BeneSys Navigator

TECH NEWS

Business continuity planning: Protecting the stability of your benefit plan

by Jason Wolan, CIO

Jason Wolan is chief information officer at BeneSys Inc.

Taft-Hartley benefit plans play a vital role in the financial security and well-being of the Participants and families they serve. Trustees depend on their third-party administrator (TPA) to provide consistent, accurate and timely administration of plan benefits. While day-to-day operations typically run smoothly, it is important for TPAs to be prepared for unexpected events that could disrupt normal business operations — often force majeure events well outside anyone's control.

Business continuity and disaster recovery planning helps ensure that essential services can continue during and after an unforeseen event. Whether the disruption is caused by severe weather, a utility outage, a cyber incident or another unexpected circumstance, a well-prepared TPA has documented plans and procedures designed to minimize interruptions and restore critical services as quickly as possible.

These plans are not simply about responding to emergencies — they reflect a commitment

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A TPA that invests in continuity and disaster recovery planning demonstrates a commitment not only to operational excellence, but also to the trust placed in it by the plans it serves.

to operational resilience. By regularly reviewing, updating and testing continuity procedures, TPAs can better prepare their teams to respond effectively when challenges arise. And while no organization can eliminate every risk, thoughtful planning significantly improves the ability to respond quickly and effectively when disruptions happen. A strong business continuity and disaster recovery program can provide:

- Continued administration of critical plan functions during unexpected disruptions.
- Timely communication with trustees, employers and plan Participants.
- Protection of important plan information and business records.
- Regular testing and review of response procedures to help ensure preparedness.
- Greater confidence that the TPA can continue serving the plan when unexpected events occur.

Investing in long-term success

For trustees and fund administrators, understanding a TPA's approach to business continuity is an important part of evaluating a service provider. Asking whether continuity plans are documented, routinely tested and regularly updated can provide valuable insight into the organization's commitment to reliability and long-term stability.

Ultimately, business continuity planning is about more than technology or compliance. It is about protecting the services that Participants depend on and ensuring that benefit administration continues with as little disruption as possible. A TPA that invests in continuity and disaster recovery planning demonstrates a commitment not only to operational excellence, but also to the trust placed in it by the plans it serves.

Preparedness cannot prevent every disruption, but it can make a meaningful difference in how quickly services are restored and how effectively Participants, employers and trustees are supported. In an environment where reliability is essential, comprehensive business continuity planning is an investment in the long-term success and resilience of every benefit plan. •

ABOUT BENESYS

BeneSys has been providing Taft-Hartley trust fund administration and IT services since 1979. Our dedicated specialists understand the nuances of Taft-Hartley benefit plans, and our software system, BenefitDriven, is designed to give our clients and their plan Participants the most efficient tools for self-administering trust fund accounts.

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Bringing clarity to reinsurance and stop-loss management

by Blake Holderread

Blake Holderread is vice president of marketing at Beacon Technologies Group, part of the BeneSys family of companies.

No one likes surprises when it comes to high-cost claims. For self-funded health plans, stop-loss coverage — sometimes referred to as reinsurance — offers protection when claims costs rise above certain thresholds. While it does not cover members directly, it can protect the plan from unexpected financial pressure.

There are two common types to know:

- **Specific stop-loss coverage** can protect the plan when an individual's claims exceed a set threshold during the contract period.
- **Aggregate stop-loss coverage** can be used when total claims across the group come in higher than expected.

Of course, having stop-loss coverage in place is only part of the story. Plans also need to know when claims are getting close to attachment points, make sure eligible claims are being tracked correctly, and have reporting that keeps conversations with reinsurers moving. In other words, the goal is not just to have protection; it is to manage that protection with enough visibility to avoid last-minute surprises.

That is where SpyGlass comes in. A best-in-class claims processing solution, SpyGlass gives organizations a clear way to identify reinsurance contracts, monitor claim activity against those contracts, flag diagnoses that may indicate future high-dollar claims, and ensure high-dollar claims get the right attention at the right time. By showing reinsurance status information alongside accumulators and supporting both specific and aggregate stop-loss reporting, SpyGlass helps connect the financial terms of a contract to what is actually happening with claims day to day.

It also aids in managing details that are easy to miss. Teams can distinguish claims above a specific threshold, account for paid and incurred date ranges, monitor prefunding considerations, and produce supporting reports. The result is a more organized view of stop-loss activity without losing sight of the bigger picture.

SpyGlass gives organizations a clear way to identify reinsurance contracts, monitor claim activity against those contracts, flag diagnoses that may indicate future high-dollar claims, and ensure high-dollar claims get the right attention at the right time.

Reinsurance and stop-loss management can feel complex, but it does not have to be overwhelming. With SpyGlass, organizations have a practical way to monitor claim activity, prepare for potential reimbursements, and give stakeholders more confidence that stop-loss requirements are being managed with care.

Want to take a closer look? Contact us at marketing@beaconspyglass.com to learn more about the tools available within SpyGlass. •

COMPLIANCE

A kinder, gentler DOL on the horizon?

by Tom Shaevsky, General Counsel

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

The duration and burden of U.S. Department of Labor (DOL) Employee Benefits Security Administration (EBSA) investigations have long been a complaint not only of plan sponsors but also of the U.S. House of Representatives Committee on Education and Workforce. For example, in a Sept. 19, 2023, letter to Acting U.S. Secretary of Labor Julie Su, Committee Chairwoman Virginia Foxx and Subcommittee on Health, Employment, Labor, and Pensions Chairman Bob Good stated:

> Disturbing reports from stakeholders indicate that EBSA is failing to conduct its enforcement in a timely manner, creating unacceptable burdens for retirement plan sponsors and negatively impacting retirement savers, retirees, and their families. … Prolonged investigations carried out by federal agencies, such as EBSA, create tremendous strain on retirement plan sponsors. Plan sponsors report that many of EBSA's investigations have persisted for years while investigators assigned to these cases are turned over several times. The Government Accountability Office (GAO) has also raised this concern. In May 2021, GAO found that 17 percent of all investigations opened in 2017 were still open four years later.

The letter continued by noting:

> Plan sponsors also report there often appears to be no direction or purpose to the investigations, and they are trapped in investigations that lack an objective, an enforced progress schedule, or an endpoint. There seems to be no limit on the amount of document requests, interviews, and questions an investigator may ask. The result is increased compliance costs, which harm those participating in employer-sponsored retirement programs.

Fortunately, earlier this year, the DOL responded to these concerns in a seemingly very positive manner for plan sponsors. In Field Assistance Bulletin No. 2026-01 (April 14, 2026), EBSA Director and Assistant Secretary of Labor Daniel Aronowitz issued Guiding Principles for EBSA Enforcement Priorities. The bulletin establishes four priorities and principles designed to ensure that EBSA's enforcement is fair, even-handed, responsive and focused:

- **EBSA's enforcement will be responsive and timely.** Consistent with the above described committee letter, the bulletin notes that investigated parties and Congress have expressed concerns that some EBSA investigations are open-ended or unduly continue for extended periods of time. EBSA now states that absent exceptional circumstances, it commits to completing investigations within a reasonable time frame and to conducting its enforcement activities properly and respectfully. For example, routine investigations involving less complicated issues, such as delinquent employee contributions or disclosure and bonding violations, should be completed within 18 months barring exigent circumstances. More complex investigations must be completed within 30 months unless there are exigent circumstances.

  Perhaps to avoid the appearance of "fishing expeditions," the bulletin notes that EBSA investigations should be "intentional and deliberate with specific planning and focus." Encouragingly, with an apparent goal of education and not just punishment, the bulletin states that while investigations should address egregious violations of ERISA (the Employee Retirement Income Security Act) and matters involving significant harm, EBSA professionals should take any available opportunities to provide timely compliance assistance to conscientious plan sponsors and service providers.

- **EBSA will prioritize investigations evidencing the most egregious conduct or significant harm.** The bulletin says EBSA will prioritize criminal cases to address the most significant harm to the employee benefits system. Narrowing the scope of EBSA's civil enforcement, the bulletin clearly emphasizes duty of loyalty situations over

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duty of prudence situations. More specifically the bulletin states that EBSA will prioritize investigations where the facts at issue support a breach of the duty of loyalty, which requires actions be taken "for the exclusive purpose of providing benefits to participants and their beneficiaries." EBSA's highest priority will be to target individuals and entities who, acting in bad faith, improperly administer plan benefits or misappropriate (or aid in the misappropriation of) assets set aside for the benefit of Participants and beneficiaries. In addition to situations involving conduct by bad actors designed to enrich themselves, EBSA also points to situations that involve goals unrelated to Participants' best interests, such as the promotion of ESG (environmental, social and governance) objectives. In other words, EBSA is warning that the use of plan assets to promote ESG issues could prompt an investigation if the ESG-related considerations are not connected to Participants' best interests.

Although the bulletin says EBSA will continue to enforce the duty of prudence under ERISA, a significant percentage of its enforcement resources will be focused on enforcement of loyalty breaches, or direct evidence of nonexempt prohibited transactions that involve impermissible conflicts of interest. The bulletin notes that the costliest breaches of the duty of prudence tend to be accompanied by concomitant loyalty breaches.

Most favorably for plan fiduciaries, the bulletin says that to the extent any enforcement activity is solely based on a prudence breach, EBSA must avoid cases that unfairly second-guess process-based fiduciary judgments.

So that stakeholders do not mistakenly conclude that other types of enforcement actions will no longer occur, the bulletin states that EBSA remains committed to protecting benefits for plan Participants and beneficiaries through the enforcement of ERISA, including but not limited to health benefit rules, disclosure requirements, claims processing and adjudication requirements.

- **Consistent with the principles of fairness and its mission, EBSA will not regulate through enforcement whenever possible.** Instead of regulating through enforcement activities or using enforcement to drive policy, EBSA says that whenever possible it will use notice-and-comment rulemaking and sub-regulatory guidance. For example, novel legal theories or interpretations of ERISA will not be first articulated during enforcement actions. Instead, they should be subject to the ordinary regulatory and sub-regulatory processes. Accordingly, except in limited circumstances, enforcement activity must have a close nexus to:
  - The plain language of ERISA's text;
  - Clearly established guidance in final DOL regulations or prominently published sub-regulatory guidance; or
  - Clearly established court decisions.

- **To ensure that EBSA is meeting its enforcement priorities and guidelines, and to ensure consistency of enforcement across all regions, all proposed significant enforcement activities will be reviewed by EBSA's leadership.** Senior EBSA leadership must inform EBSA's assistant secretary (or delegate) of significant enforcement activity, including proposed settlements and voluntary corrective actions.

The bulletin concludes by emphasizing that EBSA investigators and professionals will not do anything that compromises the DOL's independence, integrity and credibility. EBSA will eliminate any appearance that its enforcement activities and priorities are being coordinated with plaintiff lawyers pursuing private actions.

The bulletin states that it is an internal DOL policy directed at EBSA and its employees and does not, and may not be relied upon to, create any rights, substantive or procedural, enforceable by law by any party in any matter, civil or criminal. Nevertheless, an apparently more cogent enforcement approach, taking into account critical feedback from the employee benefits community, is a favorable DOL direction for plan sponsors. •

FROM THE CEO

For those who build bridges

by Ed Wolyniec, CEO

When the Gordie Howe International Bridge opened in July — providing a new link between the US and Canada — it was a proud moment for all the trades that helped build it. It's also a fascinating project from a trivia angle (and if you're a regular *Navigator* reader, you know I love sharing interesting facts with you). This 1.5-mile, six-lane bridge spans the Detroit River between the Motor City and Windsor, Ontario, the busiest international land crossing in North America. It took eight years to complete, and with a main span of a little over half a mile (853 meters), it now ranks as the longest cable-stayed bridge in North America. Kudos to the many trades that were involved from both sides of the border.

In addition to sharing a new bridge, Canada and the US both celebrate Labor Day, so I thought I'd focus my annual pursuit of holiday trivia on the Canadian labor movement. In March 1872 (two decades before both our nations made Labor Day a legal holiday), print workers in Toronto pushed for a nine-hour workday. That led to Canada passing pivotal legislation just a few months later legalizing and protecting unions, and to Labour Day becoming a public holiday there in 1894. Cheers to our neighbors to the north (or if you're here in Detroit like I am, to the south — check it out on a map!).

Thanks for reading this edition of the *Navigator*, and for allowing BeneSys to be a trusted part of your team. As always, feel free to share feedback on how we are doing; email me directly at ed.wolyniec@benesys.com. •

EMPLOYEES IN THE SPOTLIGHT

We have a lot to celebrate at BeneSys this quarter, including the accomplishments of a number of team members. Join us as we congratulate the following staffers.

Promotions

In our Retirement Plan Services Department, **Jen Sterling** has been promoted to senior vice president, Client Financial Services. In her expanded role, Jen will lead our Accounting, Contributions, and Retirement Plan Services teams. In addition, **Daniel Beringer** has moved up to senior Retirement Plan Services manager, where he will continue to lead Retirement Plan Services operations for the West Coast teams and clients he currently supports.

IFEBP scholarship winner

The International Foundation of Employee Benefit Plans has awarded **Sydney Thomas,** senior plan associate in our Troy, Michigan, office, one of its six Young Professionals Scholarships for 2026. Sydney will use the scholarship to attend IFEBP's Employee Benefits Conference in New Orleans this October. Taking classes and getting a certificate of attendance will greatly benefit her as she continues on her career path to plan manager.

Milestone service years

25 years: Patty Hust, senior accountant; **Heath Thibodeau,** fund controller

30 years: Rose Burke, senior internal auditor

35 years: Sandy Taylor, claims manager