



**THE ERISA  
INDUSTRY COMMITTEE**  
*Shaping benefit policies  
before they shape you.*

**STATEMENT FOR THE RECORD OF  
THE ERISA INDUSTRY COMMITTEE  
TO THE  
U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON EDUCATION AND WORKFORCE  
SUBCOMMITTEE ON HEALTH, EMPLOYMENT, LABOR, AND PENSIONS  
HEARING ON  
“EXAMINING THE POLICIES AND PRIORITIES OF THE EMPLOYEE BENEFITS  
SECURITY ADMINISTRATION”**

**April 16, 2026**

Chairman Allen, Ranking Member DeSaulnier, thank you for the opportunity to submit a statement for the record on behalf of The ERISA Industry Committee (ERIC) for the hearing entitled “*Examining the Policies and Priorities of the Employee Benefits Security Administration.*” We appreciate the subcommittee’s attention to the Department of Labor’s Employee Benefits Security Administration (EBSA) to ensure that its policies and priorities support the 160 million Americans with employer-sponsored coverage.

By way of background, ERIC is a national advocacy organization exclusively representing the largest employers in the United States in their capacity as sponsors of employee benefit plans for their nationwide workforces. With member companies that are leaders in every economic sector, ERIC is the voice of large employer plan sponsors on federal, state, and local public policies impacting their ability to sponsor benefit plans. ERIC member companies offer benefits to tens of millions of employees and their families, located in every state, city, and congressional district.

Large employers are committed to offering high-quality, affordable benefits to their workforces, but their ability to do so depends on regulatory flexibility, national uniformity, and policies that reinforce—rather than undermine—the voluntary, private-sector system that has served American workers and retirees well for decades. EBSA has made great strides to promote the voluntary benefits system while protecting strongly the interests of workers and retirees. The recommendations below reflect ERIC’s view that smart, targeted reforms and principles can

strengthen participant outcomes while preserving employer innovation, choice, and sustainability.

- **Policymakers should protect national uniformity.** ERISA protects employers from conflicting state mandates by keeping regulations at the federal level so that benefit plans can be administered fairly and uniformly across the country. Policymakers should preserve this preemption of potentially conflicting state mandates. ERIC also opposes any attempt to mandate state reporting or other administrative obligations on companies that offer ERISA-regulated plans.
- **Reforms should build on, not replace, our voluntary, private-sector system.** The private sector is successfully providing valuable benefits to tens of millions of Americans. ERIC opposes creating a government-run “public option” that would encourage employers currently offering plans to leave the system. For the same reasons, ERIC opposes efforts that make health and retirement plans more costly and less flexible, especially where the law already includes appropriate safeguards. ERIC strongly opposes one-size-fits-all regulation.
- **EBSA should carefully target its enforcement priorities.** ERISA provides a balanced approach toward enforcement, recognizing that employers seeking to do the right thing are the lynchpin of our system. Rather than reflexively viewing plan sponsors as adversaries, the Labor Department should see plan sponsors as key partners in enhancing health care and retirement security. EBSA’s recent updates to its national enforcement priorities and modernized opinion letter initiative are positive first steps toward emphasizing compliance assistance and rebuilding the balance between appropriate worker protection and counterproductive “gotcha” enforcement. To further assist, ERIC strongly supports this Committee’s proposals to improve transparency in EBSA enforcement. Specifically, ERIC strongly supports the *EBSA Investigations Transparency Act* (H.R. 2869) and the *Balance the Scales Act* (H.R. 2958).
- **Recent EBSA amicus briefs have been helpful.** Given the tsunami of ERISA class action litigation, it is more important than ever that EBSA file *amicus* briefs that accurately interpret ERISA’s provisions. EBSA has recently filed briefs in a broad variety of cases, including lawsuits related to routine pension risk transfer transactions, the use of plan forfeitures, the burden of proof, and ERISA’s pleading standards. Assistant Secretary Aronowitz has publicly stated that “Our amicus brief [in *Konya v. Lockheed Martin*] reinforces ERISA as law of process in which plan fiduciaries have discretion and flexibility to make informed judgment calls...ERISA does not allow hindsight second-guessing or Monday-morning quarterbacking of discretionary fiduciary decisions.” We agree wholeheartedly and welcome EBSA’s approach.
- **Legislation should avoid overregulating new technologies used by benefit plans.** In an effort to enhance retirement security and health plan literacy, retirement and health plans are increasingly using technology to educate participants about investment options, costs of health care services, and to provide retirement and health planning tools. As

artificial intelligence, predictive data analytics, and other exciting and interactive technologies continue to evolve, regulatory agencies should take care to avoid imposing new requirements that ultimately will result in less information and fewer tools available to empower workers and retirees.

- **ERIC supports modernizing plan disclosures.** Workers and retirees should have access to information that is useful and relevant for their health benefits and retirement savings. However, there are opportunities for improving the quality of these disclosures while reducing costs, such as electronic delivery, which both reduces costs and provides more opportunities for interactivity and easy access. We urge a simple four-part rubric when evaluating proposals to modify disclosure requirements:
  - The information conveyed in mandatory disclosures should be *simple enough* that an average plan participant without technical expertise can understand it;
  - The purpose is to make information *available* should the participant desire to engage;
  - A participant should be able to *do something* with the information: for example, contact a plan administrator, modify an investment selection, or claim benefits using information provided; and,
  - The tangible benefits to participants of each piece of information disclosed should outweigh the costs of gathering, digesting, and disseminating the information.

## Health

- **Implement transparency and accountability in health care markets.** Employers can use price and quality information from across the continuum of health care stakeholders to change the incentives in the health care system for both patients and providers. But this requires legislative and regulatory change. Employers need ownership of their own health care claims data, information about the quality and outcomes associated with individual doctors and facilities, as well as robust access to patient safety data. Accountability reforms, such as ensuring providers are engaging in honest billing practices and pharmacy benefit managers (PBMs) are not gaming the commercial drug benefit system, are needed in addition to access to meaningful, accurate, updated, and complete data.
- **Create an environment that encourages “smart shopping” by patients.** While not all health care services are “shoppable,” many interactions with the health care systems give patients an opportunity to choose a provider or facility, choose between treatments, and otherwise steer the direction of health care spending. ERIC believes that improvements to hospital and health plan transparency rules can encourage patients to seek better value and quality when making choices about health care.
- **Addressing health care consolidation.** Employers support changes that would reduce consolidation (especially of hospital systems and physician practices), increase choices for patients, address existing monopolies (such as those held by kidney dialysis

companies), and prohibit anticompetitive contracting practices often used by providers to thwart value-driven plan designs.

## **Retirement**

- **ERIC broadly supports EBSA’s investment selection rule.** EBSA recently proposed an important regulation to provide plan fiduciaries with additional clarity regarding the duty of prudence in selecting investment alternatives available to participants in participant-directed individual account plans, such as 401(k) plans. The proposed regulation, issued in response to Executive Order 14330, would provide a process-based and asset-neutral “safe harbor” for plan fiduciaries when selecting investment options. Under the regulation, such a prudent process would take into account factors such as fees and performance. The proposal contains many helpful clarifications and restatements of current law regarding the nature of the duty of prudence. ERIC is carefully reviewing the details of the proposal and expects to submit regulatory comments, but we broadly support EBSA’s approach.
- **ERIC supports affirming the longstanding responsibility to optimize financial outcomes for plan participants.** ERISA’s duty of loyalty requires plan fiduciaries to operate for the exclusive purpose of providing benefits and defraying expenses. ERIC supports the longstanding policy that plan fiduciaries may not sacrifice investment returns or assume greater investment risks as a means of promoting collateral social policy goals. ERIC also recognizes that many factors are relevant when ensuring the best possible financial outcome for plan participants and beneficiaries, and plan fiduciaries are best positioned to make those judgments. Additionally, plans need to have the ability to make investments and provide choices appropriate for their workers, consistent with their obligations to workers and retirees.
- **ERIC supports EBSA guidance to facilitate Trump accounts.** Large employers are at the forefront of helping millions of American workers achieve financial security and wellness, including planning so that their children can have a head start toward reaching their dreams. To that end, Trump accounts represent an intriguing new option that many Americans will consider, but operational questions remain. For example, a threshold question is whether employer contributions to Trump accounts pursuant to Internal Revenue Code §128(c) create a plan governed by ERISA. The Treasury Department has signaled that it is working with the Department of Labor for confirmation that they do not. That confirmation, as well as guidance about documentation requirements, is essential to ensuring more robust uptake of the program and efficient compliance with applicable obligations.
- **ERIC supports reforms to improve the rules governing defined benefit pensions.** EBSA plays an important role in overseeing the Pension Benefit Guaranty Corporation. The premiums that plan sponsors pay to the Pension Benefit Guaranty Corporation are far higher than needed to sustain the pension insurance program. Reductions could be enacted without jeopardizing the security of participants’ benefits. While congressional

action is necessary to enact reductions, we also urge the administration to closely examine and consider proposing solutions to better reflect the actual financial needs of the agency. Some of these options might include:

- Pause indexation of premium levels. Premium levels are automatically increased every year to reflect inflation; those levels could be immediately frozen.
- Provide a premium holiday. Congress could grant a multi-year premium holiday to reflect that plan sponsors have effectively overpaid premiums for several years.
- Provide a benchmark for PBGC funding. Congress could set a multiyear target funding benchmark and structure premium levels to adjust in order to hit that target benchmark.

## **Conclusion**

Thank you for this opportunity to share our views. We look forward to working with the subcommittee to further support oversight, policy development, and the enactment of legislation.