



Retirement News Highlights

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GOP bill aims to block ERISA plans from funding firms linked to U.S. adversaries

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Rep. Jim Banks, R-Ind., introduced a bill to block ERISA-governed retirement plans from making new investments in companies controlled by or based in Iran, North Korea, Russia and China.

"Several states, including my home state of Indiana, divested their pension funds from China, but federally regulated ERISA plans continue to fund firms that are building up the People's Liberation Army, stealing U.S. intellectual property and participating in the Uyghur genocide," said Mr. Banks, who serves on the Select Committee on China and Armed Services Committee, in a press release announcing the bill Monday.

The bill, known as the Protecting Americans' Retirement Savings Act, would prohibit retirement accounts governed by ERISA — including 401(k) plans, employer-provided pensions plans and profit sharing plans — from investing in companies linked with what the bill calls "foreign adversaries." Mr. Banks' press release identifies these countries as Iran, North Korea, Russia and China.

Specifically, the bill says that fiduciaries of ERISA plans cannot collect interest in, lend money to, engage in transactions with or transfer plan data to entities associated with such countries.

The legislation also requires increased disclosure from ERISA fiduciaries that have existing investments in such entities or sanctioned firms. This includes a statement disclosing all assets in a sanctioned firm, with the name of the firm and why it was sanctioned; "the aggregate value of, and specific investments in, any foreign adversary entity, and the investment vehicle through which the plan holds such investment"; and a statement explaining why the fiduciary continues to hold such investments, the press release states.

The bill is sponsored by Select Committee on China Chairman Mike Gallagher, R-Wis., along with Reps. John Moolenaar, R-Mich., and Rob Wittman, R-Va.

"This is a no-brainer," Mr. Gallagher said in the press release. "Americans' 401(k)s and other employer retirement plans should not fuel our own destruction by funding adversary defense companies, nor should they be invested in companies that engage in gross human rights abuses like the ongoing Uyghur Genocide."

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