

HR Compliance Solution for Protecting Personal Information

**The new Massachusetts personal information protection law is here!
Need a turnkey compliance solution?
Look no further...**

HR Knowledge offers a comprehensive solution for HR departments to meet all of the requirements of this new Massachusetts law (MGL 93H). Our compliance specialists will provide you with a complete program that includes policies, processes systems, training and reporting. Furthermore, we will help you ensure ongoing compliance through our hosted software solution for protecting regulated HR files and achieve compliance with minimal effort and costs.

Solution Deliverables

One-Day Compliance Session:

- o Compliance implementation plan
- o Written information security policy
- o Risk assessment
- o Personal information identification within HR files
- o Bulk encryption of regulated HR files
- o Employee training session

Ongoing Services:

- o Hosted software solution for protecting HR files
- o Quarterly compliance reports
- o Assistance in event of a breach

About HR Knowledge

HR Knowledge is a leading Business Process Outsourcer (BPO) serving emerging to mid-sized companies in the Northeast. Headquartered in Mansfield, MA, HR Knowledge provides Payroll Processing, Employee Group Benefit Brokerage & Administration and Human Resource Support Services. Our Integrated Solution offers a compelling and competitive alternative to traditional payroll vendors.

For More Information

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Strict Law Requires New Security Measures

Massachusetts has put in place strict regulations for protecting personal information of Massachusetts residents. As a result, your company is now responsible for establishing policies and business processes for protecting the personal information of your employees that is widespread throughout your Human Resource department. These requirements are the most comprehensive ever legislated, and you only have **until January 1, 2010** to implement them. If you fail to comply with the law and experience an accidental loss or breach of information, the results would be significant, including prosecution by the attorney general and **class action law suits** in addition to your remediation costs.

The challenges presented by this legislation are immense, encompassing everything from establishment of HR policy and processes to implementation of encryption solutions. The security requirements of this law dictate that you protect employee information found throughout your various HR forms and files from employee applications to payroll reports. Furthermore, if you are like most companies and use employee information on your laptops, attach it to emails on your wireless devices, and copy it to CDs, the law requires this information now to be encrypted. If you are a small-or-medium sized firm, you probably do not have the staff nor can afford the large capital investment needed to comply with this legislation.

Costs of Non-Compliance Are High

The cost of non-compliance with the law is significant, especially if you experience the inevitable information **loss or breach**. Out-of-pocket costs for other companies who have experienced a loss has started in hundred of thousands of dollars¹ including legal fees, IT, credit reporting services, and public relations. Failure to comply with the law could also result in additional costs of fines of **\$100 per record**, prosecution by the attorney general, and class action lawsuits. No less significant is the cost of the turnover and loss of business which is typical after these incidents.

Compliance Challenges

Lack of Staff to Implement Solution

Most small-and-medium-sized firms do not have the in-house resources or expertise to implement a solution for complying with the Massachusetts information protection law. It could take already overburdened HR and IT staffs weeks to research and implement a solution.

Personal Information Widespread in HR Files

Personal information as defined by the law is widespread throughout your HR department. Some examples of the types of files that you will need to protect include:

- o **Payroll and Compensation Reports**
- o **Employment and Contractor Agreements**
- o **Employee Applications and Background Checks**
- o **I-9s, Visa and Immigration Records**
- o **Payroll and Direct Deposit Form**
- o **Tax Forms (Federal W4 and State)**
- o **Benefit Enrollment Forms**
- o **Retirement Plan Forms**
- o **Employee Stock/Option Plan Documents**

Personal Information Stored Everywhere

Personal information of your employees is not only accessed by your HR staff but is shared with your finance staff, managers, and key executives. As a result, for every file on your HR file share, there are five or more copies floating around on laptops, home computers, attachments in email on BlackBerries and PDAs/smart phones, CD/DVDs, USBs, and backup tapes; all in violation of this law. Point solutions, such as **password, full disk or email encryption, are insufficient to ensure compliance with the law** across the myriad of these devices. Furthermore, even with good processes and systems, failure of your employees to follow them will most likely result in a breach. A Massachusetts study estimated 40% of the reported breaches were due to employee errors.²

Costs of Alternative Solutions Are Prohibitive

The out-of-pocket costs of implementing a solution are estimated to be in the tens of thousands of dollars including legal fees, consultants, and IT infrastructure investments. These costs significantly affect budgets.

Key Benefits of HR Knowledge Solution

One-Integrated Compliance Solution

We will provide you with a complete solution to meet the requirements of the law. All you need to do is designate a program manager to oversee it.

Mass 201 CMR 17 Standards

- ✓ Conduct risk assessment
- ✓ Develop data use policies
- ✓ Impose disciplinary measures
- ✓ Prevent access by terminated employees
- ✓ Ensure third party vendor compliance
- ✓ Identify personal information sources
- ✓ Restrict physical access to info
- ✓ Monitor security effectiveness
- ✓ Annual review
- ✓ Document breaches and response
- ✓ Meet Computer Security Requirements

Easy-to-Use Software for Protection of HR Files

Through the award-winning Liquid Machines software, we will provide you with a hosted solution for automatically encrypting your regulated HR files. HR staff and authorized users will continue to work with files as they normally do while ensuring that the information is always encrypted in any location or on any device, significantly **reducing breaches** due to either malicious activity or employee mistakes. Our hosted servers enable you to dynamically control who can use your data, even remotely disabling access to files on a terminated employee's home computer.

Ongoing Compliance Services

Our hosted service will not only provide ongoing protection of your regulated data but will also enable detailed auditing of who used the information. This will significantly decrease time and costs associated with investigating a potential breach. You will also receive quarterly audit reports so you have a documented record of your compliance.

Low Costs and Low Resources

With minimal help from your HR and IT staff, we can provide a small-or-medium sized business compliance in its handling of HR data **within days**. Our Team will lead you through the tasks required to implement your information compliance program.