

AFL-CIO

LEGISLATIVE ALERT

January 12, 2026

Dear Representative,

On behalf of the AFL-CIO, a federation of 64 affiliate unions representing 15 million working people, I urge you to oppose the Protecting Prudent Investment of Retirement Savings Act (H.R. 2988) when it is considered on the House floor. If enacted, H.R. 2988 will constrain the ability of retirement plan fiduciaries to consider collateral benefits such as union job creation and affordable housing construction when making investment decisions.

H.R. 2988 will amend the Employee Retirement Income Security Act of 1974 to create a vague “pecuniary factors” standard for the investment of retirement plan assets. Originally proposed as a regulation by the Trump Administration in 2020, this “pecuniary factors” standard is intended to discourage retirement plan fiduciaries from considering environmental, social, and governance issues when making investment decisions. This rule was withdrawn in 2022 following widespread confusion by retirement plan fiduciaries about its application.

Under longstanding Department of Labor regulations, private sector retirement plan fiduciaries are permitted to consider collateral benefits as a tiebreaker when competing investments equally serve the financial interests of the plan over the appropriate time horizon. H.R. 2988’s “pecuniary factors” standard will impose additional burdensome requirements on retirement plan fiduciaries who wish to consider collateral benefits. Notably, these additional requirements for the consideration of collateral benefits will not apply to any other investment decisions.

H.R. 2988 also prohibits retirement plan fiduciaries from considering diversity when selecting asset managers. The selection of diverse asset managers or firms with diverse asset manager workforces can help generate superior financial returns by accessing previously overlooked sources of talent. H.R. 2988 will prohibit fiduciaries from considering such benefits altogether.

H.R. 2988 will also discourage retirement plan fiduciaries from voting proxies at public company shareholder meetings. The bill imposes new documentation requirements for casting proxy votes while also creating a new safe harbor to refrain from voting at any company that is less than 5 percent of the plan’s assets. Given the duty to diversify plan assets, this safe harbor will apply to almost all proxy votes. These proxy voting provisions will effectively disenfranchise retirement plans from having their voices heard at company shareholder meetings.

Finally, H.R. 2988 will create unnecessary new burdens for participant directed 401(k) retirement plans. The bill prohibits 401(k) plans from selecting investments that provide collateral benefits as the default investment alternative. H.R. 2988 also requires a mandatory warning for 401(k) plan participants who invest through their 401(k) plan’s brokerage window.

This brokerage window warning appears to be intended to discourage 401(k) plan participants from selecting investments that may provide collateral benefits.

For these reasons, we urge you to vote against the Protecting Prudent Investment of Retirement Savings Act. The Employee Retirement Income Security Act of 1974 has long required that fiduciaries manage retirement plan assets prudently and loyally. The changes proposed by H.R. 2988 are unnecessary and appear to be motivated by culture war effort to limit the freedom of retirement plan fiduciaries to consider environmental, social and governance issues even when those issues are relevant financial considerations.

To put it bluntly, H.R. 2988 seeks to limit working people's voices inside Corporate America and their freedom of choice when it comes to investing, while also insulating from accountability wealthy CEOs who are engaged in bad corporate behavior.

Please vote no on H.R. 2988.

Sincerely,

A handwritten signature in black ink, appearing to read "Jody Calemine". The signature is fluid and cursive, with the first name "Jody" being the most prominent part.

Jody Calemine
Director, Government Affairs