

119TH CONGRESS
1ST SESSION

S. 1728

AN ACT

To amend the Employee Retirement Income Security Act of 1974 to expand the membership of the Advisory Council on Employee Welfare and Pension Benefit Plans to include representatives of employee ownership organizations.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Employee Ownership
3 Representation Act of 2025”.

4 **SEC. 2. EXPANSION OF THE ERISA ADVISORY COUNCIL.**

5 (a) IN GENERAL.—Section 512(a) of the Employee
6 Retirement Income Security Act of 1974 (29 U.S.C.
7 1142(a)) is amended—

8 (1) in paragraph (1)—

9 (A) by striking “fifteen members” and in-
10 serting “17 members”; and

11 (B) by striking “eight members” and in-
12 serting “10 members”; and

13 (2) in paragraph (3), by inserting “two shall be
14 representatives of employee ownership organiza-
15 tions;” after “pension plan;”.

16 (b) EFFECTIVE DATE.—Not later than 1 year after
17 the date of enactment of this Act, the Secretary of Labor
18 shall nominate the first 2 representatives of employee own-
19 ership organizations authorized to serve as members of the
20 Advisory Council on Employee Welfare and Pension Ben-
21 efit Plans under section 512(a) of the Employee Retire-
22 ment Income Security Act of 1974 (29 U.S.C. 1142(a)),
23 as amended by subsection (a).

24 **SEC. 3. OFFICE OF EMPLOYEE OWNERSHIP.**

25 (a) ESTABLISHMENT OF THE OFFICE OF EMPLOYEE
26 OWNERSHIP.—

1 (1) IN GENERAL.—Not later than 90 days after
2 the date of enactment of this Act, the Secretary of
3 Labor shall establish the Office of Employee Owner-
4 ship in the Department of Labor, outside of the Em-
5 ployee Benefits Security Administration.

6 (2) DIRECTOR.—The Secretary of Labor shall
7 appoint the Director of the Office of Employee Own-
8 ership to serve as the head of the Office at the
9 pleasure of the Secretary of Labor.

10 (3) STAFF.—The Director of the Office of Em-
11 ployee Ownership may select, appoint, and employ
12 such employees as are necessary to carry out the
13 functions of the Office.

14 (b) FUNCTIONS.—The Director of the Office of Em-
15 ployee Ownership shall be responsible for carrying out the
16 Employee Ownership Initiative established under section
17 346 of the SECURE 2.0 Act of 2022 (29 U.S.C. 3228).

18 **SEC. 4. ADVISORY COUNCIL ON EMPLOYEE OWNERSHIP.**

19 (a) IN GENERAL.—

20 (1) ESTABLISHMENT.—There is hereby estab-
21 lished an Advisory Council on Employee Ownership
22 (hereinafter in this section referred to as the “Coun-
23 cil”) consisting of 7 members appointed by the Sec-
24 retary of Labor.

25 (2) MEMBERSHIP.—

1 (A) IN GENERAL.—Of the 7 members of
2 the Council—

3 (i) 4 shall be appointed to represent
4 employees;

5 (ii) 1 shall be appointed to represent
6 companies that have established an em-
7 ployee stock ownership plan or eligible
8 worker-owned cooperative;

9 (iii) 1 shall be appointed to represent
10 employee stock ownership plan providers;
11 and

12 (iv) 1 shall be appointed to represent
13 associations or other membership organiza-
14 tions for employee stock ownership plans
15 or eligible worker-owned cooperatives.

16 (B) POLITICAL AFFILIATION.—Not more
17 than 4 members of the Council shall be mem-
18 bers of the same political party.

19 (3) TERMS.—Members of the Council shall
20 serve for terms of 2 years.

21 (4) APPOINTMENT; REAPPOINTMENT.—A mem-
22 ber of the Council may be reappointed to serve addi-
23 tional terms.

1 (5) VACANCIES.—A member of the Council ap-
2 pointed to fill a vacancy shall be appointed only for
3 the remainder of such term.

4 (6) QUORUM.—A majority of members of the
5 Council shall constitute a quorum and action shall
6 be taken only by a majority vote of those present
7 and voting.

8 (b) DUTIES AND FUNCTIONS.—

9 (1) IN GENERAL.—It shall be the duty of the
10 Council to advise the Secretary of Labor with re-
11 spect to the carrying out of the functions of the Sec-
12 retary of Labor under this Act and to submit to the
13 Secretary of Labor recommendations with respect to
14 carrying out such duties.

15 (2) MEETINGS.—The Council shall meet at
16 least 4 times each year and at such other times as
17 the Secretary of Labor requests.

18 (3) REPORT.—The Council shall annually sub-
19 mit a report to the Secretary of Labor on the rec-
20 ommendations described in paragraph (1).

21 (c) EXECUTIVE SECRETARY; SECRETARIAL AND
22 CLERICAL SERVICES.—The Secretary of Labor shall fur-
23 nish to the Council an Executive Secretary and such secre-
24 tarial, clerical, and other services as are determined nec-
25 essary to conduct the business of the Council. The Sec-

1 retary of Labor may call upon other agencies of the Fed-
 2 eral Government for statistical data, reports, and other
 3 information which will assist the Council in the perform-
 4 ance of its duties.

5 (d) COMPENSATION.—

6 (1) IN GENERAL.—Members of the Council
 7 shall each be entitled to receive the daily equivalent
 8 of the annual rate of basic pay in effect for level IV
 9 of the Executive Schedule under section 5315 of title
 10 5, United States Code for each day (including travel
 11 time) during which they are engaged in the actual
 12 performance of duties vested in the Council.

13 (2) TRAVEL EXPENSES.—While away from
 14 their homes or regular places of business in the per-
 15 formance of services for the Council, members of the
 16 Council shall be allowed travel expenses, including
 17 per diem in lieu of subsistence, in the same manner
 18 as persons employed intermittently in the Govern-
 19 ment service are allowed expenses under section
 20 5703 of title 5, United States Code.

21 (e) TERMINATION.—Section 1013 of title 5, United
 22 States Code, relating to termination, shall not apply to
 23 the Council.

24 (f) DEFINITIONS.—In this section:

1 (1) ELIGIBLE WORKER-OWNED COOPERA-
 2 TIVE.—The term “eligible worker-owned coopera-
 3 tive” has the meaning given the term in section
 4 1042(c)(2) of the Internal Revenue Code of 1986.

5 (2) EMPLOYEE STOCK OWNERSHIP PLAN.—The
 6 term “employee stock ownership plan” has the
 7 meaning given the term in section 4975(e)(7) of the
 8 Internal Revenue Code of 1986.

9 **SEC. 5. ESTABLISHMENT OF THE ADVOCATE FOR EM-**
 10 **PLOYEE OWNERSHIP.**

11 (a) IN GENERAL.—Subtitle A of title III of the Em-
 12 ployee Retirement Income Security Act of 1974 (29
 13 U.S.C. 1201 et seq.) is amended by adding at the end
 14 the following:

15 **“SEC. 3005. ADVOCATE FOR EMPLOYEE OWNERSHIP.**

16 “(a) IN GENERAL.—The Secretary of Labor shall ap-
 17 point an Advocate for Employee Ownership within the
 18 Employee Ownership Initiative established under section
 19 346(b)(1) of the SECURE 2.0 Act of 2022 (division T
 20 of the Consolidated Appropriations Act, 2023 (Public Law
 21 117–328)). The appointment shall be made without regard
 22 to the provisions of title 5, United States Code, relating
 23 to appointments in the competitive service or Senior Exec-
 24 utive Service.

1 “(b) DUTIES.—The Advocate for Employee Owner-
2 ship shall—

3 “(1) consult with the head of the Employee
4 Ownership Initiative established under section
5 346(b)(1) of the SECURE 2.0 Act of 2022 (division
6 T of the Consolidated Appropriations Act, 2023
7 (Public Law 117–328));

8 “(2) act as a liaison between the Department of
9 Labor, employee ownership advocates, employers
10 considering employee ownership, workers interested
11 in employee ownership, and other stakeholders, in-
12 cluding employee stock ownership plan sponsors and
13 participants;

14 “(3) provide public education and assistance re-
15 lated to the expansion of employee ownership
16 through the establishment and maintenance of prac-
17 tices that promote employee ownership, including the
18 use of employee stock ownership plans;

19 “(4) provide assistance for purposes of resolving
20 a dispute between the Department of Labor and any
21 employee stock ownership plan sponsor, fiduciary, or
22 participant and help facilitate communication be-
23 tween such entities and the Department of Labor for
24 such purposes;

1 “(5) identify and recommend potential legisla-
2 tive and administrative changes, including related to
3 access to capital issues, to increase practices that
4 promote employee ownership plans, including the use
5 of employee stock ownership plans; and

6 “(6) coordinate with other Federal agencies, in-
7 cluding the Administrator of the Small Business Ad-
8 ministration, the Secretary of the Treasury, and the
9 Secretary of Commerce, and State and local govern-
10 ments on outreach and education to inform employ-
11 ees and employers about the possibilities and bene-
12 fits of employee ownership as a business ownership
13 succession planning option.

14 “(c) CONSULTATION AND INPUT.—The Secretary of
15 Labor shall solicit advice and input from the Advocate for
16 Employee Ownership in developing regulations or interpre-
17 tations of this Act that relate to employee stock ownership
18 plans.

19 “(d) COMPENSATION.—The Advocate for Employee
20 Ownership shall be entitled to compensation at the same
21 rate as the rate of basic pay in effect for a position at
22 level V of the Executive Schedule under section 5316 of
23 title 5, United States Code.

24 “(e) ANNUAL REPORT.—

1 “(1) IN GENERAL.—Not later than December
 2 31 of each calendar year beginning after the date of
 3 enactment of this section, the Advocate for Em-
 4 ployee Ownership shall submit a report to the Com-
 5 mittee on Health, Education, Labor, and Pensions
 6 of the Senate and the Committee on Education and
 7 Workforce of the House of Representatives on the
 8 activities of the Office of the Advocate for Employee
 9 Ownership during the fiscal year ending during such
 10 calendar year, including the contents described in
 11 paragraph (2).

12 “(2) CONTENTS.—Each report submitted under
 13 paragraph (1) shall—

14 “(A) summarize the assistance requests re-
 15 ceived by the Advocate for Employee Ownership
 16 during the fiscal year ending during the cal-
 17 endar year of such report;

18 “(B) describe the activities, including the
 19 activities described under paragraphs (3) and
 20 (4) of subsection (b), and evaluate the effective-
 21 ness of the Advocate for Employee Ownership
 22 during such fiscal year;

23 “(C) describe any significant problems the
 24 Advocate for Employee Ownership has identi-

1 fied during such fiscal year and ways to miti-
2 gate such problems;

3 “(D) contain recommendations for any ad-
4 ministrative or legislative action that may be
5 appropriate to resolve barriers to, and to
6 incentivize, practices that promote employee
7 ownership, including the use of employee stock
8 ownership plans; and

9 “(E) describe progress related to employee
10 ownership in businesses in the United States.

11 “(3) CONCURRENT SUBMISSION.—The Advocate
12 for Employee Ownership shall submit a copy of each
13 report submitted under paragraph (1) to the Sec-
14 retary of Labor, and any other appropriate official,
15 at the same time such report is submitted under
16 paragraph (1).

17 “(4) PUBLIC AVAILABILITY.—The Advocate for
18 Employee Ownership shall make a copy of each re-
19 port submitted under paragraph (1) available to the
20 public.

21 “(5) DEFINITION OF EMPLOYEE STOCK OWNER-
22 SHIP PLAN.—For purposes of this section, the term
23 ‘employee stock ownership plan’ has the meaning
24 given the term in section 4975(e)(7) of the Internal
25 Revenue Code of 1986.

1 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
2 is authorized to be appropriated such sums as may be nec-
3 essary to carry out subsection (d).”.

4 (b) CLERICAL AMENDMENT.—The table of contents
5 in section 1 of the Employee Retirement Income Security
6 Act of 1974 (29 U.S.C. 1001 note) is amended by insert-
7 ing after the item relating to section 3004 the following
8 new item:

“Sec. 3005. Advocate for employee ownership.”.

Passed the Senate October 9, 2025.

Attest:

Secretary.

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