity or other protected characteristics, and we have designed checks and balances into our compensation system, including an in-depth annual analysis, to ensure that we achieve it.

Here is how our compensation system works:

- Each year, we offer compensation training for managers, which addresses legitimate factors to consider when determining compensation and our policy for paying employees fairly and equitably.
- We provide managers with market-based pay-range guidance that applies to all employees in the same job type and level, regardless of gender or race.
- The supervisor makes an initial pay recommendation, taking into account factors such as the competitive market pay ranges for like jobs, the performance of the employee and the amount of time the employee has spent in the role.
- The pay recommendation is reviewed by at least one higher-level manager, and then the pay recommendation is also reviewed by the HR manager or compensation manager, and sometimes both.
- We conduct an annual in-depth analysis of our compensation system to look for any unexplained pay discrepancies and the reasons behind them. If disparities are found, we explore if factors such as market pay ranges, performance or experience support the difference; and if unjustified, we make adjustments.

We conducted a separate compensation analysis examining gender pay parity (including base, bonus and equity), which takes into account job type and job level. The analysis confirmed that within the U.S., we've achieved 100 percent gender pay parity. In fact, within our three most populous countries, including the U.S. (making up approximately 70% of our employee population), the same analysis also shows that women are paid as much as men.

Oversight

Our compensation and benefits programs and strategies are overseen by our vice president of Compensation and Benefits, who reports to the senior vice president of Human Resources, who reports to our chief executive officer.

What we offer

Compensation programs:

Deferred compensation

Eligible and highly compensated U.S.-based employees can defer a portion of their base pay, year-end bonus and profit sharing.

Equity programs

Our stock purchase plan allows Tlars to buy company stock at a 15 percent discount four times a year. We also grant equity awards to attract and retain key employees who are vital to our success.

Profit sharing

We offer a global profit sharing program that rewards all eligible Tlars for contributing to our financial success. Payouts are made as a percent of eligible earnings based on our profitability each year. Some countries, such as France and Mexico, have statutory requirements for their local profit sharing programs, which we meet.

Retirement programs (vary by region)

In the U.S., we offer financial planning resources and tools as well as:

401(k)

We match 100 percent of Tlars' contributions, up to 4 percent of annual eligible earnings. We match half of that for employees who also contribute to our pension plan.

Pension plans

Tlars hired before December 1997 participate in a defined benefit pension plan, of which we pay full costs. Pension benefits are paid from a pension trust fund, which is not a company asset.

Health, life and disability benefits

We partially offset the costs of health benefits. We also offer health care and dependent care spending accounts, which allow employees to set aside pre-tax dollars to pay for eligible medical and dependent care services.

Our benefits apply to Tlars, military employees and retirees, and vary by region. They include:

- Health, dental and vision plans
- Paid time off, holidays, jury duty and military leave
- Life, accidental death and dismemberment, and business travel accident insurance
- Short- and long-term disability
- Long-term savings and extended benefits coverage
- Financial advisement programs

Full-time U.S.-based employees and those who work an alternative work schedule (20 to 39 hours per week) are eligible for all benefits, including medical, prescription, dental, vision, employee assistance and income protection. Interns and employees who work fewer than 20 hours per week are ineligible for most benefits.

Market assessments

Each year, we evaluate wages and benefits programs offered by host governments and other local companies where we operate internationally to ensure that we remain competitive; refinements are made when needed.