

H.R. 2988, PROTECTING PRUDENT INVESTMENT OF RETIREMENT SAVINGS ACT

Rep. Rick Allen (R-GA)

THE PROBLEM

The Biden-Harris administration put the retirement security of millions of Americans at risk when it implemented a rule that enabled and encouraged retirement plan fiduciaries to consider or choose investments based on environmental, social, and governance (ESG) factors.

This is irresponsible because ESG funds are notorious underperformers and relatively high-risk, leaving the futures of retirees less secure.

Advancing a radical political agenda at the expense of retirement savers is wrong.

Americans invest to secure a brighter future for themselves and their families, not to bankroll Democrats' radical initiatives and pet projects.

THE SOLUTION

Republicans are committed to protecting the retirement savings of workers, retirees, and their families.

H.R. 2988, *Protecting Prudent Investment of Retirement Savings Act*, ensures financial institutions are focused on maximizing returns in retirement plans rather than on woke ESG factors. **Specifically, Rep. Allen's bill:**

- Clarifies that financial institutions must base decisions on an investment solely on economic factors.
- States that the decision to exercise a shareholder right is subject to the prudence and loyalty duties under the *Employee Retirement Income Security Act* (ERISA).
- States that proxies held by ERISA plans must be voted in the economic interest of the plan, not used to advance radical policies.
- Declares that race, color, religion, sex, or national origin may not be taken into consideration when selecting a fiduciary, counsel, employee, or service provider of an ERISA plan.
- Implements a notice requirement on defined contribution plans explaining the difference between choosing from investments selected by ERISA fiduciaries and choosing from investments through a brokerage window.