

# KEEPING YOUR PLAN DATA SAFE



## 11 CYBERSECURITY QUESTIONS TO ASK YOUR 401(K) SERVICE PARTNERS

Cybersecurity is a critical but often overlooked aspect of a plan sponsor's fiduciary responsibility. In simple terms, cybersecurity means protecting sensitive plan and participant data — and by extension, your participants' financial well-being and retirement security — against attacks from hackers and cyber criminals.

Here are some key questions you should be asking your 401(k) service providers about cybersecurity:<sup>1</sup>

- 1 What are your procedures for dealing with cybersecurity threats and protecting participants' personal information?
- 2 Do you conduct periodic risk assessments to identify vulnerabilities to cybersecurity threats and the impact of potential business disruptions?
- 3 Do you conduct an annual, independent assessment of your cybersecurity systems and policies?
- 4 Can you describe how plan and participant data is encrypted (census upload, enrollment, payroll uploads, transfers, and other data exchange policies)?
- 5 How do you store, retain, and destroy sensitive data?
- 6 Does your company outsource any services to a subcontractor? If yes, what controls are in place to protect our company's sensitive data?
- 7 Do you have a privacy and security policy, and does the policy apply to personally identifiable information of retirement plan clients?
- 8 Does your business continuity and disaster recovery plan include the recovery of an employer's data after a breach?
- 9 What are your procedures for notifying us of a system breach?
- 10 Does your company carry cybersecurity insurance? If yes, can you provide an overview of the coverage (including all limitations)?
- 11 Has your company experienced any security breaches? If yes, explain.

Cybersecurity concerns us all. Whether you are a small business owner or the CEO of a Fortune 100 company, ask your 401(k) service providers these questions and document their responses, because knowing what could cause a data breach is the first step in preventing one.



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<sup>1</sup> 401khelpcenter.com "401k Service Providers and Cybersecurity: Questions to Ask."

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