Integrated Present Value of Future Benefits
(IPVFB)

Privacy Impact Assessment (PIA) Executive Summary

I.   BACKGROUND

Federal agencies are required 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.

II.   Purpose and Scope

- Purpose:

The Integrated Present Value of Future Benefits, (IPVFB) system is used by BAPD employees to determine PBGC's Present Value of Future Benefits (PVFB) liability for financial reporting purposes.

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

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 IPVFB. 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.

- Scope:

A Privacy Impact Assessment was conducted on the IPVFB system. IPVFB is cited on as a Major Application on the PBGC FISMA Information Systems Inventory and its security needs are consistent with those of PBGC.

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, Section 208 of the E-Government Act of 2002, 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 Information System Security Officer (ISSO) of the IPVFB for their response. An Information Security Analyst from PBGC's Enterprise Information Security Office (EISO) along with a member of the PBGC Privacy Office reviewed the ISO and ISSO responses to the questionnaire. Responses from the ISO and the ISSO of IPVFB were obtained and used to fill in the final PIA and analysis.

IV.   System Characterization

IPVFB is a custom-developed application that is owned by the PBGC. The IPVFB system is used to determine the PBGC's Present Value of Future Benefits (PVFB) liability for financial reporting purposes. The PVFB is defined as the actuarial present value of future pension plan benefits and expenses that the PBGC is, or may be, obligated to pay. There are currently two general methods of estimating this liability for future benefits: the seriatim method and the nonseriatim method. The seriatim method is used for those plans for which the PBGC has sufficient individual participant data to value each participant's benefit payable by the PBGC. For plans that do not have sufficient individual participant data, the nonseriatim method is used to estimate the PVFB on a plan-by-plan basis. The IPVFB system provides an integrated approach to valuing all PBGC plans through either the seriatim or nonseriatim method.

For seriatim processing, the system uses participant-level data that is extracted from GENESIS. For nonseriatim cases, the system uses case-level data that is obtained from the Case Administration System/Case Management System (CAS/CMS), prior actuary's reports and actuarial case memos.

The IPVFB system runs on the standard PBGC computing environment, primarily a server network and PBGC workstations.

V.   PIA Results

The PIA evaluation revealed that the IPVFB system contains PII due to its function as a benefit liability valuation system 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.

The primary privacy risk identified is a potential data breach and subsequent loss or unauthorized disclosure of PII. The risk of a data breach is mitigated by security controls implemented and documented for IPVFB. These controls are in accordance with those recommended by the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53 for a moderate risk system in accordance with Federal Information Processing Standards (FIPS) 199 evaluation. Based on the analysis performed here, no discrepancies have been discovered.