



## **Senate Passes Landmark Bipartisan Retirement Security Legislation Including Top Priorities for ESOPs**

### **The ESOP Association Thanks Senators Murray and Burr for Their Leadership**

June 14, 2022, Washington, DC - The United States Senate Health, Education, Labor, and Pensions (HELP) Committee has passed S. 4353, the *Retirement Improvement and Savings Enhancement to Supplement Healthy Investments for the Nest Egg (RISE and SHINE) Act*, which includes significant provisions that promote ESOPs and require the U.S. Department of Labor (DOL) to provide regulatory guidance the Association has been seeking for more than four decades. The language included is based off the bipartisan Worker Opportunity, Readiness and Knowledge (WORK) Act.

James Bonham, President and CEO of The ESOP Association, said "The ESOP community has sought these provisions for a long time, and we're extraordinarily pleased that they now have bipartisan support as part of an important bill. The employee ownership community is extraordinarily thankful to Chair Patty Murray and Ranking Member Burr for their outstanding leadership and support, as well as Senators Jerry Moran and Bernie Sanders for their steadfast efforts and contributions as true champions of employee ownership."

This bipartisan bill, jointly sponsored by committee Chair Patty Murray (D-WA) and Ranking Member Richard Burr (R-NC), is groundbreaking retirement security legislation that includes provisions The ESOP Association and its passionate members have supported, most recently at TEA's Annual ESOP Advocacy Day and National Conference in early May. This is a huge victory for all ESOPs as well as the employee ownership community overall.

Specifically for ESOPs this legislation will:

1. Require the U.S. Department of Labor to provide formal guidance on good faith fair market value for shares of a business to be acquired by an employee stock ownership plan (as defined under ERISA section 407(d)(6)). Often called "adequate consideration" by ESOPs and related professionals, this formal regulatory guidance has been absent since the passage of ERISA in 1974, causing costly uncertainty for ESOPs.
2. Authorize up to \$50 million in grants over 5 years from the DOL for increasing education and awareness about employee ownership and to promote employee ownership in states and localities (if appropriated). This would be the first federal grant program specifically dedicated to promoting employee ownership.

Senators Jerry Moran (R-KS) and Bernie Sanders (I-VT) were jointly supportive of including the Worker Opportunity, Readiness and Knowledge (WORK) Act language into the RISE and SHINE Act, which is Sec. 702 of S. 4353. They are both members of the Senate HELP Committee.

[Read the Full Bill Text](#)

### **About the ESOP Association**

The ESOP Association is the largest organization in the world supporting employee-owned companies, the more than 10 million U.S. employees who participate in an ESOP, and the professionals who provide services to them. Headquartered at the International Employee Ownership Center in Washington, DC and operating as a 501(c)6 organization with the affiliated Employee Ownership Foundation, The ESOP Association conducts and funds academic research, provides more than 160 annual conferences and events attended by nearly 15,000 individuals, and advocates on behalf of employee owners and their businesses to federal and state lawmakers.

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