

## TECH NEWS

# New Labor Department guidance raises the bar on cybersecurity

The U.S. Department of Labor on April 14 provided ERISA plan sponsors and fiduciaries with new guidance on best practices for maintaining cybersecurity. While the guidance reaffirms what we already know about the importance of cybersecurity, it also raises expectations and puts the benefit community on notice. Here's how BeneSys is responding.

BeneSys places the protection of client assets at the forefront of our responsibilities and has continually made improvements to our cybersecurity profile over the last several years.



Like all entities, we have had to respond to the growing threat of cybercrime and ransomware. We routinely study industry best practices and consult with external experts.

As a HIPAA business associate to numerous health and welfare plans, we ensure we are complying with the HIPAA privacy and security rules with respect to protected health information. BeneSys also applies many of those same standards to the protection of personally identifiable information maintained by pension and other plans, and we are familiar with the many state laws governing data privacy. BeneSys promotes physical and virtual security, and implements institutional controls to address unauthorized access or alteration, fraud,

theft, misuse, or any physical damage to key hardware, software, data or communications infrastructure.

In addition, we recently hired a new director of Cybersecurity, Data Privacy and Compliance — Brian Kaetz — who is leading a complete review of our cybersecurity program. Brian is tasked with outlining a strategic plan for ensuring our, and our clients', compliance with the Labor Department's cybersecurity guidance. We will be updating our clients frequently as we continue to implement essential security initiatives to ensure we are staying ahead of cybercriminals.

To learn more about our cybersecurity review and how BeneSys keeps your Participants' information safe, talk with your plan manager. •

## BeneSys hires director of Cybersecurity, Data Privacy and Compliance

**Brian Kaetz has joined** the BeneSys team as our new director of Cybersecurity, Data Privacy and Compliance. Brian is an experienced information security and privacy specialist with a background in legal and investigative work. His certifications include CIPM (Certified Information Privacy Manager); CISM (Certified Information Security Manager); CISA (Certified Information Systems Auditor); CNSS (Committee on National Security Systems) Information Systems Security Professional and Senior Systems Manager; ACE (AccessData Certified Examiner — forensics); BSI (British Standards Institution) ISO/IEC 27001, Internal Auditor for Information Security Management Systems Auditing; and CPO (Certified Protection Officer). He is a member of numerous professional associations and has served on the board of directors for the Detroit Chapter of ISACA, the Information Systems Audit and Control Association, since May 2019. Brian is a great addition to BeneSys and represents our continued investment in cybersecurity.

# Celebrating labor, reopenings and growth



by Ed Wolyniec, CEO

Since this newsletter is being published around Labor Day, BeneSys would like to wish you a very happy holiday. As we celebrate the many accomplishments of organized labor, here are a few fun facts:

- The first Labor Day was held on a Tuesday – September 5, 1882 – in New York City. The festivities included a parade organized by the Central Labor Union.
- President Grover Cleveland, not initially a supporter of organized labor, made Labor Day a federal holiday in 1894.
- Union efforts helped turn benefits such as the 40-hour workweek, the minimum wage and child labor protections into federal law.
- The longest streak for Labor Day parades is 129 years, held by Galesburg, Illinois. The city

gained the honor after New York City canceled its parade last year due to COVID-19.

On the topic of COVID-19, all BeneSys office-designated employees are back in our offices as of July. We continue to monitor and follow CDC and local government recommendations. As of this writing, we are open in all locations to support walk-ins and are requesting that members wear masks when coming in.

Finally, BeneSys acquired Beacon Technologies in July [see story below]. The purchase will improve our ability to service our medical claims clients. Your plan manager will have information for fourth-quarter board of trustees meetings on the benefits of and potential time frame for applying our new technology to your fund.

Thank you for allowing us to be your TPA partner! •

## EXPANSION

# Acquisition adds value for BeneSys clients

BeneSys recently acquired Beacon Technologies Group Inc., a move that will improve the way we administer health funds for clients.

The integration of Beacon's SpyGlass health claims processing software with BeneSys' BenefitDriven administrative software will streamline our internal operations; improve our level of automation, precision, and efficiency; and result in an even better client experience.

"Owning proprietary software is key to ensuring quality and highly secure delivery," says BeneSys CEO Ed Wolyniec. "Prior to this, BeneSys has been able to operate in-house in every area except health claims processing. Now, with the addition of Beacon, we have complete control of our destiny from a technology standpoint."



Headquartered in Carmel, Indiana, Beacon has been building solutions for health claims management since 1995 and is a trusted partner of third-party administrators throughout the country. Ed says he looks forward to working with Beacon's long-tenured, experienced team.

"It's critical that the people who built SpyGlass will be with us now and into the future to maintain the software," he says. "Beacon provides software for some of the most complex plans out there, making them the perfect fit to augment our systems. This acquisition is an investment in enhancing our core competencies and improving our client service."

Beacon, which will remain an independent entity under the BeneSys umbrella of companies and continue operating out of Carmel, will also benefit from the change in ownership.

"BeneSys brings a wealth of resources and subject matter expertise, which will help us serve our customers even better," says Beacon CEO Ernie Crawford. "BeneSys understands our marketplace and our customers' needs." •

# In search of missing Participants: Best practices for pension plans



by Lee Centrone, Senior Vice President

**BeneSys Senior Vice President Lee Centrone has been a trust administrator for more than 20 years, working with trust funds from many industries.**

In recent years the U.S. Department of Labor has emphasized the need for pension plans to find missing Participants and provide them with their benefits. In January the Labor Department released three documents that offer guidance to help retirement plans develop policies and procedures regarding missing Participants:

- Missing Participants – Best Practices for Pension Plans.
- Compliance Assistance Release No. 2021-01: Terminated Vested Participants Project Defined Benefit Pension Plans.
- Field Assistance Bulletin No 2021-01: Temporary Enforcement Policy Regarding the Participation of Terminating Defined Contribution Plans in the PBGC Missing Participants Program.

In this guidance the Labor Department points out red flags that indicate a trust might need to take action. These include more than a small number of missing Participants, of vested termi-



nated Participants that have reached retirement age but have not yet started benefits, or of missing or inaccurate Participant contact details. Additional red flags are a lack of procedures for uncashed checks and a lack of procedures for returned mail.

At BeneSys, we have comprehensive procedures in place to help our clients ensure that all members receive their benefits. We begin reaching out to Participants notifying them it is time to retire as they reach their plan's normal retirement age. Our comprehensive death search process works to ensure beneficiaries receive benefits earned. We employ a consistent process for managing uncashed checks. We consistently track down missing addresses and manage returned mail, and we offer an inexpensive paid address search service using PBI Research Services.

We know your trust fund's main purpose is to provide benefits. BeneSys works hard to ensure that all plan Participants receive the retirement they deserve and have earned. •

## ABOUT BENESYS

BeneSys has been providing Taft-Hartley trust fund administration and IT services since 1979. Our dedicated specialists understand the nuances of Taft-Hartley benefit plans, and our software system, BenefitDriven, is designed to give our clients and their plan Participants the most efficient tools for self-administering trust fund accounts.

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