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Pension Security Act of 2002

Congress: 107 (2001–2003, Ended)

Chamber: Senate

Policy Area: Labor and Employment

Introduced: Feb 26, 2002

Current Status: Sponsor introductory remarks on measure. (CR S1248)

Latest Action: Sponsor introductory remarks on measure. (CR S1248) (Feb 27, 2002)

Official Text: <https://www.congress.gov/bill/107th-congress/senate-bill/1969>

Sponsor

Name: Sen. Hutchinson, Tim [R-AR]

Party: Republican • **State:** AR • **Chamber:** Senate

Cosponsors (5 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Gregg, Judd [R-NH]	R · NH		Feb 26, 2002
Sen. Lott, Trent [R-MS]	R · MS		Feb 26, 2002
Sen. Enzi, Michael B. [R-WY]	R · WY		Feb 27, 2002
Sen. Roberts, Pat [R-KS]	R · KS		Feb 27, 2002
Sen. Smith, Bob [R-NH]	R · NH		Feb 27, 2002

Committee Activity

Committee	Chamber	Activity	Date
Health, Education, Labor, and Pensions Committee	Senate	Referred To	Feb 26, 2002

Subjects & Policy Tags

Policy Area:

Labor and Employment

Related Bills

Bill	Relationship	Last Action
107 HR 3762	Companion bill	May 9, 2002: Referred to the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises, for a period to be subsequently determined by the Chairman.

Pension Security Act of 2002 - Amends the Employee Retirement Income Security Act of 1974 (ERISA) to require individual account plans, including those with cash or deferred arrangements under IRC section 401(k), to furnish quarterly pension benefit statements to plan participants and beneficiaries with rights to direct investments.

Requires individual account plan administrators to give 30 days notice (except in specified circumstances) to plan participants and beneficiaries before a period (lockdown, blackout) in which their ability to divest or diversify assets control over their account assets will be limited. Provides that, during such lockdown periods, employers are not exempt from liability for failing in fiduciary duty with respect to individual account plan investments; but states that this loss of exemption from liability is not triggered by any limitations or restrictions on employee ability to divest or diversify assets, if such limitations or restrictions are disclosed to participants and beneficiaries through summary plan description or materials describing specific investment alternatives under the plan.

Amends ERISA and IRC to prohibit individual account plans from acquiring or holding employer securities with respect to which there is any restriction on divestment by a participant or beneficiary after the participant has completed three years of plan participation. Exempts employee stock ownership plans (ESOPS) from this prohibition.

Allows ERISA prohibited transaction exemptions under specified conditions to: (1) a fiduciary adviser's providing certain investment advice to an employee benefit plan or to a participant or beneficiary of such plan; (2) sale, acquisition, or holding of securities or other property (including any lending of money or other extension of credit associated with these) pursuant to such advice; and (3) direct or indirect receipt of fees or other compensation by the fiduciary adviser or an affiliate in connection with providing such advice.

Amends the Securities Exchange Act of 1934 to prohibit certain insider trading during pension plan transaction suspension periods.

Actions Timeline

- **Feb 27, 2002:** Sponsor introductory remarks on measure. (CR S1248)
- **Feb 26, 2002:** Introduced in Senate
- **Feb 26, 2002:** Sponsor introductory remarks on measure. (CR S1212-1213)
- **Feb 26, 2002:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions. (text of measure as introduced: CR S1213-1216)