



Retirement News Highlights

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Congressional Republicans propose nixing DOL's ESG rule

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Republican lawmakers have introduced another joint resolution to nullify the Department of Labor's new rule permitting retirement plan fiduciaries to consider climate change and other environmental, social and governance factors when selecting investments and exercising shareholder rights.

The joint resolution, introduced Thursday by Sen. Mike Braun, R-Ind., and Rep. Andy Barr, R-Ky., said Congress "disapproves" of the Labor Department rule and "such rule shall have no force or effect."

The resolution will not be enacted with Democrats in control of Congress and the White House, but it further demonstrates Republicans' animosity to the latest Labor Department rule-making.

Sen. Tom Cotton, R-Ark., introduced an identical resolution earlier this month.

Republicans will control the House next year and will likely ramp up oversight over the department, especially when it comes to ESG matters.

The Labor Department on Nov. 22 finalized its Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights rule. The rule, which will go into effect Jan. 30, is a reversal of two rules promulgated late in the Trump administration that said retirement plan fiduciaries could not invest in "non-pecuniary" vehicles that sacrifice investment returns or take on additional risk and outlined a process a fiduciary must undertake when making decisions on casting a proxy vote.

Stakeholders said the rule is more neutral than the Trump-era rules, which were viewed as anti-ESG, and the proposal on which it was based, which was seen as pro-ESG.

Representatives for Mr. Barr, Mr. Braun and the Labor Department did not immediately respond to requests for comment.

In the Senate, the resolution's co-sponsors are Messrs. Bill Hagerty, R-Tenn.; James Lankford, R-Okla.; Richard Burr, R-N.C.; and John Kennedy, R-La. In the House, the co-sponsors are Messrs. Rick W. Allen, R-Ga., Bill Huizenga, R-Mich., Gregory F. Murphy, R-N.C., Bryan Steil, R-Wisc., French Hill, R-Ark., and Brad Finstad, R-Minn.

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