Privacy Impact Assessment
for the

Annuity Roll System
(ARS)

December 21, 2017

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Abstract

The United States Office of Personnel Management's (OPM) Annuity Roll System (ARS) is a centralized retirement and benefit system that supports the OPM's Retirement Services (RS) and interoperability with other RS systems. ARS serves as one of the primary systems supporting RS retirement and benefit operations under Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). This PIA is being conducted because ARS contains personally identifiable information (PII) about federal annuitants, their dependents and survivors.

Overview

The Federal government's Annuity Roll, the active roster of individuals qualified to receive an annuity benefit, collects and maintains information related to eligibility for and the computation of Federal retirement, health, and life insurance benefits. The information is used to determine qualification and pay benefits for retired Federal employees and their survivors. ARS, used to manage the Annuity Roll, is the OPM core retirement and benefit management system supporting the majority of retirement functions for OPM's Retirement Services (RS). It is used to perform key federal retirement benefit management functions including processing the annuity roll in daily, monthly and yearly cycles, court orders, voluntary allotments, health benefit/insurance providers' modifications, lump sum payouts, pay history, service history, and agency matching validations.

ARS supports distributed RS information technologies (IT) and applications which enable the office to serve millions of active federal annuitants and survivors. This system contains the vast majority of retirement customer transactions for OPM, and includes data from all Federal agencies (Executive, Legislative, Judicial branches, U.S. Postal Service, and Intelligence Agencies). Specifically, it contains information on annuitants and their survivors and is the backbone for maintaining accurate retirement records for proper disbursement of retirement benefits processed through OPM's Office of the Chief Financial Officer.

ARS interfaces with multiple systems such as the Federal Annuity Claims Expert System (FACES), an information technology tool that assists RS in calculating annuities based on former employees' records of federal service, Services Online (SOL), which provides federal retirees and survivor annuitants the ability to access their monthly annuity payment information online, and the Annuitant Health Benefit Online Support System (AHBOSS), an application that annuitants use to make health benefit enrollment changes and/or to request brochure information for plans participating in the Federal Employees Health Benefits (FEHB) program. These interfaces use batch-file transfer technologies that are machine based in their authentication and authorization mechanisms as well as technology that encrypts sensitive information and ensures that it is communicated securely.

Through the FACES interface, ARS obtains annuity calculations for further processing and adjudication. Through the SOL interface, ARS obtains annuitant and survivor change requests to modify personal information, such as federal and state tax withholdings, mailing address, direct deposit information, and allotment details. Through the AHBOSS interface, ARS obtains annuitant and survivor change requests for health insurance providers during the annual FEHB open season.

ARS also receives data files for processing from systems at the Social Security Administration (SSA), the Department of Labor (DOL) and the Railroad Retirement Board (RRB). It interfaces with systems at SSA for a series of individual matching validations including for the FEHB program, prescription drug subsidy under Medicare, cost of living adjustment impacts, disability benefits checks for annuitants and survivors, and death notifications of annuitants. ARS interfaces with DOL's Office of Workers' Compensation program (OWCP) to identify individuals receiving prohibited concurrent benefits under CSRS and FERS. ARS interfaces with RRB to identify employees and spouses that are subject to Non-Covered Service Pensions.

Section 1. Authorities and Other Requirements

1.1. What specific legal authorities and/or agreements permit and define the collection of information by the project in question?

The Civil Service Retirement System (CSRS) is administered pursuant to 5 U.S.C. chapter 83 and the Federal Employee Retirement System (FERS) is administered pursuant to 5 U.S.C. chapter 84. In addition, the following authorities are relevant to the information in ARS: 5 U.S.C. § 3301 and chapters 87, 89 and 90; Pub. L. 83-598, 84-356, 86-724, 94-455, and 106-265; and Executive Order 9397, as amended by Executive Order 13478.

1.2. What Privacy Act System of Records Notice(s) (SORN(s)) apply to the information?

The records in ARS are covered by the OPM/CENTRAL 1 Civil Service Retirements and Benefits SORN.

1.3. Has a system security plan been completed for the information system(s) supporting the project?

Yes. A System Security Plan was completed in conjunction with the Authority to Operate that was granted to ARS on October 16, 2016.

1.4. Does a records retention schedule approved by the National Archives and Records Administration (NARA) exist?

A records schedule is under review by NARA. In accordance with NARA regulations, these records are considered permanent until the schedule has been approved.

1.5. If the information is covered by the Paperwork Reduction Act (PRA), provide the OMB Control number and the agency number for the collection. If there are multiple forms, include a list in an appendix.

The information in ARS is obtained from a variety of forms, some of which are subject to the PRA and others that are not. Please see appendix A,

which identifies the forms and, where applicable, the corresponding OMB control number.

Section 2. Characterization of the Information

2.1. Identify the information the project collects, uses, disseminates, or maintains.

ARS collects, uses, disseminates, or maintains the following information: name, claim number, date of birth, social security number, address, marital status, financial and banking information and key values to compute an annuity, and health care insurance information (plan and carrier details).

2.2. What are the sources of the information and how is the information collected for the project?

The information in ARS is obtained directly from the individual annuitant, who provides it via the various forms referenced in section 1.5. Data in ARS originates primarily from the annuitant's paper application for benefits and employment records submitted by that annuitant's former agency. ARS also receives data from the internal OPM systems FACES, SOL and AHBOSS; and from external agencies via secure, encrypted connections.

2.3. Does the project use information from commercial sources or publicly available data? If so, explain why and how this information is used.

Yes. ARS uses software for zip code verification prior to monthly annuity roll processing. The software validates, corrects and standardizes customer address data, and is certified by the United States Postal Service. Its address data solutions help provide accurate, on-time delivery of correspondence, goods, and services, while minimizing costs of undelivered mail.

2.4. Discuss how accuracy of the data is ensured.

A review of the annuity computation is conducted by Legal Administrative Specialists employed by OPM and checked against information in paper-based records. In addition, OPM has matching agreements with other

benefits-paying Federal agencies to ensure correctness of employment/employee information and benefit computations. Individuals are also afforded opportunities to review the accuracy of the data as described in Section 7.0.

2.5. Privacy Impact Analysis: Related to Characterization of the Information

Privacy Risk: There is a risk of collecting extraneous information.

Mitigation: This risk is mitigated through expert analysis of data elements required to determine the proper type of annuity. The forms listed in Section 1.5 are crafted to request only those data elements required to process a claim.

Privacy Risk: There is a risk that the information in ARS is not accurate.

Mitigation: This risk is mitigated by the detailed procedures ARS has in place, described in Section 2.4, to ensure that the information is as accurate as possible. OPM also assumes that information regarding the Federal employees that comes directly from other agencies is correct and has been validated by the employing agency then submitted appropriately.

Section 3. Uses of the Information

3.1. Describe how and why the project uses the information.

The information in ARS is used for the computation of Federal retirement, health, and life insurance benefits, and to determine qualification regarding pay benefits. ARS supports Retirement Services' management of retirement benefits for Federal annuitants, and their survivors and dependents, across the government. The information in ARS is used for the computation of CSRS and FERS benefits, CSRS and FERS and survivors' benefits, FEHBP and enrollments, and FEGLI benefits, and to withhold State income taxes from annuitant payments. The information may also be used to compute CSRS and FERS benefit estimates. ARS uses first, last, and middle initial of name for employee identification; Social Security number for an alternate unique identifier if the claim number is not available; date of birth, in combination

with other data elements, to search annuitants; claim number as a unique identifier for the annuitant case file; marital status to calculate any survivor benefits elected at retirement; and health insurance carrier information as part of the annuity benefit package and key values to compute annuity payments.

3.2. Does the project use technology to conduct electronic searches, queries, or analyses in an electronic database to discover or locate a predictive pattern or an anomaly? If so, state how OPM plans to use such results.

No. ARS does not use technology to conduct electronic searches, queries, or analyses for the purpose of discovering or locating a predictive pattern or anomaly. Only simple searches by claim number based on specific criteria manually input by the users are allowed.

3.3. Are there other programs/offices with assigned roles and responsibilities within the system?

Yes, there are other program offices within OPM with assigned roles and responsibilities within ARS. These include Healthcare and Insurance, the Chief Financial Officer's staff, and the Office of the Chief Information Officer. Healthcare and Insurance requires access to process healthcare enrollments, the Chief Financial Officer requires access to process financial statements and dispense benefits, and the Chief Information Officer requires access for IT system development and maintenance..

3.4. Privacy Impact Analysis: Related to the Uses of Information

Privacy Risk: There is a risk that the information in ARS could be used for a purpose other than that for which it was initially collected.

Mitigation: This risk is mitigated by user roles established by the ARS Administrator. Only those with a function related to managing the Annuity Roll will be granted access and only authorized users may access or modify the data in ARS.

Privacy Risk: There is a risk that an unauthorized user might access the information in the system.

Mitigation: This risk is mitigated through role based access control and following a strict IT access provisioning policy.

Section 4. Notice

4.1. How does the project provide individuals notice prior to the collection of information? If notice is not provided, explain why not.

Individuals will not typically have access to ARS; therefore notice is not given by the system. However, though no notice is given directly from the ARS system, a statement regarding a retiring employee's coverage and Privacy Act statements are on each paper application for retirement benefits given to employees by their employing agency. This PIA as well as the published SORN referenced in Section 1.2 also provide notice to individuals.

4.2. What opportunities are available for individuals to consent to uses, decline to provide information, or opt out of the project?

Individuals may opt to exclude required information as requested on the paper application; however it will impact the processing of their retirement application and subsequent annuity/benefit calculation and distribution. Federal employees cannot opt-out of the benefit since it is given as part of the employment.

4.3. Privacy Impact Analysis: Related to Notice

Privacy Risk: There is a risk that individuals are not aware that ARS contains their information.

Mitigation: This PIA provides notice that ARS uses and shares data with internal OPM source systems and external Federal agencies for purposes of data matching related to retirement benefits. Notice is also provided that individual information may be shared outside of OPM through the Routine

Use sections of the applicable SORN. In addition, retiring employees receive notice when they complete the retirement application.

Section 5. Data Retention by the project

5.1. Explain how long and for what reason the information is retained.

Until the replacement for records schedule number NC1-146-84-03 is approved, we are retaining the records in ARS permanently, as required by law. The new schedule will have the retention mandated by 5 U.S.C. § 8345(i): We will destroy the records 30 years after the date of the employee's death or 115 years after the date of the employee's birth, whichever is sooner.

5.2. Privacy Impact Analysis: Related to Retention

Privacy Risk: There is a risk that the length of the retention period will impact data quality due to media age.

Mitigation: This risk is mitigated by testing and verification of ARS backups.

Privacy Risk: There is a risk that information will be kept longer than is necessary to achieve the necessary business purpose.

Mitigation: This risk is currently not mitigated as the records must be treated as permanent until a records schedule in place. OPM is working through the process required to establish a new records schedule in order to mitigate this risk as soon as possible.

Section 6. Information Sharing

6.1. Is information shared outside of OPM as part of the normal agency operations? If so, identify the organization(s) and how the information is accessed and how it is to be used.

Information in ARS is shared externally primarily with other Federal agencies in accordance with Computer Matching Agreements, memoranda of understanding, or information exchange agreements. The information is disclosed for a series of individual matching validations to ensure correctness and completeness of information and for retirement benefit distribution and fraud prevention. In addition, OPM contractors are provided with access to ARS pursuant to contracts for the development and maintenance of ARS.

6.2. Describe how the external sharing noted in 6.1 is compatible with the SORN noted in 1.2.

The information sharing described above is conducted in accordance primarily with the following routine uses in the OPM/CENTRAL 1 SORN:

k. For Non-Federal Personnel--To disclose information to private organizations, contractors, grantees, volunteers, or other non-Federal personnel performing or working on a project, contract, service, grant, cooperative agreement, or job for, to the benefit of, or consistent with the interests of the Federal Government when OPM has determined that the use of that information is compatible with proper disclosure and will benefit Federal employees, annuitants or their dependents, survivors, and beneficiaries. To disclose information to contractors, grantees, or volunteers performing or working on a contract, service, grant, cooperative agreement, or job for the Federal Government.

l. To disclose, to the following recipients, information needed to adjudicate a claim for benefits under OPM's or the recipient's benefits program(s), or information needed to conduct an analytical study of benefits being paid under such programs: Office of Workers' Compensation Programs; Department of Veterans Affairs Pension Benefit Program; Social Security Administration's Old Age, Survivor and Disability Insurance and Medical Programs and Supplemental Security Income Program; Center for

Medicare and Medicaid Services; Department of Defense; Railroad Retirement Board; military retired pay programs; Federal civilian employee retirement programs (other than the CSRS or FERS); or other national, State, county, municipal, or other publicly recognized charitable or social security administrative agencies.

m. To disclose to the Office of Federal Employees Group Life Insurance (OFEGLI) information necessary to verify the election, declination, or waiver of regular and/or optional life insurance coverage or eligibility for payment of a claim for life insurance.

n. To disclose to health insurance carriers contracting with OPM to provide a health benefits plan under the FEHB, SSN, and other information necessary to identify enrollment in a plan, to verify eligibility for payment of a claim for health benefits, or to carry out the coordination for benefits provisions of such contracts.

z. To disclose to an allottee, as defined in 5 CFR 831.1501, the name, address, and the amount withheld from an annuitant's benefits, pursuant to 5 CFR 831.1501 et seq. as an allotment to that allottee to implement the program of voluntary allotments authorized by 5 U.S.C. 8345(h) or 8465

bb. To disclose to the Social Security Administration the SSN of civil service annuitants.

6.3. Does the project place limitations on re-dissemination?

Yes, re-dissemination of ARS information is subject to the terms stated in signed computer matching agreements and information exchange agreements.

6.4. Describe how the project maintains a record of any disclosures outside of OPM.

The ARS application captures information in audit records to establish what events occurred, the sources of the events, and the outcome of the events. Audit record content includes: (i) date and time of the event; (ii) the component of the information system where the event occurred; (iii) type of

event; (iv) subject identity; and (v) outcome of the event (success or failure) of the event. Records disclosed outside of OPM are maintained through interface logs (e.g., batch files) upon distribution as outlined in section 6.1.

6.5. Privacy Impact Analysis: Related to Information Sharing

Privacy Risk: There is a risk that information from ARS could be inappropriately disclosed for a purpose that is not consistent with the purpose for which it was collected.

Mitigation: This risk is mitigated be entering into agreements with information sharing partners that clearly define the purpose for the sharing, consistent with the purpose stated in the applicable SORN. In addition, OPM technical personnel review and analyze application audit records to ensure that information is accessed appropriately.

Privacy Risk: There is a risk that information, once shared appropriately, will be further shared or used in a manner that is inconsistent with the original purpose for which it was collected and/or shared.

Mitigation: This risk is mitigated be ensuring that the sharing is subject to written agreements that define the purposes for which information is shared, prohibits additional uses, and appropriately limits any onward sharing with third parties.

Section 7. Redress

7.1. What are the procedures that allow individuals to access their information?

Individuals do not have direct access to ARS. However, benefits information is provided to annuitants/survivors annually via mail or electronically and is also available for review on Services Online (SOL). A Summary of Benefits booklet is prepared upon benefit adjudication and mailed to the annuitant.

In addition, individuals may request access to their records by contacting the system owner identified in the OPM/CENTRAL 1 SORN and providing the following information: name, including all former names; date of birth;

Social Security number; the name and address of the office in which he or she is currently or was formerly employed in the Federal service; and annuity, service credit, or voluntary contributions account number, if assigned. Individuals requesting access must also follow OPM's Privacy Act regulations, 5 C.F.R. part 297, regarding verification of identity and access to records.

7.2. What procedures are in place to allow the subject individual to correct inaccurate or erroneous information?

Individuals do not have direct access to ARS but can access and update their information through the web-based Services Online (SOL). Alternatively, individuals may contact Retirement Services directly to notify the agency of changes to personal information. Based on the type of change, RS may require the individual submit evidence to prove identity and/or the validity of change.

In addition, individuals may request that their records be corrected by contacting the system owner identified in the OPM/CENTRAL 1 SORN and providing the following information: name, including all former names; date of birth; Social Security number; the name and address of the office in which he or she is currently or was formerly employed in the Federal service; and annuity, service credit, or voluntary contributions account number, if assigned. Individuals requesting access must also follow OPM's Privacy Act regulations, 5 C.F.R. part 297, regarding verification of identity and access to records.

7.3. How does the project notify individuals about the

Individuals are notified at the time of retirement and through subsequent notifications via mail about the availability of the SOL website as a mechanism for accessing and correcting their information. In addition, the OPM/CENTRAL 1 SORN provides notification concerning correcting records, as does this PIA.

7.4. Privacy Impact Analysis: Related to Redress

Privacy Risk: There is a risk that individuals may not be able to access information that is contained in ARS nor be afforded adequate opportunity to correct that information.

Mitigation: This risk is mitigated by providing individuals with access to their information via the SOL website, as well as through the procedures outlined in the OPM/CENTRAL 1 SORN.

Privacy Risk: There is a risk that individuals will not be notified concerning their ability to access and amend their records.

Mitigation: This risk is mitigated through notification that is provided to individuals at the time of retirement, as well as through subsequent mailings. In addition, the OPM/CENTRAL 1 SORN provides notice regarding the procedures for accessing and correcting information.

Section 8. Auditing and Accountability

8.1. How does the project ensure that the information is used in accordance with stated practices in this PIA?

ARS maintains access roles for OPM personnel and contractors that restrict and grant access to information and functionality based on the user's role in supporting the business process need. ARS captures sufficient information in audit records to establish what events occurred, the sources of the events, and the outcomes of the events.

OPM personnel review and analyze application audit records for indications of inappropriate or unusual activity, investigate suspicious activity or suspected violations, report findings to appropriate officials, and take necessary actions.

8.2. Describe what privacy training is provided to users either generally or specifically relevant to the project.

All OPM employees are required to complete annual IT Security and Privacy Awareness Training. In addition, end-users receive applicable ARS content

training specific to their work responsibilities, which covers the appropriate use of the information in ARS and individual user responsibility.

8.3. What procedures are in place to determine which users may access the information and how does the project determine who has access?

ARS administrators grant access based on approval from the user's Federal supervisor. Each user is assigned a unique user account and assigned a defined set of privileges based on the least privilege principle. The ARS administrator is responsible for ensuring the appropriate authorization has been granted for the access and the privileges requested, and for the removal of the user's privileges once that authorization has ceased.

Contractors serve as system developers and maintain the retirement systems at OPM. A contractor's access to ARS is based on the length of the contract and on the work the contractor is obligated to perform to support ARS and OPM. Before a contractor is granted access to ARS, the ARS administrator confirms that there is a valid contract in place, the contractor has a successfully adjudicated background investigation, and the contractor has completed IT Security and Privacy Awareness training. ARS program staff receive a list of all users that have left OPM each month from OPM Human Resources. OPM network staff will terminate access of any contractor or OPM employee that no longer requires access. In addition, the OPM network administrators will suspend/remove access from contract personnel when the contract has expired.

8.4. How does the project review and approve information sharing agreements, MOUs, new uses of the information, new access to the system by organizations within OPM and outside?

ARS program managers coordinate with the Office of the Chief Information Officer and with the Chief Privacy Officer, as needed, to review and assess new uses of information contained in ARS. ARS program managers, the CPO, and CIO also routinely review information sharing agreements, including Memoranda` of Understanding (MOUs), computer matching agreements and

information exchange agreements to ensure that appropriate privacy and security provisions are included to safeguard PII.

Responsible Officials

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Approval Signature

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