

TECH NEWS

5 rules to improve your odds against password hackers

by Jeff Spires, CIO



Jeff Spires is chief information officer at BeneSys Inc.

We all spend time making sure our personally identifiable information and our personal health information is protected, yet all this data is vulnerable to theft or breach if we have poor password management practices. Password management is essential for maintaining the security of our online accounts and personal information.

The length and complexity of a password are critical to preventing a breach. As the cybersecurity firm Hive Systems published in 2023, complex passwords (those made up of numbers, upper- and lowercase letters, and symbols) of 10 or fewer characters are susceptible to brute-force hacks in anywhere from a few seconds to two weeks (see table above). Simply increasing those passwords to 12 characters extends the time to 226 years.

When creating your passwords, be sure to follow these important rules:

1. Use complex and unique passwords with a minimum length of 12 characters. Create passwords that are long, complex and difficult to guess. Use a combination of upper- and lowercase letters, numbers, and special characters.

Time it takes a hacker to brute-force your password in 2023

Number of Characters	Numbers Only	Lowercase Letters	Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters, Symbols
4	Instantly	Instantly	Instantly	Instantly	Instantly
5	Instantly	Instantly	Instantly	Instantly	Instantly
6	Instantly	Instantly	Instantly	Instantly	Instantly
7	Instantly	Instantly	Instantly	1 sec	2 secs
8	Instantly	Instantly	Instantly	28 secs	2 mins
9	Instantly	3 secs	24 mins	2 hours	6 hours
10	Instantly	1 min	21 hours	5 days	2 weeks
11	Instantly	32 mins	1 month	10 months	3 years
12	1 sec	14 hours	6 years	53 years	226 years

HIVE SYSTEMS

2. Avoid common words and patterns. Steer clear of dictionary words, sequential numbers or keyboard patterns that can be easily guessed or cracked by attackers.

3. Create unique passwords for each account. Use different passwords for each of your online accounts. This way, if one password is compromised, it doesn't compromise the security of your other accounts.

4. Consider passphrases. Instead of passwords, try using passphrases, which are longer phrases made up of random words or a combination of words. Passphrases are easier to remember and can be just as secure as complex passwords. In phrases you can replace letters like "o" with zero, "a" with "@" and "i" with "1" — for example, Y0uarethe@ppleofmy1!

5. Try a password manager. Password manager software solutions (such as 1Password) specialize in helping consumers generate, protect and manage their passwords.

BeneSys has enabled many of these password management policies and procedures across our enterprise to ensure we are creating the most secure environment possible. We believe password management is a critical activity in our cybersecurity ecosystem, and we are spreading that message to all of our employees. I encourage you to review your own password management practices in your work environment and personal life; you'll gain insight into your cybersecurity profile so you can strengthen it where needed. •

Employee or independent contractor? Classification matters

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 U.S. Department of Labor's new Fair Labor Standards Act rules, scheduled to take effect March 11, 2024, may prompt businesses to reclassify independent contractors as employees. Designating an individual as an employee under one body of law, such as the FLSA, can prompt questions of whether that person is also an employee under other bodies of law, such as the Internal Revenue Code and Employee Retirement Income Security Act. Because worker misclassification can unleash a torrent of IRC and ERISA compliance problems, employers should take a holistic approach to ensure that worker status is documented, determined consistently, and compliant with employment laws, tax codes and ERISA.

FLSA focuses on the big picture

Although the FLSA does not govern employee benefit plans, the new rules may interest union leaders because if businesses are required to classify more independent contractors as employees, then more individuals could be subject to collective bargaining agreements. The 2024 FLSA regulations restore a "totality of the circumstances" approach in assessing the economic realities of the worker's relationship with the business. Rather than giving greater weight to two core factors of control and opportunity for profit or loss, the rules now require balanced consideration of six factors:

- The worker's opportunity for profit or loss depending on managerial skill.
- Investments by the individual and the business.
- The degree of permanence of the work relationship.
- The nature and degree of control over the work.
- The extent to which the work is an integral part of the potential employer's business.
- Worker skill and initiative.

For more information, see "Fact Sheet 13: Employee or Independent Contractor Classification Under the Fair Labor Standards Act (FLSA)," available at <https://bit.ly/4999Ua3>.

IRS looks at the right to direct and control

In Revenue Ruling 87-41, the Internal Revenue Service lists 20 factors to determine whether an individual is an independent contractor or an employee for Internal Revenue Code purposes. On its website and in training materials for its agents, however, the IRS has stated that some of those factors are not as relevant as they once were. The agency now focuses on the right to direct and control:



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Employers must look at the entire relationship, consider the degree or extent of the right to direct and control, and document each of the factors used in making the determination.

- **Behavioral control:** Does the company control or have the right to control what work is to be done and how it is to be done?
- **Financial control:** Does the payer control the business aspects of the worker’s job — e.g., how the worker is paid, whether expenses are reimbursed, who provides tools/supplies, etc.?
- **Type of relationship:** Are there written contracts or employee-type benefits (i.e., pension plan, insurance, vacation pay)? Will the relationship continue, and is the work performed a key aspect of the business?

Employers must look at the entire relationship, consider the degree or extent of the right to direct and control, and document each of the factors used in making the determination.

To verify a worker’s status with the IRS for employment tax purposes, either the business or the worker can complete and file IRS Form SS-8: Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding.

In addition, employers can consult the various Treasury Regulations that define *employee* for federal tax purposes: for federal income taxes, see 31.3401(c)-1; for unemployment taxes, see 31.3306(i)-1; and for FICA taxes, see 31.3121(d)-1.

ERISA weighs 13 factors equally

Section 3(6) of ERISA defines employee as “any individual employed by an employer.” In the 1992 case *Nationwide Mutual Insurance Company v. Darden*, the U.S. Supreme Court noted the circularity of this definition. The court adopted a common-law test for determining who qualifies as an “employee” under ERISA, using the general common law of agency. The following 13 factors are relevant:

1. The hiring party’s right to control the manner and means by which the work is accomplished.
2. The skill required.
3. The sources of the instrumentalities and tools.
4. The location of the work.

5. The duration of the relationship between the parties.
6. Whether the hiring party has the right to assign additional projects to the hired party.
7. The extent of the hired party’s discretion over when and how long to work.
8. The method of payments.
9. The hired party’s role in hiring and paying assistants.
10. Whether the work is part of the regular business of the hiring party.
11. Whether the hiring party is in business.
12. The provisions of employee benefits.
13. The tax treatment of the hired party.

The court said all incidents of the relationship must be weighed, with no single factor being decisive.

Misclassification is risky business

Misclassifying an individual as an independent contractor rather than as an employee can result in a host of issues under FLSA, IRC, ERISA, and other federal and state laws, including:

- Failure to provide individuals with benefits under an employee benefit plan.
- Nondiscrimination testing issues.
- Impermissible in-service distributions.
- Breach of fiduciary duty.
- Liability for failure to withhold and pay employment taxes.
- Operational errors.
- Interference with an employee’s protected right.
- The potential loss of tax-qualified status for tax-qualified retirement plans.

Being overinclusive — i.e., misclassifying an independent contractor as an employee — can also result in compliance problems, including violation of exclusive benefit rules.

To avoid costly penalties, businesses should work with their legal counsel to ensure that how they are classifying workers is documented and consistent across the various laws that apply to their organization. •

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.

SpyGlass migration delivers big benefits to our clients



Beacon Technologies Group, a leading provider of health claims management solutions, including SpyGlass, is part of the BeneSys family of companies.

The BeneSys Conversion Factory Team continues to transition clients from legacy claims technology to our state-of-the-art SpyGlass platform, with outstanding results.

“SpyGlass is helping us improve accuracy by eliminating manual processes, offer more rapid configuration of client benefit options, and prepare for the future with better scalability,” says Dayna Thorman, vice president of Systems Implementation and Client Services at BeneSys. “All of that translates to greater value for our clients.”

With its robust functionality and powerful technology, the SpyGlass system is benefiting our migrated clients in a number of ways:

- **Faster** claims turnaround time with over 25% higher auto-adjudication rates.
- **More accurate** processing, which reduces adjustments and member frustration.
- **Fewer** provider inquiries thanks to enhanced self-service portal capabilities.
- **Seamless** transactions and integrations with networks and other third-party vendors.
- **Enhanced** configurability to accommodate more complex benefit options.
- **Quicker** delivery of customized reporting requirements.
- **Superior** system reliability and security.

Claims processing is a complex part of administration,

and the SpyGlass system helps BeneSys shine in customer service. Our claims and customer service departments have been able to automate processes that were previously handled manually and were therefore susceptible to human error. “We’ve seen a significant jump in our auto-adjudication rates, which has resulted in fewer errors and has given us more time to focus on customer service operations that deliver more value to our clients,” says Dayna.

As the BeneSys migration plan continues, more and more clients will experience the advantages of the SpyGlass platform. To learn more about how our SpyGlass technology can benefit your fund office, contact your plan manager. •

EVENTS

BeneSys supports tradeswomen at DC conference



BeneSys Plan Associate Karin Pittman (left), Plan Associate Amanda Christie and Plan Manager Nichelle Henry — all from our Columbia, Maryland, office — manage the BeneSys booth during the Tradeswomen Build Nations conference in Washington, D.C., in December. Presented by North America’s Building Trades Unions (NABTU), the 13th international Tradeswomen Build Nations conference drew more than 3,900 attendees from the U.S. and Canada. With women constituting 78% of the BeneSys workforce, we were excited to meet and support many of these union tradeswomen. Thank you to NABTU for the opportunity to take part in this event!

Compliments or critiques, we want to hear from you

by Ed Wolyniec, CEO



“BeneSys wants to be the best in the business, and addressing your concerns directly is the only way to get there.”

One of my mentors loved to tell me “feedback is a gift” – usually just before he would chastise me on some topic – but those words ring true! BeneSys wants to be the best in the business, and addressing your concerns directly is the only way to get there. That’s why I personally appreciate the time that a good number of you spent filling out our annual Client Satisfaction Survey at the end of last year. Results were overall positive:

- A majority of you said you are pleased with our services.
- Client satisfaction levels increased year over year, as did your likeliness to recommend our services.

On the other side of the ledger, some of you are not completely satisfied with the services we provide. Our plan management team will be following up to make sure we understand what we need to do to better meet your needs.

As always, we encourage you to share your

feedback with us anytime – no need to wait for our annual survey – so that we can continually improve our service to you. Contact your plan manager or email me directly at ed.wolyniec@benesys.com.

In the meantime, enjoy this issue of *Navigator*. Our coverage shines a spotlight on important topics such as password management, proper worker classification, women in the construction trades, and more.

Thanks for reading, and remember: We eagerly await the gift of your feedback! •

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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