

119TH CONGRESS  
1ST SESSION

# S. 1728

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## AN ACT

To amend the Employee Retirement Income Security Act of 1974 to expand the membership of the Advisory Council on Employee Welfare and Pension Benefit Plans to include representatives of employee ownership organizations.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Employee Ownership  
3 Representation Act of 2025”.

4 **SEC. 2. EXPANSION OF THE ERISA ADVISORY COUNCIL.**

5 (a) IN GENERAL.—Section 512(a) of the Employee  
6 Retirement Income Security Act of 1974 (29 U.S.C.  
7 1142(a)) is amended—

8 (1) in paragraph (1)—

9 (A) by striking “fifteen members” and in-  
10 serting “17 members”; and

11 (B) by striking “eight members” and in-  
12 serting “10 members”; and

13 (2) in paragraph (3), by inserting “two shall be  
14 representatives of employee ownership organiza-  
15 tions;” after “pension plan;”.

16 (b) EFFECTIVE DATE.—Not later than 1 year after  
17 the date of enactment of this Act, the Secretary of Labor  
18 shall nominate the first 2 representatives of employee own-  
19 ership organizations authorized to serve as members of the  
20 Advisory Council on Employee Welfare and Pension Ben-  
21 efit Plans under section 512(a) of the Employee Retire-  
22 ment Income Security Act of 1974 (29 U.S.C. 1142(a)),  
23 as amended by subsection (a).

24 **SEC. 3. OFFICE OF EMPLOYEE OWNERSHIP.**

25 (a) ESTABLISHMENT OF THE OFFICE OF EMPLOYEE  
26 OWNERSHIP.—

1           (1) IN GENERAL.—Not later than 90 days after  
2           the date of enactment of this Act, the Secretary of  
3           Labor shall establish the Office of Employee Owner-  
4           ship in the Department of Labor, outside of the Em-  
5           ployee Benefits Security Administration.

6           (2) DIRECTOR.—The Secretary of Labor shall  
7           appoint the Director of the Office of Employee Own-  
8           ership to serve as the head of the Office at the  
9           pleasure of the Secretary of Labor.

10          (3) STAFF.—The Director of the Office of Em-  
11          ployee Ownership may select, appoint, and employ  
12          such employees as are necessary to carry out the  
13          functions of the Office.

14          (b) FUNCTIONS.—The Director of the Office of Em-  
15          ployee Ownership shall be responsible for carrying out the  
16          Employee Ownership Initiative established under section  
17          346 of the SECURE 2.0 Act of 2022 (29 U.S.C. 3228).

18   **SEC. 4. ADVISORY COUNCIL ON EMPLOYEE OWNERSHIP.**

19          (a) IN GENERAL.—

20               (1) ESTABLISHMENT.—There is hereby estab-  
21               lished an Advisory Council on Employee Ownership  
22               (hereinafter in this section referred to as the “Coun-  
23               cil”) consisting of 7 members appointed by the Sec-  
24               retary of Labor.

25               (2) MEMBERSHIP.—

1 (A) IN GENERAL.—Of the 7 members of  
2 the Council—

3 (i) 4 shall be appointed to represent  
4 employees;

5 (ii) 1 shall be appointed to represent  
6 companies that have established an em-  
7 ployee stock ownership plan or eligible  
8 worker-owned cooperative;

9 (iii) 1 shall be appointed to represent  
10 employee stock ownership plan providers;  
11 and

12 (iv) 1 shall be appointed to represent  
13 associations or other membership organiza-  
14 tions for employee stock ownership plans  
15 or eligible worker-owned cooperatives.

16 (B) POLITICAL AFFILIATION.—Not more  
17 than 4 members of the Council shall be mem-  
18 bers of the same political party.

19 (3) TERMS.—Members of the Council shall  
20 serve for terms of 2 years.

21 (4) APPOINTMENT; REAPPOINTMENT.—A mem-  
22 ber of the Council may be reappointed to serve addi-  
23 tional terms.

1           (5) VACANCIES.—A member of the Council ap-  
2           pointed to fill a vacancy shall be appointed only for  
3           the remainder of such term.

4           (6) QUORUM.—A majority of members of the  
5           Council shall constitute a quorum and action shall  
6           be taken only by a majority vote of those present  
7           and voting.

8           (b) DUTIES AND FUNCTIONS.—

9           (1) IN GENERAL.—It shall be the duty of the  
10          Council to advise the Secretary of Labor with re-  
11          spect to the carrying out of the functions of the Sec-  
12          retary of Labor under this Act and to submit to the  
13          Secretary of Labor recommendations with respect to  
14          carrying out such duties.

15          (2) MEETINGS.—The Council shall meet at  
16          least 4 times each year and at such other times as  
17          the Secretary of Labor requests.

18          (3) REPORT.—The Council shall annually sub-  
19          mit a report to the Secretary of Labor on the rec-  
20          ommendations described in paragraph (1).

21          (c) EXECUTIVE SECRETARY; SECRETARIAL AND  
22          CLERICAL SERVICES.—The Secretary of Labor shall fur-  
23          nish to the Council an Executive Secretary and such secre-  
24          tarial, clerical, and other services as are determined nec-  
25          essary to conduct the business of the Council. The Sec-

1 retary of Labor may call upon other agencies of the Fed-  
 2 eral Government for statistical data, reports, and other  
 3 information which will assist the Council in the perform-  
 4 ance of its duties.

5 (d) COMPENSATION.—

6 (1) IN GENERAL.—Members of the Council  
 7 shall each be entitled to receive the daily equivalent  
 8 of the annual rate of basic pay in effect for level IV  
 9 of the Executive Schedule under section 5315 of title  
 10 5, United States Code for each day (including travel  
 11 time) during which they are engaged in the actual  
 12 performance of duties vested in the Council.

13 (2) TRAVEL EXPENSES.—While away from  
 14 their homes or regular places of business in the per-  
 15 formance of services for the Council, members of the  
 16 Council shall be allowed travel expenses, including  
 17 per diem in lieu of subsistence, in the same manner  
 18 as persons employed intermittently in the Govern-  
 19 ment service are allowed expenses under section  
 20 5703 of title 5, United States Code.

21 (e) TERMINATION.—Section 1013 of title 5, United  
 22 States Code, relating to termination, shall not apply to  
 23 the Council.

24 (f) DEFINITIONS.—In this section:

1           (1) ELIGIBLE WORKER-OWNED COOPERA-  
 2           TIVE.—The term “eligible worker-owned coopera-  
 3           tive” has the meaning given the term in section  
 4           1042(c)(2) of the Internal Revenue Code of 1986.

5           (2) EMPLOYEE STOCK OWNERSHIP PLAN.—The  
 6           term “employee stock ownership plan” has the  
 7           meaning given the term in section 4975(e)(7) of the  
 8           Internal Revenue Code of 1986.

9   **SEC. 5. ESTABLISHMENT OF THE ADVOCATE FOR EM-**  
 10                           **PLOYEE OWNERSHIP.**

11           (a) IN GENERAL.—Subtitle A of title III of the Em-  
 12           ployee Retirement Income Security Act of 1974 (29  
 13           U.S.C. 1201 et seq.) is amended by adding at the end  
 14           the following:

15   **“SEC. 3005. ADVOCATE FOR EMPLOYEE OWNERSHIP.**

16           “(a) IN GENERAL.—The Secretary of Labor shall ap-  
 17           point an Advocate for Employee Ownership within the  
 18           Employee Ownership Initiative established under section  
 19           346(b)(1) of the SECURE 2.0 Act of 2022 (division T  
 20           of the Consolidated Appropriations Act, 2023 (Public Law  
 21           117–328)). The appointment shall be made without regard  
 22           to the provisions of title 5, United States Code, relating  
 23           to appointments in the competitive service or Senior Exec-  
 24           utive Service.

1       “(b) DUTIES.—The Advocate for Employee Owner-  
2 ship shall—

3           “(1) consult with the head of the Employee  
4 Ownership Initiative established under section  
5 346(b)(1) of the SECURE 2.0 Act of 2022 (division  
6 T of the Consolidated Appropriations Act, 2023  
7 (Public Law 117–328));

8           “(2) act as a liaison between the Department of  
9 Labor, employee ownership advocates, employers  
10 considering employee ownership, workers interested  
11 in employee ownership, and other stakeholders, in-  
12 cluding employee stock ownership plan sponsors and  
13 participants;

14           “(3) provide public education and assistance re-  
15 lated to the expansion of employee ownership  
16 through the establishment and maintenance of prac-  
17 tices that promote employee ownership, including the  
18 use of employee stock ownership plans;

19           “(4) provide assistance for purposes of resolving  
20 a dispute between the Department of Labor and any  
21 employee stock ownership plan sponsor, fiduciary, or  
22 participant and help facilitate communication be-  
23 tween such entities and the Department of Labor for  
24 such purposes;



1           “(5) identify and recommend potential legisla-  
2           tive and administrative changes, including related to  
3           access to capital issues, to increase practices that  
4           promote employee ownership plans, including the use  
5           of employee stock ownership plans; and

6           “(6) coordinate with other Federal agencies, in-  
7           cluding the Administrator of the Small Business Ad-  
8           ministration, the Secretary of the Treasury, and the  
9           Secretary of Commerce, and State and local govern-  
10          ments on outreach and education to inform employ-  
11          ees and employers about the possibilities and bene-  
12          fits of employee ownership as a business ownership  
13          succession planning option.

14          “(c) CONSULTATION AND INPUT.—The Secretary of  
15          Labor shall solicit advice and input from the Advocate for  
16          Employee Ownership in developing regulations or interpre-  
17          tations of this Act that relate to employee stock ownership  
18          plans.

19          “(d) COMPENSATION.—The Advocate for Employee  
20          Ownership shall be entitled to compensation at the same  
21          rate as the rate of basic pay in effect for a position at  
22          level V of the Executive Schedule under section 5316 of  
23          title 5, United States Code.

24          “(e) ANNUAL REPORT.—

1           “(1) IN GENERAL.—Not later than December  
 2           31 of each calendar year beginning after the date of  
 3           enactment of this section, the Advocate for Em-  
 4           ployee Ownership shall submit a report to the Com-  
 5           mittee on Health, Education, Labor, and Pensions  
 6           of the Senate and the Committee on Education and  
 7           Workforce of the House of Representatives on the  
 8           activities of the Office of the Advocate for Employee  
 9           Ownership during the fiscal year ending during such  
 10          calendar year, including the contents described in  
 11          paragraph (2).

12           “(2) CONTENTS.—Each report submitted under  
 13          paragraph (1) shall—

14                   “(A) summarize the assistance requests re-  
 15                   ceived by the Advocate for Employee Ownership  
 16                   during the fiscal year ending during the cal-  
 17                   endar year of such report;

18                   “(B) describe the activities, including the  
 19                   activities described under paragraphs (3) and  
 20                   (4) of subsection (b), and evaluate the effective-  
 21                   ness of the Advocate for Employee Ownership  
 22                   during such fiscal year;

23                   “(C) describe any significant problems the  
 24                   Advocate for Employee Ownership has identi-

1           fied during such fiscal year and ways to miti-  
2           gate such problems;

3           “(D) contain recommendations for any ad-  
4           ministrative or legislative action that may be  
5           appropriate to resolve barriers to, and to  
6           incentivize, practices that promote employee  
7           ownership, including the use of employee stock  
8           ownership plans; and

9           “(E) describe progress related to employee  
10          ownership in businesses in the United States.

11          “(3) CONCURRENT SUBMISSION.—The Advocate  
12          for Employee Ownership shall submit a copy of each  
13          report submitted under paragraph (1) to the Sec-  
14          retary of Labor, and any other appropriate official,  
15          at the same time such report is submitted under  
16          paragraph (1).

17          “(4) PUBLIC AVAILABILITY.—The Advocate for  
18          Employee Ownership shall make a copy of each re-  
19          port submitted under paragraph (1) available to the  
20          public.

21          “(5) DEFINITION OF EMPLOYEE STOCK OWNER-  
22          SHIP PLAN.—For purposes of this section, the term  
23          ‘employee stock ownership plan’ has the meaning  
24          given the term in section 4975(e)(7) of the Internal  
25          Revenue Code of 1986.

1       “(f) AUTHORIZATION OF APPROPRIATIONS.—There  
2 is authorized to be appropriated such sums as may be nec-  
3 essary to carry out subsection (d).”.

4       (b) CLERICAL AMENDMENT.—The table of contents  
5 in section 1 of the Employee Retirement Income Security  
6 Act of 1974 (29 U.S.C. 1001 note) is amended by insert-  
7 ing after the item relating to section 3004 the following  
8 new item:

“Sec. 3005. Advocate for employee ownership.”.

Passed the Senate October 9, 2025.

Attest:

*Secretary.*



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