

Union Calendar No. 367

119TH CONGRESS
1ST SESSION

H. R. 2988

[Report No. 119–421]

To amend the Employee Retirement Income Security Act of 1974 to specify requirements concerning the consideration of pecuniary and non-pecuniary factors, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 2025

Mr. ALLEN introduced the following bill; which was referred to the Committee on Education and Workforce

DECEMBER 30, 2025

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on April 24, 2025]

A BILL

To amend the Employee Retirement Income Security Act of 1974 to specify requirements concerning the consideration of pecuniary and non-pecuniary factors, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the “Pro-*
 5 *tecting Prudent Investment of Retirement Savings Act”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 7 *this Act is as follows:*

Sec. 1. Short title; table of contents.

DIVISION A—INCREASE RETIREMENT EARNINGS

Sec. 1001. Short title.

Sec. 1002. Limitation on consideration of non-pecuniary factors by fiduciaries.

DIVISION B—NO DISCRIMINATION IN MY BENEFITS

Sec. 2001. Short title.

Sec. 2002. Service provider selection.

DIVISION C—RETIREMENT PROXY PROTECTION

Sec. 3001. Short title.

Sec. 3002. Exercise of shareholder rights.

*DIVISION D—PROVIDING COMPLETE INFORMATION TO RETIREMENT
INVESTORS*

Sec. 4001. Short title.

Sec. 4002. Brokerage window disclosures.

8 ***DIVISION A—INCREASE***
 9 ***RETIREMENT EARNINGS***

10 **SEC. 1001. SHORT TITLE.**

11 *This division may be cited as the “Increase Retirement*
 12 *Earnings Act”.*

1 **SEC. 1002. LIMITATION ON CONSIDERATION OF NON-PECU-**
 2 **NIARY FACTORS BY FIDUCIARIES.**

3 (a) *IN GENERAL.*—Section 404(a) of the Employee Re-
 4 tirement Income Security Act of 1974 (29 U.S.C. 1104(a))
 5 is amended by adding at the end the following:

6 “(3) *INTEREST BASED ON PECUNIARY FACTORS.*—

7 “(A) *IN GENERAL.*—For purposes of paragraph
 8 (1), a fiduciary shall be considered to act solely in the
 9 interest of the participants and beneficiaries of the
 10 plan with respect to an investment or investment
 11 course of action only if the fiduciary’s action with re-
 12 spect to such investment or investment course of ac-
 13 tion is based solely on pecuniary factors (except as
 14 provided in subparagraph (B)). The fiduciary may
 15 not subordinate the interests of the participants and
 16 beneficiaries in their retirement income or financial
 17 benefits under the plan to other objectives and may
 18 not sacrifice investment return or take on additional
 19 investment risk to promote non-pecuniary benefits or
 20 goals. The weight given to any pecuniary factor by a
 21 fiduciary shall reflect a prudent assessment of the im-
 22 pact of such factor on risk and return.

23 “(B) *USE OF NON-PECUNIARY FACTORS FOR IN-*
 24 *VESTMENT ALTERNATIVES.*—Notwithstanding para-
 25 graph (A), if a fiduciary is unable to distinguish be-
 26 tween or among investment alternatives or investment

1 *courses of action on the basis of pecuniary factors*
2 *alone, the fiduciary may use non-pecuniary factors as*
3 *the deciding factor if the fiduciary documents—*

4 *“(i) why pecuniary factors were not suffi-*
5 *cient to select a plan investment or investment*
6 *course of action;*

7 *“(ii) how the selected investment compares*
8 *to the alternative investments with regard to the*
9 *composition of the portfolio with regard to diver-*
10 *sification, the liquidity and current return of the*
11 *portfolio relative to the anticipated cash flow re-*
12 *quirements of the plan, and the projected return*
13 *of the portfolio relative to the funding objectives*
14 *of the plan; and*

15 *“(iii) how the selected non-pecuniary factor*
16 *or factors are consistent with the interests of the*
17 *participants and beneficiaries in their retire-*
18 *ment income or financial benefits under the*
19 *plan.*

20 *“(C) INVESTMENT ALTERNATIVES FOR PARTICI-*
21 *PANT-DIRECTED INDIVIDUAL ACCOUNT PLANS.—In se-*
22 *lecting or retaining investment options for a pension*
23 *plan described in subsection (c)(1)(A), a fiduciary is*
24 *not prohibited from considering, selecting, or retain-*
25 *ing an investment option on the basis that such in-*

1 *vestment option promotes, seeks, or supports one or*
2 *more non-pecuniary benefits or goals, if—*

3 *“(i) the fiduciary satisfies the requirements*
4 *of paragraph (1) and subparagraphs (A) and*
5 *(B) of this paragraph in selecting or retaining*
6 *any such investment option; and*

7 *“(ii) such investment option is not added or*
8 *retained as, or included as a component of, a de-*
9 *fault investment under subsection (c)(5) (or any*
10 *other default investment alternative) if its invest-*
11 *ment objectives or goals or its principal invest-*
12 *ment strategies include, consider, or indicate the*
13 *use of one or more non-pecuniary factors.*

14 *“(D) DEFINITIONS.—For the purposes of this*
15 *paragraph:*

16 *“(i) The term ‘pecuniary factor’ means a*
17 *factor that a fiduciary prudently determines is*
18 *expected to have a material effect on the risk or*
19 *return of an investment based on appropriate in-*
20 *vestment horizons consistent with the plan’s in-*
21 *vestment objectives and the funding policy estab-*
22 *lished pursuant to section 402(b)(1).*

23 *“(ii) The term ‘investment course of action’*
24 *means any series or program of investments or*
25 *actions related to a fiduciary’s performance of*

1 *the fiduciary’s investment duties, and includes*
 2 *the selection of an investment fund as a plan in-*
 3 *vestment, or in the case of an individual account*
 4 *plan, a designated investment alternative under*
 5 *the plan.”.*

6 *(b) EFFECTIVE DATE.—The amendments made by this*
 7 *section shall apply to actions taken by a fiduciary on or*
 8 *after the date that is 12 months after the date of enactment*
 9 *of this Act.*

10 ***DIVISION B—NO DISCRIMINA-***
 11 ***TION IN MY BENEFITS***

12 ***SEC. 2001. SHORT TITLE.***

13 *This division may be cited as the “No Discrimination*
 14 *in My Benefits Act”.*

15 ***SEC. 2002. SERVICE PROVIDER SELECTION.***

16 *Section 404(a)(1) of the Employee Retirement Income*
 17 *Security Act of 1974 (29 U.S.C. 1104(a)(1)) is amended—*

18 *(1) in subparagraph (C), by striking “and”;*

19 *(2) in subparagraph (D), by striking the period*
 20 *at the end and inserting “; and”; and*

21 *(3) by adding at the end the following new sub-*
 22 *paragraph:*

23 *“(E) by selecting, monitoring, and retaining any*
 24 *fiduciary, counsel, employee, or service provider of the*
 25 *plan—*

1 “(i) in accordance with subparagraphs (A)
2 and (B); and

3 “(ii) without regard to race, color, religion,
4 sex, or national origin.”.

5 ***DIVISION C—RETIREMENT***
6 ***PROXY PROTECTION***

7 ***SEC. 3001. SHORT TITLE.***

8 *This division may be cited as the “Retirement Proxy*
9 *Protection Act”.*

10 ***SEC. 3002. EXERCISE OF SHAREHOLDER RIGHTS.***

11 *(a) IN GENERAL.—Section 404 of the Employee Re-*
12 *tirement Income Security Act of 1974 (29 U.S.C. 1104) is*
13 *amended by adding at the end the following new subsection:*

14 “(f) *EXERCISE OF SHAREHOLDER RIGHTS.—*

15 *“(1) AUTHORITY TO EXERCISE SHAREHOLDER*
16 *RIGHTS.—*

17 *“(A) IN GENERAL.—The fiduciary duty to*
18 *manage plan assets that are shares of stock in-*
19 *cludes the management of shareholder rights ap-*
20 *purtenant to those shares, including the right to*
21 *vote proxies. When deciding whether to exercise*
22 *a shareholder right and in exercising such right,*
23 *including the voting of proxies, a fiduciary must*
24 *act prudently and solely in the interests of par-*
25 *ticipants and beneficiaries and for the exclusive*

1 *purpose of providing benefits to participants and*
2 *beneficiaries and defraying the reasonable ex-*
3 *penses of administering the plan. The fiduciary*
4 *duty to manage shareholder rights appurtenant*
5 *to shares of stock does not require the voting of*
6 *every proxy or the exercise of every shareholder*
7 *right.*

8 *“(B) EXCEPTION.—This subsection shall not*
9 *apply to voting, tender, and similar rights with*
10 *respect to qualifying employer securities or secu-*
11 *rities held in an investment arrangement that is*
12 *not a designated investment alternative in the*
13 *event such rights are passed through pursuant to*
14 *the terms of an individual account plan to par-*
15 *ticipants and beneficiaries with accounts holding*
16 *such securities.*

17 *“(2) REQUIREMENTS FOR EXERCISE OF SHARE-*
18 *HOLDER RIGHTS.—A fiduciary, when deciding wheth-*
19 *er to exercise a shareholder right and when exercising*
20 *a shareholder right—*

21 *“(A) shall—*

22 *“(i) act solely in accordance with the*
23 *economic interest of the plan and its par-*
24 *ticipants and beneficiaries;*

25 *“(ii) consider any costs involved;*

1 “(iii) evaluate material facts that form
2 the basis for any particular proxy vote or
3 exercise of shareholder rights; and

4 “(iv) maintain a record of any proxy
5 vote, proxy voting activity, or other exercise
6 of a shareholder right, including any at-
7 tempt to influence management; and

8 “(B) shall not subordinate the interests of
9 participants and beneficiaries in their retire-
10 ment income or financial benefits under the plan
11 to any non-pecuniary objective, or promote non-
12 pecuniary benefits or goals unrelated to those fi-
13 nancial interests of the plan’s participants and
14 beneficiaries.

15 “(3) *MONITORING.*—A fiduciary shall exercise
16 prudence and diligence in the selection and moni-
17 toring of a person, if any, selected to advise or other-
18 wise assist with the exercise of shareholder rights, in-
19 cluding by providing research and analysis, rec-
20 ommendations on exercise of proxy voting or other
21 shareholder rights, administrative services with re-
22 spect to voting proxies, and recordkeeping and report-
23 ing services.

24 “(4) *INVESTMENT MANAGERS AND PROXY ADVI-*
25 *SORY FIRMS.*—Where the authority to vote proxies or

1 *exercise other shareholder rights has been delegated to*
2 *an investment manager pursuant to section 403(a), or*
3 *a proxy voting advisory firm or other person who*
4 *performs advisory services as to the voting of proxies*
5 *or the exercise of other shareholder rights, a respon-*
6 *sible plan fiduciary shall prudently monitor the*
7 *proxy voting activities of such investment manager or*
8 *advisory firm and determine whether such activities*
9 *are in compliance with paragraphs (1) and (2).*

10 “(5) *VOTING POLICIES.*—

11 “(A) *IN GENERAL.*—*In deciding whether to*
12 *vote a proxy pursuant to this subsection, the*
13 *plan fiduciary may adopt a proxy voting policy,*
14 *including a safe harbor proxy voting policy de-*
15 *scribed in subparagraph (B), providing that the*
16 *authority to vote a proxy shall be exercised pur-*
17 *suant to specific parameters designed to serve the*
18 *economic interest of the plan.*

19 “(B) *SAFE HARBOR VOTING POLICY.*—*With*
20 *respect to a decision not to vote a proxy, a fidu-*
21 *ciary shall satisfy the fiduciary responsibilities*
22 *under this subsection if such fiduciary adopts*
23 *and follows a safe harbor proxy voting policy*
24 *that—*

1 “(i) *limits voting resources to par-*
2 *ticular types of proposals that the fiduciary*
3 *has prudently determined are substantially*
4 *related to the business activities of the*
5 *issuer or are expected to have a material ef-*
6 *fect on the value of the plan investment; or*

7 “(ii) *establishes that the fiduciary will*
8 *refrain from voting on proposals or par-*
9 *ticular types of proposals when the assets of*
10 *a plan invested in the issuer relative to the*
11 *total assets of such plan are below 5 percent*
12 *(or, in the event such assets are under man-*
13 *agement, when the assets under manage-*
14 *ment invested in the issuer are below 5 per-*
15 *cent of the total assets under management).*

16 “(C) *EXCEPTION.—No proxy voting policy*
17 *adopted pursuant to this paragraph shall pre-*
18 *clude a fiduciary from submitting a proxy vote*
19 *when the fiduciary determines that the matter*
20 *being voted on is expected to have a material eco-*
21 *nomie effect on the investment performance of a*
22 *plan’s portfolio (or the investment performance*
23 *of assets under management in the case of an in-*
24 *vestment manager); provided, however, that in*
25 *all cases compliance with a safe harbor voting*

1 *policy shall be presumed to satisfy fiduciary re-*
 2 *sponsibilities with respect to decisions not to*
 3 *vote.*

4 “(6) *REVIEW.*—*A fiduciary shall periodically re-*
 5 *view any policy adopted under this subsection.”.*

6 (b) *EFFECTIVE DATE.*—*The amendments made by sub-*
 7 *section (a) shall apply to an exercise of shareholder rights*
 8 *occurring on or after January 1, 2026.*

9 ***DIVISION D—PROVIDING COM-***
 10 ***plete information to re-***
 11 ***retirement investors***

12 ***SEC. 4001. SHORT TITLE.***

13 *This division may be cited as the “Providing Complete*
 14 *Information to Retirement Investors Act”.*

15 ***SEC. 4002. BROKERAGE WINDOW DISCLOSURES.***

16 (a) *IN GENERAL.*—*Section 404(c) of the Employee Re-*
 17 *irement Income Security Act of 1974 (29 U.S.C. 1104(c))*
 18 *is amended by adding at the end the following new para-*
 19 *graph:*

20 “(7) *NOTICE REQUIREMENTS FOR BROKERAGE*
 21 *WINDOWS.*—

22 “(A) *IN GENERAL.*—*In the case of a pension*
 23 *plan which provides for individual accounts and*
 24 *which provides a participant or beneficiary the*
 25 *opportunity to choose from designated invest-*

1 *ment alternatives, a participant or beneficiary*
 2 *shall not be treated as exercising control over as-*
 3 *sets in the account of the participant or bene-*
 4 *ficiary unless, with respect to any investment ar-*
 5 *rangement that is not a designated investment*
 6 *alternative, each time before such a participant*
 7 *or beneficiary directs an investment into, out of,*
 8 *or within such investment arrangement, such*
 9 *participant is notified of, and acknowledges,*
 10 *each element of the notice described under para-*
 11 *graph (B).*

12 “(B) *NOTICE.*—*The notice described under*
 13 *this paragraph is a four part information that*
 14 *is substantially similar to the following informa-*
 15 *tion:*

- “1. *Your retirement plan offers designated investment alternatives prudently selected and monitored by fiduciaries for the purpose of enabling you to construct an appropriate retirement savings portfolio. In selecting and monitoring designated investment alternatives, your plan’s fiduciary considers the risk of loss and the opportunity for gain (or other return) compared with reasonably available investment alternatives.*
2. *The investments available through this investment arrangement are not designated investment alternatives, and have not been prudently selected and are not monitored by a plan fiduciary.*
3. *Depending on the investments you select through this investment arrangement, you may experience diminished returns, higher fees, and higher risk than if you select from the plan’s designated investment alternatives.*
4. *The following is a hypothetical illustration of the impact of return at 4 percent, 6 percent, and 8 percent on your account balance projected to age 67.*

16 “(C) *ILLUSTRATION.*—*The notice described*
 17 *under paragraph (B) shall also include a graph*
 18 *displaying the projected retirement balances of*

1 *such participant or beneficiary at age 67 if the*
 2 *account of such individual were to achieve an*
 3 *annual return equal to each of the following:*

4 *“(i) 4 percent.*

5 *“(ii) 6 percent.*

6 *“(iii) 8 percent.”.*

7 *(b) DESIGNATED INVESTMENT ALTERNATIVE DE-*
 8 *FINED.—Section 3 of such Act (29 U.S.C. 1002) is amended*
 9 *by adding at the end the following new paragraph:*

10 *“(46) DESIGNATED INVESTMENT ALTER-*
 11 *NATIVE.—*

12 *“(A) IN GENERAL.—The term ‘designated*
 13 *investment alternative’ means any investment*
 14 *alternative designated by a responsible fiduciary*
 15 *of an individual account plan described in sub-*
 16 *section 404(c) into which participants and bene-*
 17 *ficiaries may direct the investment of assets held*
 18 *in, or contributed to, their individual accounts.*

19 *“(B) EXCEPTION.—The term ‘designated in-*
 20 *vestment alternative’ does not include brokerage*
 21 *windows, self-directed brokerage accounts, or*
 22 *similar plan arrangements that enable partici-*
 23 *pants and beneficiaries to select investments be-*
 24 *yond those designated by a responsible plan fidu-*
 25 *ciary.”.*

1 (c) *EFFECTIVE DATE.*—*The amendment made by sub-*
2 *section (a) shall take effect on January 1, 2027.*

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