

S 2032

INFORM Act of 2002

Congress: 107 (2001–2003, Ended)

Chamber: Senate

Policy Area: Labor and Employment

Introduced: Mar 19, 2002

Current Status: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

Latest Action: Read twice and referred to the Committee on Health, Education, Labor, and Pensions. (Mar 19, 2002)

Official Text: <https://www.congress.gov/bill/107th-congress/senate-bill/2032>

Sponsor

Name: Sen. Durbin, Richard J. [D-IL]

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

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Health, Education, Labor, and Pensions Committee	Senate	Referred To	Mar 19, 2002

Subjects & Policy Tags

Policy Area:

Labor and Employment

Related Bills

No related bills are listed.

Summary (as of Mar 19, 2002)

Investor-Employees Need Financial Facts and Options for Responsible Retirement Plan Management Act of 2002 - INFORM 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 (IAPs) (401(k) and similar plans).

Requires pension plan administrators to provide certain benefit information to participants or beneficiaries periodically. Requires plan sponsors and 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 IAPs holding employer stock and real property.

Requires notification of, and signing of risk acknowledgment forms by, participants or beneficiaries whenever assets consisting of employer securities and real property exceed 30 percent of total IAP assets. Directs the Secretary of Labor to study and report on investment of IAP assets in employer securities.

Requires IAP fiduciaries to give 60 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 consecutive business days. Makes employers liable for excessive losses by IAPs on employer securities during lockdowns.

Requires each fiduciary of an IAP to be bonded or insured to cover financial losses due to failures to meet certain ERISA requirements. Requires joint boards of trustees, representing interests of employers, employee participants, and beneficiaries, to hold in trust the assets of single-employer IAPs whose assets derive 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 IAPs.

Actions Timeline

- **Mar 19, 2002:** Introduced in Senate
- **Mar 19, 2002:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions.