



Single Employer Benefits & Pension Alert

EBSA CYBERSECURITY GUIDANCE

I AUGUST 2021

BACKGROUND

Only a couple of months after releasing its three-part guidance outlining best practices for retirement plan cybersecurity, the Department of Labor (DOL) has reportedly initiated an audit program to ensure cybersecurity compliance. Prior to receiving an inquiry from the DOL, plan fiduciaries and service providers should review and consider implementing the DOL's recommended tips and best practices, as outlined below.

On April 14, 2021, the DOL's Employee Benefits Security Administration (EBSA) issued three sets of guidance documents that covered tips for hiring service providers with adequate cybersecurity practices, tips for reducing the risk of fraud and loss while online, and best practices for cybersecurity programs. Short summaries of the documents, as well as web-links to the documents themselves, are provided below:

1. [Tips for Hiring a Service Provider with Strong Cybersecurity Practices.](#) EBSA provided six recommendations for plan sponsors when selecting and evaluating service providers. A plan sponsor should periodically ask its service provider about the information security standards the provider employs, evaluate the provider's track record, ensure that the provider has an insurance policy that covers loss from internal and external cybersecurity threats, and review the cybersecurity provisions in the contract with the service provider.
2. [Online Security Tips.](#) EBSA offers the following tips for plan participants and beneficiaries with online access to their retirement accounts to help reduce the risk of fraud and loss: (1) regularly monitor your online account; (2) use strong and unique passwords; (3) employ multi-factor authentication; (4) update personal contact information; (5) delete unused accounts; (6) avoid free Wi-Fi networks; (7) beware of phishing attacks; (8) update software and use effective antivirus software; and (9) understand the process of reporting identity theft and cybersecurity incidents.
3. [Cybersecurity Program Best Practices.](#) EBSA described best practices for record keepers, service providers, and plan fiduciaries. The major takeaways from the twelve-item list include: conducting annual risk assessments and third-party audits, implementing a formal cybersecurity program with clearly defined roles and responsibilities, creating and following a business resilience plan to respond to and

recover from cyber incidents, and establishing strong access control procedures to ensure access to systems is limited to authorized users.

Since the cyber world is continuously – and rapidly – evolving, cyber incidents are bound to happen, and plan fiduciaries should have protocols in place to manage and respond to these incidents. It is important for plan fiduciaries and service providers to document their compliance efforts to reduce liability in the event of a DOL audit. To prepare for an audit, sponsors should create, evaluate and update a comprehensive cybersecurity program by following the DOL guidance.

Please contact us should you have any questions regarding the retirement plan cybersecurity guidance, or if you would like assistance preparing or reviewing a cybersecurity program.

This edition of the Single Employer Benefits & Pension Alert was written by the Single Employer Benefits & Pension practice at Reid and Riege, P.C. The practice works closely with clients to design and draft tax-qualified and nonqualified retirement plans.

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