

S 1919

Retirement Security Protection Act of 2002

**Congress:** 107 (2001–2003, Ended)

**Chamber:** Senate

**Policy Area:** Labor and Employment

**Introduced:** Feb 7, 2002

**Current Status:** Committee on Energy and Natural Resources Subcommittee on Water and Power. Hearings held. With print

**Latest Action:** Committee on Energy and Natural Resources Subcommittee on Water and Power. Hearings held. With printed Hearing: S.Hrg. 107-817. (Jun 6, 2002)

**Official Text:** <https://www.congress.gov/bill/107th-congress/senate-bill/1919>

Sponsor

**Name:** Sen. Wellstone, Paul D. [D-MN]

**Party:** Democratic • **State:** MN • **Chamber:** Senate

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Energy and Natural Resources Committee	Senate	Hearings By (subcommittee)	Jun 6, 2002
Health, Education, Labor, and Pensions Committee	Senate	Referred To	Feb 7, 2002

Subjects & Policy Tags

**Policy Area:**

Labor and Employment

Related Bills

No related bills are listed.

Retirement Security Protection Act of 2002 - Amends the Employee Retirement Income Security Act of 1974 (ERISA) to set forth requirements for disclosure, diversification, account access, and accountability under defined contribution plans that are individual account plans (401(k) and similar plans).

Requires pension plan administrators to provide certain benefit information to participants or beneficiaries periodically. Requires plan sponsors (employers) and plan administrators to provide all material investment information to participants and beneficiaries, in an accurate form, as required to be disclosed to investors under applicable securities laws, and treats misleading investment information as a violation.

Establishes diversification standards for certain individual account plans holding employer stock and real property. Determines allowable employer asset percentages through formulas which include plan assets in defined benefit plans as well as those in defined contribution plans. Provides exceptions for certain employee stock ownership plans (ESOPs).

Prohibits requiring a participant in or beneficiary of an individual account plan to invest employee contributions or elective deferrals, or earnings allocable to either, in employer assets. Requires individual account plans, if they permit participants or beneficiaries to exercise control over their plan account assets, to also allow, after one year of employee service, reinvestment of any employer contribution of employer assets in other investment options offered by the plan.

Requires individual account plan fiduciaries to give 30 days notice to plan participants and beneficiaries before a lockdown limiting their control over their account assets, and limits the maximum duration of any such lockdown to ten business days. Limits fiduciary exceptions to liability during lockdown periods. Prohibits corporate executives from trading employer securities during lockdown periods.

Requires each fiduciary of an individual account plan to be bonded or insured in an amount sufficient to ensure coverage of financial losses due to failures to meet certain ERISA requirements. Makes liable anyone who participates in or conceals certain breaches of fiduciary duty. Adds remedies, including punitive damages, for certain violations. Requires joint boards of trustees, representing interests of employers and those of employee participants and beneficiaries, to hold in trust the assets of single-employer plans which are individual account plans with some or all assets derived from employee contributions. Prohibits: (1) waiver of rights or claims under ERISA, with specified exceptions; and (2) interference with such rights.

Establishes an Office of Pension Participant Advocacy in the Department of Labor. Directs the Pension Benefit Guaranty Corporation to study and report to specified congressional committees on the feasibility of and options for developing an insurance system for individual account plans.

Treats qualified public accountants as not independent with respect to an employee benefit plan if the accountant or any member or employee of the accountant's firm is employed by or performs services for compensation for any employer maintaining the plan.

---

## **Actions Timeline**

- **Jun 6, 2002:** Committee on Energy and Natural Resources Subcommittee on Water and Power. Hearings held. With printed Hearing: S.Hrg. 107-817.
- **Feb 7, 2002:** Introduced in Senate
- **Feb 7, 2002:** Sponsor introductory remarks on measure. (CR S491-492)
- **Feb 7, 2002:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions.