

1 EXECUTIVE SUMMARY REPORT

Ariel Privacy Impact Assessment Executive Summary Report

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 Ariel system. A PIA is used to evaluate privacy vulnerabilities and risks to PII and their implications regarding the Ariel system.

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 Benefit 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.

PBGC sought software that could be used to improve the efficiency effectiveness of its evaluation process. Market research conducted in 1999 caused PBGC to conclude that determined that the replacement of current tools with parameter-driven software would greatly improve the valuation and benefit calculation process. Accordingly, it was determined that the Morneau Sobeco product Ariel could meet PBGC needs as it:

- Has more than 2,500 pre-programmed parameters
- Is structured selection of plan components
- Is fully compliant with actuarial standards
- Has no programming required with modifying plan provisions
- Has an audit log of parameters and date
- Has pre-defined reports and benefit statements
- Has user access features at the dataset level for each case
- Has increase efficiency PBGC staff & reduce number of manual processes
- Has integrated online business solution allowing participants to use the web to access and calculate benefit estimates

The PIA provides a number of benefits to Benefit Administration Payment Division (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 Ariel. The PIA Questionnaire 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: The Ariel system is an application that provides pension administration functionality. The database houses the benefit pension data. The Ariel application performs actuarial valuation and benefit calculations for Defined Benefit pension plans. *Scope:* A Privacy Impact Assessment was conducted on the Ariel system. Ariel is cited on the PBGC Sensitive System List and reported on either the PBGC's Exhibit 53 or via capital asset plans and business cases (Exhibit 300s). It is also listed as a Major Application on the Information Systems Inventory Report.

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 Personal Identifiable Information (PII).

The questionnaire was given to the Information System Owner (ISO) and Subject Matter Expert (SME) of the Ariel application for their response. An Information Security Analyst from the TechGuard Security, LLC met with the ISO and SME of the Ariel to discuss the questionnaire. Responses from the ISO and the SME of Ariel were obtained and used to fill in the final PIA and analysis.

IV. System Characterization

BCA/ARIEL is a Morneau Sobeco proprietary Benefits Calculation Application that provides PBGC with calculation and administration of benefits tools to accurately manage and compute retirement benefits. BCA/ARIEL is used to perform PBGC valuations and benefit calculations. It contains parameter-driven software that is able to handle virtually all plan designs and formulas. BCA/ARIEL also has features to ensure system and data integrity including a full audit trail, data validation capabilities, and multiple security levels.

The BCA/ARIEL system allows integration and loading of plan data to be performed multiple times or at various stages of case processing. Integration begins when the BCA/ARIEL Plan Analysis Document (APAD) is sent to the Operations and Actuarial Systems Division (OASD). The Trusteeship Processing Division (TPD) and OASD work closely during the integration and data loading stages of BCA/ARIEL.

Authorized PBGC users connect to the BCA/ARIEL system at the Morneau Sobeco facility in Montreal, Quebec, which is maintained by Morneau Sobeco. Morneau Sobeco does not sell or

license out the ARIEL code, so all users must connect to the Morneau Sobeco hosting facility. Morneau Sobeco has created and maintains a domain for PBGC, but PBGC personnel are the domain administrators and control who has access to the PBGC instance of the BCA/ARIEL application.

Plan recipients can generate a request via the PBGC My Plan Benefits Administrator (MyPBA) application, which is a software program that allows participants to submit certain forms, request benefit estimates, and update their personal data through PBGC's web site for information from the BCA/ARIEL system. The request is then sent to Morneau Sobeco via the web from within the MyPBA application and BCA/ARIEL generates an XML file that is sent back to PBGC with the benefits calculator data. The MyPBA application makes sure the connection between MyPBA and Ariel are secure using a secure web service. Also there are no live connections between MyPBA and Ariel.

The following are also three optional tools that are included in the Benefits Calculator within the PBGC organization:

- **ACT (Actuarial Calculation Toolkit)**, is used by actuaries to define how a plan must be valued and how benefit statements for that plan should be generated. ACT also allows the actuary to define how a plan's benefit estimation calculation is to be conducted, prior to final valuation. Actuaries use ACT to take basic data from the Participant Data Audit and perform the valuation.
- The **Payment Adjustment Calculation System (PACS)** is a web-based application used to determine whether a recoupment or a refund is applicable to a participant. PACS is also used to process case level and participant level data and calculate benefit adjustments arising from underpayments and/or overpayments resulting in any of the following.
- The **Archive** system is the permanent storage location of BAPD's case-related software, including actuarial valuation spreadsheets, Benefit Statement, and Recalculation Programs.

V. PIA Results

The PIA evaluation revealed that the Ariel system contains 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 Ariel no discrepancies in the handling of PII have been discovered.