

Calendar No. 158119TH CONGRESS
1ST SESSION**S. 2403**

To amend the Employee Retirement Income Security Act of 1974 to provide a clear definition of adequate consideration for certain closely held stock, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 23, 2025

Mr. MARSHALL (for himself and Mr. KAINE) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

SEPTEMBER 11, 2025

Reported by Mr. CASSIDY, with an amendment

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

A BILL

To amend the Employee Retirement Income Security Act of 1974 to provide a clear definition of adequate consideration for certain closely held stock, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Retire through Owner-
3 ship Act”.

4 **SEC. 2. AMENDING ADEQUATE CONSIDERATION DEFINI-
5 TION.**

6 (a) **IN GENERAL.**—Section 3(18) of the Employee
7 Retirement Income Security Act of 1974 (29 U.S.C.
8 1002(18)) is amended—

9 (1) by redesignating clauses (i) and (ii) as sub-
10 clauses (I) and (II), respectively;

11 (2) by redesignating subparagraphs (A) and
12 (B) as clauses (i) and (ii), respectively;

13 (3) by inserting “(A)” before “The term”; and

14 (4) by adding at the end the following:

15 “(B) For purposes of clause (ii), a fiduciary of
16 an employee stock ownership plan as defined in sec-
17 tion 407(d)(6) may make a good faith reliance on
18 the principles and methodologies set forth in Inter-
19 nal Revenue Service Revenue Ruling 59–60 (as in
20 effect on the date of enactment of the ERISA Ade-
21 quate Consideration Act of 2025) in determining the
22 fair market value of an asset described in such
23 clause.”.

24 (b) **EFFECTIVE DATE.**—The amendments made by
25 subsection (a) shall apply with respect to determinations
26 described in section 3(18)(B) of the Employee Retirement

1 Income Security Act of 1974 (~~29 U.S.C. 1002(18)(B)~~) (as
 2 added by such subsection) that are made on or after the
 3 date of enactment of this Act.

4 **SECTION 1. SHORT TITLE.**

5 *This Act may be cited as the “Retire through Owner-*
 6 *ship Act”.*

7 **SEC. 2. AMENDING ADEQUATE CONSIDERATION DEFINI-**
 8 **TION.**

9 *(a) IN GENERAL.—Section 3(18) of the Employee Re-*
 10 *tirement Income Security Act of 1974 (29 U.S.C. 1002(18))*
 11 *is amended—*

12 *(1) by redesignating clauses (i) and (ii) as sub-*
 13 *clauses (I) and (II), respectively;*

14 *(2) by redesignating subparagraphs (A) and (B)*
 15 *as clauses (i) and (ii), respectively;*

16 *(3) by inserting “(A)” before “The term”;* and

17 *(4) by adding at the end the following:*

18 *“(B)(i) For purposes of clause (ii) of subpara-*
 19 *graph (A), a fiduciary of an employee stock owner-*
 20 *ship plan (as defined in section 407(d)(6)) may make*
 21 *a good faith reliance on a valuation provided by an*
 22 *independent valuation expert or business appraiser*
 23 *that has relied upon the principles and methodologies*
 24 *set forth in Internal Revenue Service Revenue Ruling*
 25 *59–60 (as amplified and modified by the Internal*

1 *Revenue Service from time to time) in determining*
2 *the fair market value of an asset described in such*
3 *clause.*

4 “(ii) Clause (i) shall not be interpreted to—

5 “(I) preclude the Secretary from promul-

6 *gating, in accordance with section 553 of title 5,*

7 *United States Code, any regulation interpreting*

8 *such clause;*

9 “(II) expand the regulatory authority of the

10 *Secretary with respect to the term ‘adequate con-*

11 *sideration’ beyond such authority available to*

12 *the Secretary on the day before the date of enact-*

13 *ment of the Retire through Ownership Act; or*

14 “(III) modify a fiduciary’s obligations

15 *under section 404.”.*

16 (b) *EFFECTIVE DATE.*—*The amendments made by sub-*

17 *section (a) shall apply with respect to determinations de-*

18 *scribed in section 3(18)(B) of the Employee Retirement In-*

19 *come Security Act of 1974 (29 U.S.C. 1002(18)(B)) (as*

20 *added by such subsection) that are made on or after the*

21 *date of enactment of this Act.*

Calendar No. 158

119TH CONGRESS
1ST Session
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A BILL

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