



Cybersecurity: protecting your plan

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Agenda

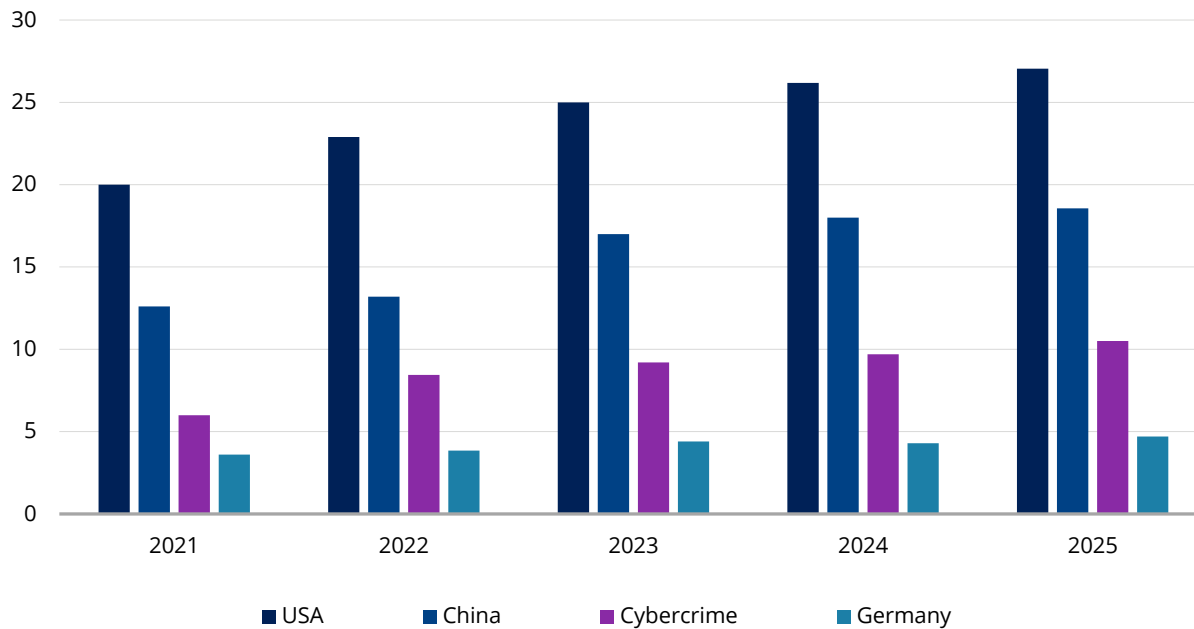
- **Trends in Cybersecurity – What we are seeing**
- **Ways Empower is protecting data and stance on AI**
- **Empower’s fraud controls & Security Guarantee**
- **Empower’s alignment to the DOL cybersecurity best practices**
- **What we can do to improve data security**
- **Q&A**



Cybersecurity trends: why we care about security

Estimated cost of cybercrime (USD T)¹

World's largest economies



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1 Cyber Crime Magazine, "Top 10 Cybersecurity Predictions and Statistics for 2023," 2022.

2 Astra IT, Inc., "90+ Cyber Crime Statistics 2023: Cost, Industries & Trends," 2023.

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Cybercrime is a **trillion-dollar industry**²

Threat and vulnerability statistics

↑ 89%
of ransomware attacks exfiltrate data¹

↑ 71%
of victims refuse to pay the ransom (2023)²

3 most common compromise points for ransomware³

- Phishing/social engineering
- Unpatched exploitable vulnerabilities
- Remote desktop protocol

¹ State of Ransomware report for 2022, Blackfog

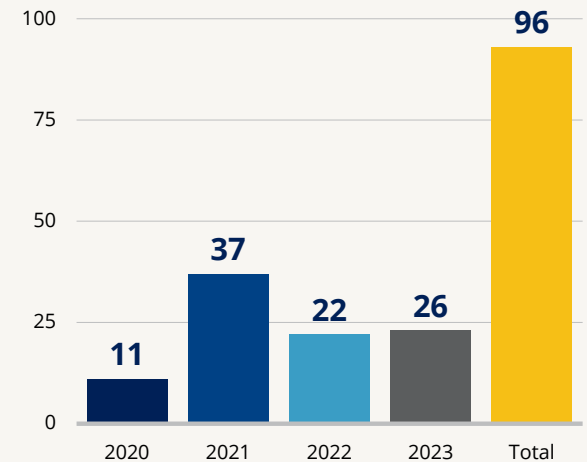
² The HIPAA Journal 2023.

³ TechTarget 2023. Top 3 ransomware attack vectors.

⁴ 4 IT Governance UK 2020; Risk Based Security, "New Research: No. of Records Exposed Increased 141% in 2020," 2021, and "Data Breach Report: 2021 Year End," 2022. 2024 Statista number of data breaches worldwide

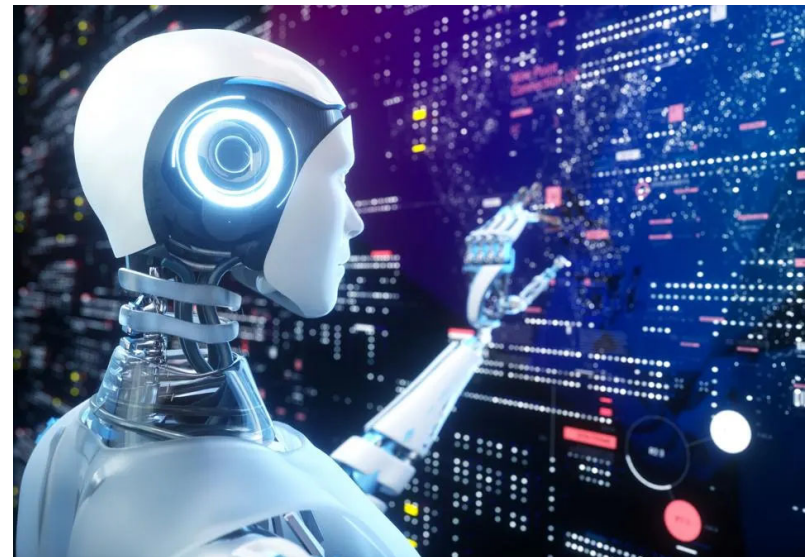
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96 billion
records stolen in 4 years⁴



How AI will impact future of jobs

- World Economic Forum estimates AI will replace 85 million jobs, but create 97 million new jobs by 2025¹
- 97% of business owners believe that ChatGPT will benefit their businesses²
- Over 60% of business owners believe AI will improve customer relationships, enhancing client interactions²
- AI could add a staggering \$25.6 trillion to the world's economy³
- 54% percent of companies had used generative AI in their business by November 2023, with over 80% adoption by Fortune 500⁴



GETTY

1. [Recession and Automation Changes Our Future of Work, But There are Jobs Coming, Report Says > Press releases | World Economic Forum \(weforum.org\)](#)

2. [24 Top AI Statistics & Trends In 2024 - Forbes Advisor](#)

3. [78 Artificial Intelligence Statistics and Trends for 2024 \(semrush.com\)](#)

4. [Top AI Statistics and Facts for 2024 | CompTIA](#)



What sets Empower apart

Secure modern technology platform with simplified administration

Technology and cybersecurity advantages

- Modern, proprietary platform that we built, own, and manage
- Server model + hybrid cloud services for scale and availability
- Size and scale: client-first focused partner
- Technology Innovation Lab (AI, Data & Analytics, Emerging Technology)

Simplified administration

- Integrated recordkeeping and trust data on a single platform
- Immediate transaction updates and reporting
- Easier access to data, customization, and reporting

Comprehensive cybersecurity and client protection program

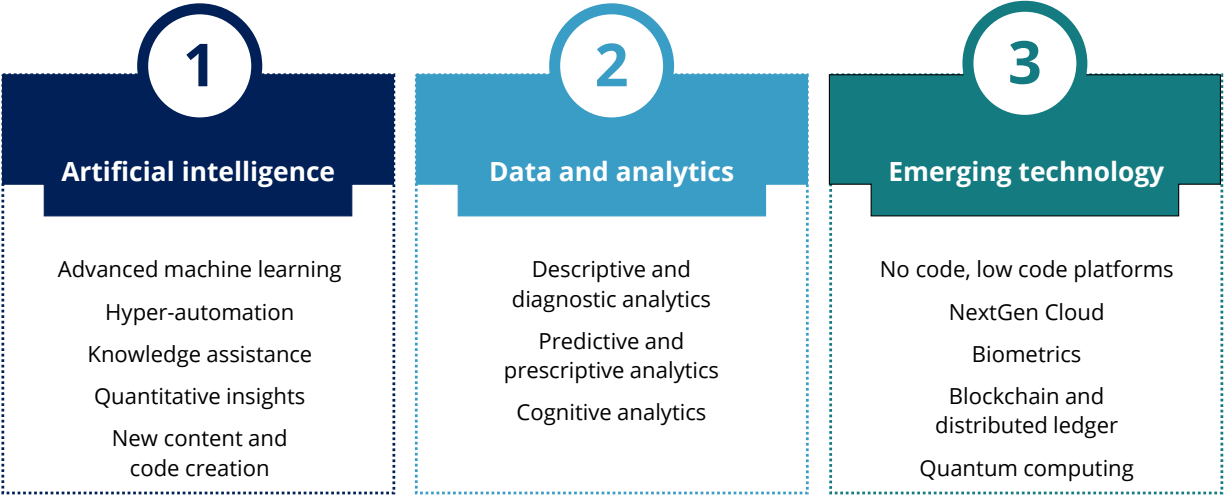
- Policies based on NIST 800-53 (Gold standard framework and U.S. Cyber Defense standard)
- SOC 2 Type II annual reports
- Align and exceed DOL cybersecurity best practices
- Verizon quarterly risk assessments & different Penetration Testers
- Empower has not experienced a cybersecurity breach

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Robust Fraud Controls

Our Technology Innovation Lab accelerates technology adoption to benefit our clients



Our mission:
To **ignite innovation** by testing new capabilities, **accelerating new technologies**, and differentiating the customer experience through **safe and transparent experimentation**

AI can enhance the experience for your participants

Enhance 1:1 human interactions



- Natural language IVR **improves participant experience**
- Enhanced **fraud detection**
- Scaled and enriched **call quality analysis and agent coaching**
- Efficient **service knowledge assistance** for agents²

Provide more convenient service

- 24/7 Virtual Assistant delivers **instant response**, tailored to your needs
- Next Best Action (NBA) will **expand to mobile/web** for anytime/anywhere service²
- AI-based automation **accelerates processing** of client requests with highest quality



Create and execute a robust financial plan

- Next Best Action (NBA) will give associates **suggested insights** to serve participants¹
- Evaluate the financial data of participants to **aid in modifying plans** as their life circumstances evolve.²



Protect personal data from bad actors

- Security incident and **event monitoring**
- **Call fraud detection**
- **Compliance:** trade monitoring and customer due diligence



¹ Anticipated for the first half of 2025

² Anticipated for the second half of 2025

Some tools described above may not be implemented or their availability is subject to change without notice.

Keep your data safe and secure



SECURITY GUARANTEE

We will restore account losses
that occur through no fault of
the participant.

For more information regarding account security and the Security Guarantee's conditions, visit empowermyretirement.com
and click on *Security Guarantee* at the bottom of the page.

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Cybersecurity

Modern platform

SOC 2 Type II + SPARK

Quarterly risk assessments

Penetration testing

Fraud prevention

Robust disaster recovery

Cybersecurity Attestation, Legislation & Regulation



SOC 2
Type 2 reports



SPARK Institute
& Empower

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cybersecurity control
objectives



Employee Benefits Security
Administration (EBSA) & United States
Department of Labor (DOL)

12

cybersecurity program
best practices for recordkeepers
and service providers

6

tips for plan sponsors:
how to select a service provider
with strong cybersecurity practices

9

online security tips



Securities and Exchange
Commission (SEC)

2 laws for public companies

1. 4 days cybersecurity
incident disclosure
2. Annually disclose
cybersecurity risk
management, strategy
and governance



Highly regulated

Gramm-Leach-Bliley Act (GLBA)
Federal Financial Inst Examinations Council (FFIEC)
Office of the Comptroller of the Currency (OCC)
Department of Labor (DOL)
Sarbanes-Oxley Act (SOX)
U.S. Securities and Exchange Commission (SEC)
Financial Industry Regulatory Authority (FINRA)
State Department of Insurance (DOI)
Division of Banking (DOB)
Red Flags (FACTA)
New York State Dept of Financial Services (NY DFS)
Federal Laws
State Laws

How to increase your plan's security with Empower

1

We need
current participant
contact information.
Payroll integration
gives accurate
and timely
participant data.

2

The **most secure** way
to share information is
through the Plan
Service Center (PSC)
portal.

We can set up forced
email encryption (TLS)
to secure emails.

3

Provide
security awareness
training on topics like
phishing.

4

Tell
us about any breaches,
fraud, or identity theft.

5

Use
e-delivery for
all participant
communications and
go paper-free for
statements.

Online security tips

Department of Labor (DOL): Nine online security tips¹

- 1 Register, set up, and routinely monitor your online account.
- 2 Use strong and unique passwords.
- 3 Use multifactor authentication (MFA).
- 4 Keep personal contact information current.
- 5 Close or delete unused accounts.
- 6 Be wary of free Wi-Fi (use a VPN).
- 7 Beware of phishing attacks.
- 8 Use antivirus software and keep apps and software current.
- 9 Know how to report identity theft and cybersecurity incidents.

You: Seven steps to better security²

- 1 Register your account on Empower.
- 2 Provide all available **emails** and **phone numbers**.
- 3 Use a **password manager** (e.g., Bitwarden, 1Password, Keeper).
- 4 **Use multifactor authentication** (MFA).
- 5 Leave MFA enabled by **not clicking** “remember this device.”
- 6 **Pay attention** to security alerts.
- 7 Freeze your **credit** (+ your family’s).

¹ [Online Security Tips \(dol.gov\)](https://www.dol.gov/eopss/online-security-tips) February 14, 2021.

² [Empower proprietary research.](#)

Industry links and resources



Society of Professional Asset-Managers and Record Keepers

Leading nonprofit association regarded as a major voice influencing federal retirement policy and thought leader for data security.

- Data Security Oversight Board: 17 control objectives
- Cybersecurity conferences and training

sparkinstitute.org/

National Institute of Standards and Technology – Small Business

Puts key free cybersecurity resources in one place. Their website does not offer operational assistance.

- SBA, Stay Safe Online, MEP, NICE, CISA

nist.gov/itl/smallbusinesscyber

Cybersecurity & Infrastructure Security Agency (CISA)

All services are available at no cost to federal agencies, state and local governments, critical infrastructure, and private organizations.

- Security assessments
- Cybersecurity training

uscert.cisa.gov/resources/ncats

FBI – Internet Crime Complaint Center (IC3)

All businesses should immediately report any threats and incidents to the FBI's IC3. The IC3 accepts online internet crime complaints from either the actual victim or from a third party to the complainant.

- File a complaint
- Consumer alerts
- Industry alerts

ic3.gov/default.aspx

Cybersecurity resources:

- CARGO ~ 70 pages
- Empower Recordkeeping Technology and Cybersecurity Guide – 12 pages
- Empower's Response to the DOL's Cybersecurity Guidelines - 18 pages
- CISO cybersecurity videos
- Co-branded participant communications campaigns
- SOC 2 Type II + AICPA SOC 2 Overview

Questions and answers



Disclosures

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