

# 1 EXECUTIVE SUMMARY

## I. BACKGROUND

Federal agencies are required by law to ensure the protection of the personally identifiable information (PII) they collect, store, and transmit. The Pension Benefit Guaranty Corporation (PBGC) is responsible for ensuring proper protections of the information contained within its information systems, including PII. To that end, PBGC developed a Privacy Impact Assessment (PIA) to evaluate whether a system that contains PII meets legal privacy requirements.

PBGC is responsible for ensuring the confidentiality, integrity, and availability of the information contained within the ACT application. A PIA is used to evaluate privacy vulnerabilities and risks to PII and their implications regarding the ACT system.

**Note 1: Currently, ACT is not truly a single system. Rather, calculations and data for each plan administered through ACT are contained in individual spreadsheets and individual databases. PBGC is in the process of putting boundaries around all of these individual files. Until proof of concept approaches have been fully vetted, timeframes for this effort cannot be determined. Without defined boundaries (and likely changed categorization from a Minor application to a Major application), this PIA must be considered a work in progress.**

PBGC's mission is to operate as a service-oriented, professionally managed agency that protects participant benefits and supports a healthy retirement plan system. The Benefits Administration and Payments Department (BAPD), the most critical to the achievement of the corporation's mission, is responsible for managing the process by which insured pension plans are terminated by sponsors, or involuntarily by sponsors and benefits are paid to participants in those plans. A critical portion of this process is the valuation of the terminated pension plans and the calculation of benefits due plan participants and their beneficiaries.

The PIA provides a number of benefits to BAPD; including enhancing policy decision-making and system design, anticipating the public's possible privacy concerns, and generating confidence that privacy objectives are addressed in the development and implementation of ACT. The PIA Questionnaire, which is incorporated as part of this document, provides a framework by which agencies can ensure that they have complied with all relevant privacy policies, regulations, and guidance, both internal and external to PBGC.

## II. Purpose and Scope

*Purpose:* ACT is an application used to value pension plans, calculate individual participant benefits, and produce various reports with the following components:

- Valuation Spreadsheet Toolkit (VALTool)
- Date of Plan Termination (DOPT) Report System (DRS)
- Design
- Runtime:
  - Benefit Statement and Recalculation System (BSRS)
  - Benefit Estimate Tool (BET)

ACT is used by BAPD actuaries and contract actuaries. Actuaries, using ValTool, construct a spreadsheet that reflects the pension plan's provisions and incorporates PBGC regulations. This spreadsheet is used to calculate participant benefits through the use of the BET (pre-valuation) or the BSRS (post-valuation). DRS produces a series of reports required for case review. When a case has been finalized (assets are finalized and the liabilities calculated all participants), the valuation files are placed into Archive Access and benefit statements are loaded into eALG for bulk mailings and on a one-off basis.. From there, Pension Analysts and FBAs use these files via Archive Access to generate individual benefit statements.

The highest level of information accessed and processed on the system is considered "sensitive". Additional handling procedures are required for sensitive data stored on PBGC information systems.

*Scope:* A Privacy Impact Assessment was conducted on the ACT system. ACT is cited on the PBGC Sensitive System List and reported via the capital asset plans and business cases (Exhibit 300s) for BCV. It is also listed as a Minor Application on the Information Systems Inventory Report. **Note 2: PBGC is in the process of recategorizing ACT, likely as a Major Application. See Note 1, above.**

### III. PIA APPROACH

A questionnaire was developed in accordance with the FIPS 199- Standards for Security Categorization of Federal Information and Information Systems, Office of Management and Budget (OMB) requirements, The Privacy Act of 1974, The National Institute of Standard and Technology (NIST) recommendations, and the Federal Enterprise Architecture Business Reference Model (BRM). The questionnaire was developed in order to identify any PII.

The completed questionnaire from 2009 underwent a cursory review and update by the BAPD IA team. Further review and update must be performed and vetted with the Information System Owner (ISO) and Business Representative of the ACT application. Responses from the ISO and Business Representative of ACT, when obtained will be used to update the final PIA and analysis.

### IV. System Characterization

The ACT Suite consists of a four (4) components that access shared data that resides on the PBGC network and is protected by access controls. BAPD1 and each FBA server contain data required by ACT. The Altiris Software Agent environment controls access to the graphical user interface (GUI) by group membership. The GUI, developed using PowerBuilder and Visual Basic, is used to access the shared network data. Access to ACT data for a given case is restricted to a single user at a time and until final valuation access is limited to only the case actuary. After final valuation, the case is moved to the Archive Access.

## **V. PIA Results**

The PIA evaluation revealed that the ACT system accesses PII and only those who are authorized to use the application have access to it and the information contained therein. The users are utilizing the information for the sole purpose of performing their assigned duties. No discrepancies have been discovered.

## **VI. Summary**

During the assessment of ACT no discrepancies in the handling of PII were discovered. See the attached Privacy Impact Assessment Questionnaire for details.