

# Keeping Your Plan Data Safe

## 11 CYBERSECURITY QUESTIONS to Ask Your 401(k) Service Partners

Here are some key questions you should be asking your 401(k) service providers about cybersecurity:<sup>1,2</sup>

**01.** What are your procedures for dealing with cybersecurity threats and protecting participants' personal information?

**02.** Do you conduct periodic risk assessments to identify vulnerabilities to cybersecurity threats and the impact of potential business disruptions?

**03.** Do you conduct an annual, independent assessment of your cybersecurity systems and policies?

**04.** Can you describe how plan and participant data is encrypted (census upload, enrollment, payroll uploads, transfers, and other data exchange policies)?

**05.** How do you store, retain, and destroy sensitive data?

**06.** Does your company outsource any services to a subcontractor? If yes, what controls are in place to protect our company's sensitive data?

**07.** Do you have a privacy and security policy, and does the policy apply to personally identifiable information of retirement plan clients?

**08.** Does your business continuity and disaster recovery plan include the recovery of an employer's data after a breach?

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.

**09.** 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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1. Berry Dunn Wealth Management. "401(k) Cybersecurity Questions That Plan Sponsors Should Be Asking." 2019.

2. 401khelpcenter.com "401k Service Providers and Cybersecurity: Questions to Ask."

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