



Privacy Impact Assessment for

BENEFEDS

September 2025

Contact Point

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Abstract

BENEFEDS consists of the systems and business structures necessary to administer the enrollment and/or premium administration functions associated with multiple voluntary Federal benefits, including the Federal Employees Dental and Vision Insurance Program (FEDVIP), the Federal Long Term Care Insurance Program (FLTCIP), and the Federal Flexible Spending Account (FSAFEDS) Program. These programs are sponsored and regulated by the Office of Personnel Management Healthcare and Insurance office. BENEFEDS administers enrollment for FEDVIP and premium administration and reconciliation for FEDVIP and FSAFEDS. BENEFEDS manages the premium administration and customer service functions necessary for the collection of FEDVIP premiums and FSAFEDS allotments. BENEFEDS also manages the billing and customer service functions necessary for the collection of FLTCIP premiums. This Privacy Impact Assessment (PIA) is being conducted because BENEFEDS collects, uses, disseminates, and maintains personal identifiable information about Federal employees, annuitants, certain members of and retirees from the uniformed services, and their family members.

Overview

The Office of Personnel Management (OPM) Healthcare and Insurance office (HI) administers the Federal Employees Dental and Vision Insurance Program (FEDVIP), the Federal Long Term Care Insurance Program (FLTCIP), and the Federal Flexible Spending Account Program (FSAFEDS), along with other insurance and benefits programs.

- FEDVIP is the Federal program that provides dental and vision insurance plans to eligible Federal employees, annuitants, reserve and retired members of the uniformed services, and the eligible family

members of these individuals, and eligible family members of active duty members of the uniformed services.

- FLTCIP is the Federal program that provides long-term care insurance to eligible Federal employees, annuitants, active and retired members of the uniformed services, and their qualified relatives on an enrollee-pay-all basis.
- FSAFEDS is the Federal program that permits eligible Federal employees to set aside pre-tax earnings to pay for health care expenses with a Health Care or Limited Expense Health Care Flexible Spending Account (FSA) and to pay for day care expenses or elder care expenses with a Dependent Care FSA.

BENEFEDS is an enrollment and premium processing system operated by an OPM Contractor. BENEFEDS administers enrollment and premium payment processes for FEDVIP. It administers premium payment processes for FLTCIP, and acts as the third-party administrator for allotment collection for FSAFEDS. It is also responsible for processing billing, payment, and reconciliation tasks for these programs.

BENEFEDS consists of three portals that are incorporated into a network infrastructure covering enrollees, customer support, and a payroll office interface. BENEFEDS includes a database containing all enrollee and participant records for the FEDVIP and FSAFEDS programs. Enrollees can enroll online and manage their existing accounts. Enrollees in FLTCIP can view their premium amounts and premium payment history. The customer service portal allows the BENEFEDS Contractor to assist enrollees with FEDVIP questions and make change transactions.

The BENEFEDS portal (www.benefeds.com) is designed to streamline enrollment in FEDVIP by eliminating the need for each dental and vision carrier to develop its own system. The portal also consolidates premium and allotment collection and manages enrollment reconciliations through effective relationships with forty payroll providers and OPM's Retirement Services.

The information collected by the BENEFEDS portal is limited to only what is necessary to accomplish enrollment and premium/allotment collection in the benefit programs offered by OPM through the portal. Most of the information BENEFEDS collects about an individual comes directly from the individual when they complete an enrollment for FEDVIP or comes from the contractors that operate the enrollment systems for FLTCIP or FSAFEDS.

The system may use this information to process transactions, respond to inquiries, or to fulfill other administrative requirements. If the individual does not provide the information requested, they may have limited access to the features and services offered by BENEFEDS or may not be able to enroll in the benefits. Additionally, the BENEFEDS website may collect and use technical and navigational information, such as browser type, internet protocol address, screens viewed and average session length to improve the Web design and functionality. OPM may use this data in the aggregate.

BENEFEDS maintains information protection controls in accordance with industry standards and practices as well as guidelines set forth by the Federal government. These standards comply with all applicable laws and include physical and computer security standards in accordance with guidance from the National Institute of Standards and Technology (NIST). OPM restricts access to information to those Contractor employees who require access to perform BENEFEDS functions. The Contractor's employees are specifically trained regarding their responsibility to protect the information in the system.

The information in the system is secured using approved encryption mechanisms. All access is controlled by authentication methods to validate the approved users which includes the option to choose Phishing Resistant Multi-Factor Authentication (PR-MFA) to access their online account. All Contractor employees are expected to protect information in accordance with agreed upon terms contained within appropriate documentation.

Section 1.0. 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?

OPM, and its Contractor are authorized to collect the information in BENEFEDS by authority provided under 5 U.S.C. Chapter 89A, Enhanced Dental Benefits, 5 U.S.C. Chapter 89B, Enhanced Vision Benefits, and 5 U.S.C. Chapter 90, Long-Term Care Insurance. FSAFEDS is operated in accordance with the Federal Flexible Benefits Plan under Section 125 of the Internal Revenue Code of 1986, as amended, and applicable regulations.

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

The SORN for this system is OPM CENTRAL-26, FEDVIP, FLTCIP, and FSAFEDS Records.

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

Yes. The BENEFEDS System Security Plan is updated annually.

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

At present, the Contractor retains records pursuant to the contract between OPM and the Contractor. However, a record schedule is under development to establish a retention period for records in this system. Once completed,

the record schedule will determine the retention period of the records in the system.

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.

Information collection request 3206-0272 was approved in May 2019 for FEDVIP.

Section 2.0. Characterization of the Information

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

BENEFEDS collects, uses, disseminates and maintains personally identifiable information about enrollees and family members including, but not limited to:

- marital status
- Social Security Number (for primary enrollee but not dependents)
- contact information
- date of birth
- sex
- pay grade
- payroll and banking information
- personal information gained by the customer verification process
- insurance coverage through either the Federal Employees Health Benefits (FEHB) or the FSAFEDS Programs

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

The sources of the information in BENEFEDS are Federal employees, annuitants, certain members of and retirees from the uniformed services,

and their family members. The information is collected during the online enrollment process as entered by enrollees or the information is entered by BENEFEDS customer service personnel during telephone conversations with enrollees during the enrollment process. Annuitant enrollee information is obtained from the enrollee at the time of registration and enrollment and then verified by OPM Retirement Services.

BENEFEDS also receives enrollment information from the contractor that operates the FSAFEDS enrollment system, as BENEFEDS acts as the third-party administrator for payroll allotment collection for FSAFEDS and from the contractor that operates FLTCIP, as BENEFEDS collects premiums for enrollees in the program.

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

BENEFEDS receives United States Postal Service (USPS) address updates from a print service and mail vendor with which the contractor has a Business Associates Agreement, which verifies residential addresses of enrollees.

2.4. Discuss how accuracy of the data is ensured.

BENEFEDS incorporates Quality Control (QC) checks throughout its business processes to ensure the accuracy of the information received. The QC checks include: providing a comprehensive menu of employing agencies/retirement systems so enrollees can select the correct employing agency or retirement system; pre-validation checks to ensure the enrollee is an employee/annuitant receiving pay/annuity from a payroll provider; each name and address is validated against the United States Postal Service (USPS) database to make sure the contractor has the latest name and address; and, for any outgoing mail containing personally identifiable information (PII), the Contractor conducts manual QC checks to verify the correct address before sending.

BENEFEDS has read-only access to the OPM Retirement Services Look-up Tool which allows BENEFEDS employees with access rights to view limited aspects of individual Federal annuitants' records. This is used to correct errors in BENEFEDS records, such as in the retirement claim number or Social Security number.

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

Privacy Risk: There is a risk that more information than is necessary will be collected and maintained in BENEFEDS.

Mitigation: BENEFEDS has mitigated this risk as it is designed to collect only the information that is necessary to accomplish enrollment and premium/allotment collection in the benefit programs offered by OPM through the portal. In addition, only the last four digits of the Social Security number are readable, and the password is masked across all touchpoints. All information is transmitted via secure connections.

Privacy Risk: There is a risk that the information in BENEFEDS may not be accurate, leading to erroneous decisions that could adversely affect an individual.

Mitigation: This risk is mitigated by the Quality Control procedures incorporated in the BENEFEDS system. In addition, enrollees in the programs have opportunities to view and correct inaccurate information, as discussed below in Section 7.

Section 3.0. Uses of the Information

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

All information that is gathered during the enrollment process in BENEFEDS, or during customer service interactions, is used for managing enrollment and premium administration. The primary purpose of BENEFEDS is to administer

enrollment for FEDVIP. Enrollment information obtained by the system is then forwarded to the relevant dental or vision carrier to complete the enrollment process. BENEFEDS also uses the enrollment information to communicate with payroll agencies to have premiums deducted in accordance with the authorization of the enrollee, for both FEDVIP and FLTCIP. BENEFEDS uses the enrollment information obtained from the Contractor operating the FSAFEDS enrollment system to communicate with payroll agencies to have flexible spending allotments deducted in accordance with the authorization of the enrollee.

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.

BENEFEDS uses several electronic searches, queries, or analyses, including scheduled control queries, marketing queries, system reports, and system data scans. BENEFEDS uses the results of electronic searches to correct certain errors by processing changes on user accounts, and modifying feeds that are exchanged with partners. It also uses aggregate information from Google Analytics to improve the enrollee experience.

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

Besides HI and the BENEFEDS Contractor, there are no other OPM programs or offices with assigned roles and responsibilities within the BENEFEDS system.

While OPM is the sponsor and regulator of the program, BENEFEDS does not regularly share record level information about individuals with OPM to avoid compromising enrollees' information. BENEFEDS provides summary reports to OPM program management in HI on a weekly basis. BENEFEDS also provides demographic data to the OPM Office of the Actuaries within HI to support premium negotiations. OPM actuaries receive a quarterly report

from the BENEFEDS Contractor on updated personal, demographic and enrollment information.

BENEFEDS shares individual enrollee data with various subcontractors where necessary to fulfill the underlying BENEFEDS contract requirements. As an example, BENEFEDS shares information with an external vendor that performs address scrubs related to the FEDVIP and FSAFEDS programs. The subcontractor agreements limit the use of the information and require compliance with Federal law and policy to safeguard enrollee records.

BENEFEDS may also share information, as authorized by OPM, about other Federal benefits programs (e.g., FLTCIP and FSAFEDS) for the purpose of educating enrollees about other federal benefits available to them.

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

Privacy Risk:

Privacy Risk: There is a risk that the information in the system will be accessed by an unauthorized user or by an authorized user for an unauthorized purpose and used in a manner that is inconsistent with the purpose for which it is being collected and maintained in BENEFEDS.

Mitigation: The BENEFEDS Contractor uses role-based access controls (RBAC) to mitigate this risk. RBAC are comprised of employee provisioning, permissions management, and access controls. Access to BENEFEDS by contractor employees is limited to the information needed to perform their assigned duties.

Section 4.0. Notice

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

Notice is provided to individuals prior to the collection of information.

BENEFEDS provides statements about the collection of information about

FEDVIP via a Privacy Notice, Privacy Act Statement, and Terms and Conditions posted at the bottom of the BENEFEDS webpages, and generally, via the SORN identified in section 1.2.

BENEFEDS also administers the premium payment processes on behalf of FLTCIP. Notices prior to enrollment in FLTCIP are provided on the FLTCIP website, www.ltcfeds.com.

Additionally, BENEFEDS works with Federal payroll providers to collect allotments for FSAFEDS. Notices prior to enrollment in FSAFEDS are provided on the FSAFEDS website, www.fsafeds.com.

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

Use of the BENEFEDS enrollment system is voluntary. Individuals can refuse to provide requested information by electing not to enroll in the FSAFEDS, FLTCIP, or FEDVIP programs. However, individuals are informed that if they do not provide the requested information, they will have limited access to the features and services offered by BENEFEDS and may not be able to enroll in the benefits programs. During the registration process, individuals are provided with the opportunity to opt out of receiving non-administrative communications and the Contractor stores this indicator so individuals will not be sent such materials.

4.3. Privacy Impact Analysis: Related to Notice

Privacy Risk: There is risk that individuals will not receive appropriate notice concerning what information will be collected about them and how that information will be used.

Mitigation: This risk is mitigated by the Privacy Notice, Privacy Act Statement, and Terms and Conditions posted on the BENEFEDS website and provided to all enrollees. Additionally, individuals are notified by their agencies, which are responsible for counseling employees regarding their rights and benefits, and the SORN referenced in Section 1.2.

Section 5.0. Data Retention by the Project

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

Enrollment information is retained in the BENEFEDS system to collect and administer premiums and adjust coverage for qualifying life events. At present, the Contractor retains records pursuant to the contract between OPM and the Contractor. However, a record schedule is under development to establish a retention period for records in this system. Once completed, the record schedule will determine the retention period of the records in the system.

5.2. Privacy Impact Analysis: Related to Retention

Privacy Risk: There is a risk that the information will be retained for longer than is necessary to meet the business needs and Federal requirements for which it was originally collected, or that it will not be retained for a sufficient period to meet the requirements of the Federal Records Act.

Mitigation: To mitigate this risk, the contractor will delete information pursuant to the contract between OPM and the contractor.

Section 6.0. 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.

The enrollment information collected in the BENEFEDS system is routinely shared with the relevant FEDVIP dental or vision carrier to complete enrollment transactions, including initial and new enrollments, enrollments related to qualifying life events, and termination of enrollments. The enrollment information collected in the BENEFEDS system is also routinely provided to payroll administrators to have premiums deducted in accordance with the authorization of the enrollee, for both FEDVIP and FLTCIP.

BENEFEDS also provides the enrollment information obtained from the Contractor operating FSAFEDS to payroll administrators to have flexible spending allotments deducted in accordance with the authorization of the enrollee. The FEDVIP dental and vision carriers are listed on the OPM website at: <https://www.opm.gov/healthcare-insurance/dental-vision/plan-information/plans/dental> and [https://www.opm.gov/healthcare-](https://www.opm.gov/healthcare-insurance/dental-vision/plan-information/plans/vision)

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Individual enrollee data is shared with various vendors where operational efficiencies for the BENEFEDS Contractor warrant an external vendor. This is permitted by the contract between OPM and the BENEFEDS Contractor. For example, the Contractor uses external call centers during Open Season to supply the increased enrollment customer service needed during this period. The Contractor also uses a commercial print/mail fulfillment vendor for enrollee mailings. This same vendor performs address scrubs to ensure up-to-date mailing addresses for enrollees in the FEDVIP and FSAFEDS program.

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

Consistent with the purpose articulated in the OPM/Central-26 SORN, the Contractor uses the records in this system to provide information and verification on which to base entitlement, complete enrollment, and for payroll premium/allotment deduction. The information sharing described above is conducted in accordance with routine uses in OPM/Central-26 SORN. This includes:

g. To contractors, grantees, experts, consultants, or volunteers performing or working on a contract, service, grant, cooperative agreement, or other assignment for OPM when OPM determines that it is necessary to accomplish an agency function related to this system of records. Individuals provided information under this routine use are

subject to the same Privacy Act requirements and limitations on disclosure as are applicable to OPM employees.

h. To FEDVIP Carriers and the FLTCIP Carrier, information necessary to identify enrollment in a plan, change existing enrollments, cancel, and terminate enrollments, reconcile enrollment, and correct enrollment discrepancies.

i. To BENEFEDS, the enrollment information necessary for the purpose of premium processing for FEDVIP and FLTCIP and allotment processing for FSAFEDS.

j. To FSAFEDS, the claims information necessary to administer paperless reimbursement for those participants who have elected this option.

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

Yes, re-dissemination of BENEFEDS information is subject to the terms in signed contracts and interagency agreements. OPM is responsible for managing contractual obligations with the dental and vision carriers. No external vendor is permitted to use or collect enrollee data for marketing purposes.

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

The project tracks all disclosures of information using transmission logs. The tracking document includes the following information: enrollee's name, enrollee's Social Security number, date request received, date information was sent, name of the individual/entity to whom the information was disclosed, citation to the applicable authority allowing the disclosure (if disclosed to a third party), and the address to which the information was sent. A copy of the information disclosed is saved to the enrollee's file for reference.

6.5. Privacy Impact Analysis: Related to Information Sharing

Privacy Risk: There is a risk that information from BENEFEDS may be inappropriately disclosed outside of the Contractor's facility.

Mitigation: This risk is mitigated by the fact that information maintained in BENEFEDS is only shared in a manner consistent with the routine uses prescribed in the SORN identified in Question 1.2 or as required by law and consistent with OPM's contract requirements. This risk is further mitigated through role-based access controls and training utilized by the BENEFEDS Contractor to limit access of information to approved staff.

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.

Mitigation: This risk is mitigated by written contracts and agreements that define the purposes for which the information is shared, prohibits additional uses, and defines limits for any further sharing with third parties or legal entities. Additionally, any exchange ensures the minimum amount of data is shared. For example, BENEFEDS assists partners with enrollment fraud detection by comparing partners' enrollee data against BENEFEDS data. BENEFEDS only provides confirmations against originating data received and does not provide additional enrollee data.

Privacy Risk: There is a risk that information will be lost or misused in transit or by the receiving agencies with which BENEFEDS shares information.

Mitigation: This risk is mitigated by transmitting information securely and monitoring the movement of information both within and outside of the contractor's network. Additionally, information is only shared with trusted partners, and the exchange is governed by written contracts and agreements that define the purposes for which the information is shared,

prohibits additional uses, and defines limits for any further sharing with third parties or legal entities.

Section 7.0. Redress

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

Individuals may access their own records on the BENEFEDS website by following a multifactor authentication process using a personal or system user identifier and a password or other personal information, in addition to confirming a token generated by the Contractor's third-party MFA vendor. More generally, individuals may request access to their Privacy Act covered information by following the procedures set out in the OPM CENTRAL-26 SORN. Individuals must furnish certain information for their records to be located and identified:

- including full name (including any former name)
- date of birth
- Social Security number
- name and address of employing agency
- uniformed services branch, or retirement system
- reasonable specification of the requested information
- address to which the information should be sent
- signature

In addition, individuals requesting access must also comply with Privacy Act regulations regarding verification of identity and access to records (5 CFR part 297).

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

The BENEFEDS system offers several options for individuals to access and correct their account information, including online access at the BENEFEDS

website, access to customer service representatives by phone, and by mail. Specific addresses and telephone numbers are provided on the BENEFEDS website and in BENEFEDS correspondence.

Enrollees are provided an opportunity to review information and certify it is accurate prior to submission and can review and correct their information throughout the year. Enrollees receive annual reminders to verify the accuracy of their information and update it as necessary.

Since BENEFEDS receives the enrollment information for FSAFEDS and FLTCIP from outside contractors, the enrollee cannot correct that information on BENEFEDS. The enrollee must contact the respective contractor to access and correct account information.

In addition, individuals wishing to request amendment of their records covered by the Privacy Act may follow the procedures set out in the OPM CENTRAL-26 SORN. Individuals must furnish certain information for their records to be located and identified:

- including full name (including any former name)
- date of birth
- Social Security number
- name and address of employing agency
- uniformed services branch, or retirement system
- precise identification of the information to be amended
- signature

In addition, individuals requesting amendment to their records must also comply with OPM's Privacy Act regulations regarding verification of identity and access to records (5 CFR part 297).

7.3. How does the project notify individuals about the procedures for correcting their information?

The BENEFEDS website describes how individuals can access and correct information in the system. Additionally, individuals are notified by their agencies, which are responsible for counseling employees regarding their rights and benefits, and through publication of this PIA and the OPM CENTRAL-26 SORN.

7.4. Privacy Impact Analysis: Related to Redress

Privacy Risk: There is a risk that individuals may not be able to access information about them that is contained in BENEFEDS or be afforded adequate opportunity to correct that information.

Mitigation: This risk is mitigated as BENEFEDS allows users to directly access and correct or update some information online at the BENEFEDS website. In addition, the contractor offers several other options for accessing and correcting account information, including access to customer service representatives by telephone, or by mail. Specific telephone numbers and postal addresses are listed on the BENEFEDS website.

Section 8.0. Auditing and Accountability

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

The BENEFEDS Contractor performs monthly self-assessments of compliance with the NIST security control framework and submits results to the OPM Office of the Chief Information Officer. Also triennially, the Contractor has a third-party security firm conduct a FISMA (Federal Information Security Modernization Act) Assessment and prepare all forms needed for the OPM Authority to Operate (ATO).

A formal development process exists for the systems that support BENEFEDS. The application is constantly reviewed for risk and during any

changes, the change control board considers risks to the application and to individual's data.

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

Annual training is provided to all existing BENEFEDS Contractor employees as a condition of employment. All Contractor employees receive annual Security and Privacy Awareness Training. The Contractor's human resources department coordinates the on-line training and maintains documentation of completion for each employee.

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

The BENEFEDS Contractor has separate business units handling system management, programming, and quality assurance. The contractor ensures separation of duties of individuals as necessary to prevent collusion for malicious purposes, documents the separation of duties, and implements separation of duties through assigned system access authorization and controls for separation of duties via automated control programs. The contractor requires documentable evidence of its separation of duties, and information system-specific permissions separate how users have access to the system.

The contractor requires its management to review access authorization to applications and systems. These access requests must be documented and approved, and access is reviewed on a regular basis for appropriateness. Additionally, the contractor's administration accounts are closely monitored by internal tools.

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?

Information sharing agreements such as Memoranda of Understanding (MOUs) are drafted with input from various contractor subject matter experts as well as the Agency that the document applies to. The documents go through a review and approval process across multiple layers of personnel to ensure completeness and accuracy.

OPM staff also review MOUs every three years for renewal or as necessary updates are required. Any new access to the system will be evaluated by the appropriate personnel. New uses of the information are business decisions determined by the BENEFEDS Contractor's Executive Management Office, in coordination with relevant stakeholders.

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