

118TH CONGRESS  
2D SESSION

# H. R. 7780

To amend the Internal Revenue Code of 1986 to prohibit certain retirement plans from making investment decisions on the basis of factors other than financial risk and return factors.

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 2024

Mr. MURPHY (for himself, Mr. KELLY of Pennsylvania, Ms. TENNEY, and Ms. VAN DUYNE) introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to prohibit certain retirement plans from making investment decisions on the basis of factors other than financial risk and return factors.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Safeguarding Invest-  
5 ment Options for Retirement Act”.

1 **SEC. 2. PROHIBITION ON CERTAIN RETIREMENT PLANS**  
2 **FROM MAKING INVESTMENT DECISIONS ON**  
3 **THE BASIS OF FACTORS OTHER THAN FINAN-**  
4 **CIAL RISK AND RETURN FACTORS.**

5 (a) IN GENERAL.—Section 401(a) of the Internal  
6 Revenue Code of 1986 is amended by inserting after para-  
7 graph (39) the following new paragraph:

8 “(40) PROHIBITION ON CONSIDERATION OF  
9 FACTORS OTHER THAN FINANCIAL RISK AND RE-  
10 TURN FACTORS.—For purposes of this subsection,  
11 the term ‘exclusive benefit’ shall include a require-  
12 ment that the corpus and income of the trust are in-  
13 vested exclusively on the basis of financial risk and  
14 return factors.”.

15 (b) APPLICATION TO ANNUITY CONTRACTS.—Section  
16 403(b)(1) of such Code is amended by striking “and” at  
17 the end of subparagraph (D), by adding “and” at the end  
18 of subparagraph (E), and by inserting after subparagraph  
19 (E) the following new subparagraph:

20 “(F) the corpus and income invested pur-  
21 suant to such contract are invested exclusively  
22 on the basis of financial risk and return fac-  
23 tors,”.

24 (c) APPLICATION TO GOVERNMENTAL PLANS.—Sec-  
25 tion 457(e) of such Code is amended by adding at the end  
26 the following new paragraph:

1           “(19) PROHIBITION ON GOVERNMENTAL PLANS  
2           CONSIDERING FACTORS OTHER THAN FINANCIAL  
3           RISK AND RETURN FACTORS.—In the case of an em-  
4           ployer described in subsection (e)(1)(A), a plan shall  
5           not be treated as meeting the requirements of this  
6           section unless the corpus and income of the plan are  
7           invested exclusively on the basis of financial risk and  
8           return factors.”.

9           (d) ADMINISTRATION BY TREASURY.—Sections  
10          401(a)(40), 403(b)(1)(F), and 457(e)(19) of the Internal  
11          Revenue Code of 1986 (as amended by this section) shall  
12          be administered exclusively by the Secretary of the Treas-  
13          ury or the Secretary’s delegate.

14          (e) EFFECTIVE DATE.—The amendments made by  
15          this section shall apply to plan years beginning after the  
16          date of the enactment of this Act.

○