BeneSys™ Navigator

CLAIMS CORNER

HIPAA Director simplifies transactions, streamlines data management

Our technology provides controls to set up custom mappings for transactions that may vary among trading partners

In the age of digital transformation, the ways that healthcare data is exchanged have evolved beyond just EDI. Many trading partners in the industry also support real-time data transfer using XML and web services. With HIPAA Director, our proprietary, all-in-one EDI gateway and scheduler, the BeneSys team and our SaaS clients gain the ability to simplify and streamline their transaction data management in a wide variety of file formats and transaction types.

Built right into our SpyGlass claims processing solution, HIPAA Director functions as a hub, directly connecting with trading partners to help avoid transaction costs, manage batch transfers and automate transfers. Since not all transactions and mappings are standard, our technology provides controls to set up custom mappings for transactions that may vary among trading partners and create transaction schedules to fit your business needs. These built-in components form a seamless, fully integrated EDI-capable system without requiring the purchase of additional third-party software.

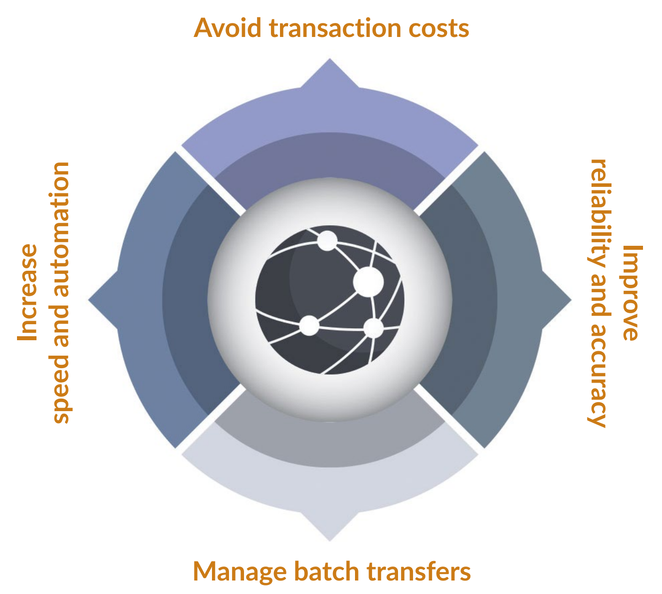
HIPAA Director offers our clients a number of standout features, such as the ability to:

- **View** transaction history dashboards that provide complete visibility into transaction workflow.
- **Set up** and manage trading partners, including banks, imaging vendors, carriers and more.
- **Take advantage** of advanced external routing capabilities for multiple repricing tiers.
- **Automate,** test and run batches on demand.
- **Send** email notification of transactions with attached summaries, reports and files.
- **Make** EFTs to providers and payments to PPOs with secure, intelligent EOB options.
- **Support** multiple encryption standards.
- **Download,** decrypt, encrypt and transfer to an additional trading partner, all in a single transaction.

HIPAA Director represents over 25 years of expertise, delivering advanced optimization and configurable rules. We support not just all the standard transactions (like the 834, 835, 837 and many more), but also a virtually unlimited variety of file formats, including images, bank files and real-time web services, all running concurrently with appropriate controls. This allows us to automate data exchanges with all trading partners — small and large — without enforcing a standard format or technology.

Information sharing is an important asset to every organization, and we've designed our technology suite accordingly. We aim to empower our clients by increasing accuracy, efficiency and reliability through our next-generation solutions that will grow and advance as the standard, technology and business requirements evolve.

To learn more about how SpyGlass and HIPAA Director can simplify your healthcare transactions, contact your BeneSys plan manager. •



HIPAA Director acts as a hub, directly connecting with trading partners to deliver four key benefits to users.

FROM THE CEO

An ounce of cyber prevention

by Ed Wolyniec, CEO

Cybersecurity continues to be a top-of-mind concern for all of us. Recently we have seen a rash of hackers spoofing BeneSys executives via text messages asking our employees to purchase electronic gift cards or share personal information. It appears these bad actors are getting names from social media and public websites — yet another risk for all of us to manage. All BeneSys employees (including me) are required to complete a quarterly training module to keep everyone “fresh” on new and developing risks. We’re now offering this same training to our clients (see story below), because the more prepared we all are against cyber criminals, the better. •

TECH NEWS

New service available: BeneSys-tested cybersecurity training program

Periodically conducting a cyber STAP is considered a best practice by the Department of Labor.

Running an effective cyber security training and awareness program (STAP) is crucial for companies in today’s digital world, and BeneSys is pleased to offer our own proven cyber STAP to our clients as a new paid service.

Last year we successfully rolled out a comprehensive in-house cyber STAP that consists of a set of quarterly training topics and, at minimum, a quarterly email phishing test. This training is required for all BeneSys staff, and anyone who fails a phishing test must take additional training.

Our cyber STAP uses a cloud-based cybersecurity training and awareness software solution provided by an outside vendor. We recently collaborated with that vendor to create a new cyber STAP service offering for our clients.

Periodically conducting a cyber STAP is considered a best practice by the Department of Labor — in fact, it’s one of 12 such guidelines the department issued in April 2021. A cyber STAP can help organizations:

- **Protect against cyber attacks.** Cyber criminals are continually evolving their tactics to breach company networks and steal sensitive information. A well-trained workforce can identify potential threats and take the necessary measures to prevent an attack.
- **Comply with regulations.** Many industries are subject to regulations such as HIPAA as well as guidelines like those issued by the Department of Labor. A cyber STAP can ensure that employees understand these regulations and guidelines and follow the necessary protocols.
- **Mitigate human error.** Most cyber attacks are caused by human error, such as using weak passwords or clicking on suspicious links. A cyber STAP can educate employees on how to avoid these mistakes and take proactive measures to protect sensitive data.
- **Safeguard reputations.** A data breach can damage a company’s reputation and erode customer trust. A well-trained workforce can help prevent such incidents, thereby safeguarding the company’s image.
- **Save costs.** Cyber attacks can be expensive, resulting in lost productivity, legal fees and reputational damage. A cyber STAP can help minimize these costs by preventing incidents from occurring in the first place.

Our cyber STAP is BeneSys-tested and ready for action. For more information about this new service and the associated fees, contact your BeneSys plan manager. •

COMPLIANCE

SECURE 2.0 — 10 more provisions funds need to know

by Tom Shaevsky, General Counsel

Tom Shaevsky is general counsel at BeneSys Inc. He has spent nearly 25 years practicing ERISA/employee benefits law.

We are wrapping up our look at the SECURE 2.0 Act of 2022 by highlighting 10 more provisions that affect retirement plans.

As referenced in our prior newsletter, major retirement plan changes were included in the massive spending legislation passed by Congress late last year. SECURE 2.0 builds on the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 and contains over 90 retirement-related provisions. Future guidance from the IRS and Department of Labor likely will address many of them.

Some of the myriad provisions are already in effect, while others will take effect over the next few years. BeneSys has established an internal working group to analyze and implement the provisions that are relevant to our clients. Many of the changes are optional, so boards of trustees, in consultation with their legal counsel, will need to analyze and determine whether the

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changes should be adopted as part of plan design modifications.

In the Q1 2023 issue of the *BeneSys Navigator*, we looked at the key takeaways of five SECURE 2.0 provisions. On the following pages, we highlight an additional 10.

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SECURE 2.0 — 10 more provisions funds need to know

PROVISION	EFFECTIVE DATE	KEY TAKEAWAYS
Catch-up contributions treated as Roth contributions****	January 1, 2024	Catch-up contributions for Participants earning $145,000 or more **must** be made as Roth contributions. (Beginning with the 2025 year, the $145,000 amount is subject to an IRS cost-of-living allowance increase.) Participants earning less than $145,000 must be offered the choice of having their catch-up contributions treated as Roth contributions (or pre-tax contributions). This provision creates significant administrative complexities for multiemployer 401(k) plans. Given that Participants may have worked for more than one employer in a given year, it will be difficult to coordinate and aggregate Participants' wages.
Matching contributions can be made based on student loan repayments****	For plan years beginning after December 31, 2023	Employers may make matching contributions with respect to "qualified student loan payments" — i.e., any indebtedness incurred by the employee solely to pay qualified higher education expenses. In other words, for matching contribution purposes, a student loan repayment is treated as if it is an employee elective deferral. The employee must certify annually that they have made a qualified student loan payment, and the employer can rely on an employee self-certification.
Emergency savings accounts linked to defined contribution plans****	For plan years beginning after December 31, 2023	Employers have the option to offer pension-linked emergency savings accounts to non–highly compensated employees. Employers may automatically opt employees into these accounts at no more than 3% of their salary, and the portion of an account attributable to the employee's contribution is capped at $2,500 (or lower as set by the employer). Once the cap is reached, the additional contributions can be directed to the employee's Roth defined contribution account (if they have one) or stopped until the balance attributable to contributions falls below the cap. Contributions are made on a Roth-like basis and are treated as elective deferrals for purposes of matching contributions with an annual matching cap set at the maximum account balance — i.e., $2,500 or lower as set by the plan sponsor. The first four account withdrawals each plan year may not be subject to any fees or charges solely on the basis of such withdrawals.
Automatic cash-out threshold increases from $5,000 to $7,000****	For distributions made after December 31, 2023	Under current law, plans can transfer former employees' retirement accounts from the retirement plan into an IRA if the former employees' balances are between $1,000 and $5,000. SECURE 2.0 allows plans to increase the limit from $5,000 to $7,000.

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SECURE 2.0 — 10 more provisions funds need to know (continued)

PROVISION	EFFECTIVE DATE	KEY TAKEAWAYS
No 10% early penalty tax for certain emergency withdrawals****	For distributions made after December 31, 2023	SECURE 2.0 provides an exception to the additional 10% tax for early distributions used for emergency expenses, which are unforeseeable or immediate financial needs relating to personal or family emergency expenses. The plan administrator may rely on an employee's written certification that the employee satisfies these requirements (with the exception, under forthcoming rules, of the plan administrator's actual knowledge to the contrary). Only one distribution is permissible per year of up to $1,000, and the Participant has the option to repay it within three years.
Penalty-free withdrawal from retirement plans for individual case of domestic abuse****	For distributions made after December 31, 2023	Retirement plans may now permit Participants to self-certify that they experienced domestic abuse and allow them to withdraw funds (the lesser of $10,000, indexed for inflation, or 50% of the Participant's account). Such a distribution is not subject to the 10% tax on early withdrawals. Participants have the opportunity to repay the withdrawn money over three years and will be refunded for income taxes on money that is repaid.
No pre-death RMDs for Roth accounts	For distributions required on and after January 1, 2024	Currently, Roth IRAs — but not Roth amounts in 401(k) plans — are exempt from the pre-death required minimum distribution rules. SECURE 2.0 extends the pre-death RMD exemption to Roth amounts in plans.
Surviving spouse election to be treated as deceased employee for RMD purposes	January 1, 2024	Currently, a sole designated spousal beneficiary can treat a deceased owner's IRA as their own for purposes of required minimum distribution rules. SECURE 2.0 provides similar options to the surviving spouse of a plan Participant: A spousal beneficiary can irrevocably elect to be treated as the employee for RMD purposes — and if the spouse is the employee's sole designated beneficiary, then the applicable distribution period after the Participant's year of death is determined under the uniform life table.
RMDs and special needs trust	January 1, 2023	The SECURE Act of 2019 placed limits on the ability of beneficiaries of defined contribution retirement plans and IRAs to receive lifetime distributions after the account owner's death. Special rules apply in the case of certain beneficiaries, such as those with a disability. SECURE 2.0 clarifies that in the case of a special needs trust established for a beneficiary with a disability, the trust may provide for a charitable organization as the remainder beneficiary.
Tribal orders as QDROs	After December 31, 2022	Domestic relations orders issued by Indian tribal governments can be recognized as a QDRO (qualified domestic relations order).

******BeneSys asks that funds notify** their BeneSys plan manager in writing as to whether the fund has adopted (or intends to adopt) this provision.

This article is provided for informational purposes only and does not constitute legal advice. Readers should consult with their own legal counsel before acting on any of the information presented.