

Calendar No. 157

119TH CONGRESS
1ST SESSION

S. 1728

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.

IN THE SENATE OF THE UNITED STATES

MAY 13, 2025

Mr. CASSIDY (for himself, Ms. HASSAN, and Mr. HICKENLOOPER) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

SEPTEMBER 11, 2025

Reported by Mr. CASSIDY, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

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 1142(a)), as
23 amended by subsection (a).

24 **SECTION 1. SHORT TITLE.**

25 This Act may be cited as the “Employee Ownership
26 Representation Act of 2025”.

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

2 (a) *IN GENERAL.*—Section 512(a) of the Employee Re-
 3 tirement Income Security Act of 1974 (29 U.S.C. 1142(a))
 4 is amended—

5 (1) in paragraph (1)—

6 (A) by striking “fifteen members” and in-
 7 serting “17 members”; and

8 (B) by striking “eight members” and insert-
 9 ing “10 members”; and

10 (2) in paragraph (3), by inserting “two shall be
 11 representatives of employee ownership organizations;”
 12 after “pension plan;”.

13 (b) *EFFECTIVE DATE.*—Not later than 1 year after the
 14 date of enactment of this Act, the Secretary of Labor shall
 15 nominate the first 2 representatives of employee ownership
 16 organizations authorized to serve as members of the Advi-
 17 sory Council on Employee Welfare and Pension Benefit
 18 Plans under section 512(a) of the Employee Retirement In-
 19 come Security Act of 1974 (29 U.S.C. 1142(a)), as amended
 20 by subsection (a).

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

22 (a) *ESTABLISHMENT OF THE OFFICE OF EMPLOYEE*
 23 *OWNERSHIP.*—

24 (1) *IN GENERAL.*—Not later than 90 days after
 25 the date of enactment of this Act, the Secretary of
 26 Labor shall establish the Office of Employee Owner-

1 *ship in the Department of Labor, outside of the Em-*
 2 *ployee Benefits Security Administration.*

3 (2) *DIRECTOR.*—*The Secretary of Labor shall*
 4 *appoint the Director of the Office of Employee Owner-*
 5 *ship to serve as the head of the Office at the pleasure*
 6 *of the Secretary of Labor.*

7 (3) *STAFF.*—*The Director of the Office of Em-*
 8 *ployee Ownership may select, appoint, and employ*
 9 *such employees as are necessary to carry out the func-*
 10 *tions of the Office.*

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

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

16 (a) *IN GENERAL.*—

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

22 (2) *MEMBERSHIP.*—

23 (A) *IN GENERAL.*—*Of the 7 members of the*
 24 *Council—*

1 (i) 4 shall be appointed to represent
2 employees;

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

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

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

14 (B) *POLITICAL AFFILIATION.*—Not more
15 than 4 members of the Council shall be members
16 of the same political party.

17 (3) *TERMS.*—Members of the Council shall serve
18 for terms of 2 years.

19 (4) *APPOINTMENT; REAPPOINTMENT.*—A member
20 of the Council may be reappointed to serve additional
21 terms.

22 (5) *VACANCIES.*—A member of the Council ap-
23 pointed to fill a vacancy shall be appointed only for
24 the remainder of such term.

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

5 *(b) DUTIES AND FUNCTIONS.*—

6 (1) *IN GENERAL.*—*It shall be the duty of the*
7 *Council to advise the Secretary of Labor with respect*
8 *to the carrying out of the functions of the Secretary*
9 *of Labor under this Act and to submit to the Sec-*
10 *retary of Labor recommendations with respect to car-*
11 *rying out such duties.*

12 (2) *MEETINGS.*—*The Council shall meet at least*
13 *4 times each year and at such other times as the Sec-*
14 *retary of Labor requests.*

15 (3) *REPORT.*—*The Council shall annually sub-*
16 *mit a report to the Secretary of Labor on the rec-*
17 *ommendations described in paragraph (1).*

18 *(c) EXECUTIVE SECRETARY; SECRETARIAL AND CLER-*
19 *ICAL SERVICES.*—*The Secretary of Labor shall furnish to*
20 *the Council an Executive Secretary and such secretarial,*
21 *clerical, and other services as are determined necessary to*
22 *conduct the business of the Council. The Secretary of Labor*
23 *may call upon other agencies of the Federal Government*
24 *for statistical data, reports, and other information which*
25 *will assist the Council in the performance of its duties.*

1 (d) *COMPENSATION.*—

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

9 (2) *TRAVEL EXPENSES.*—*While away from their*
 10 *homes or regular places of business in the perform-*
 11 *ance of services for the Council, members of the Coun-*
 12 *cil shall be allowed travel expenses, including per*
 13 *diem in lieu of subsistence, in the same manner as*
 14 *persons employed intermittently in the Government*
 15 *service are allowed expenses under section 5703 of*
 16 *title 5, United States Code.*

17 (e) *TERMINATION.*—*Section 1013 of title 5, United*
 18 *States Code, relating to termination, shall not apply to the*
 19 *Council.*

20 (f) *DEFINITIONS.*—*In this section:*

21 (1) *ELIGIBLE WORKER-OWNED COOPERATIVE.*—
 22 *The term “eligible worker-owned cooperative” has the*
 23 *meaning given the term in section 1042(c)(2) of the*
 24 *Internal Revenue Code of 1986.*

1 (2) *EMPLOYEE STOCK OWNERSHIP PLAN.*—The
 2 term “employee stock ownership plan” has the mean-
 3 ing given the term in section 4975(e)(7) of the Inter-
 4 nal Revenue Code of 1986.

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

7 (a) *IN GENERAL.*—Subtitle A of title III of the Em-
 8 ployee Retirement Income Security Act of 1974 (29 U.S.C.
 9 1201 et seq.) is amended by adding at the end the following:
 10 **“SEC. 3005. ADVOCATE FOR EMPLOYEE OWNERSHIP.**

11 “(a) *IN GENERAL.*—The Secretary of Labor shall ap-
 12 point an Advocate for Employee Ownership within the Em-
 13 ployee Ownership Initiative established under section
 14 346(b)(1) of the SECURE 2.0 Act of 2022 (division T of
 15 the Consolidated Appropriations Act, 2023 (Public Law
 16 117–328)). The appointment shall be made without regard
 17 to the provisions of title 5, United States Code, relating to
 18 appointments in the competitive service or Senior Executive
 19 Service.

20 “(b) *DUTIES.*—The Advocate for Employee Ownership
 21 shall—

22 “(1) consult with the head of the Employee Own-
 23 ership Initiative established under section 346(b)(1)
 24 of the SECURE 2.0 Act of 2022 (division T of the

1 *Consolidated Appropriations Act, 2023 (Public Law*
2 *117–328));*

3 *“(2) act as a liaison between the Department of*
4 *Labor, employee ownership advocates, employers con-*
5 *sidering employee ownership, workers interested in*
6 *employee ownership, and other stakeholders, including*
7 *employee stock ownership plan sponsors and partici-*
8 *pants;*

9 *“(3) provide public education and assistance re-*
10 *lated to the expansion of employee ownership through*
11 *the establishment and maintenance of practices that*
12 *promote employee ownership, including the use of em-*
13 *ployee stock ownership plans;*

14 *“(4) provide assistance for purposes of resolving*
15 *a dispute between the Department of Labor and any*
16 *employee stock ownership plan sponsor, fiduciary, or*
17 *participant and help facilitate communication be-*
18 *tween such entities and the Department of Labor for*
19 *such purposes;*

20 *“(5) identify and recommend potential legisla-*
21 *tive and administrative changes, including related to*
22 *access to capital issues, to increase practices that pro-*
23 *mote employee ownership plans, including the use of*
24 *employee stock ownership plans; and*

1 “(6) *coordinate with other Federal agencies, in-*
2 *cluding the Administrator of the Small Business Ad-*
3 *ministration, the Secretary of the Treasury, and the*
4 *Secretary of Commerce, and State and local govern-*
5 *ments on outreach and education to inform employees*
6 *and employers about the possibilities and benefits of*
7 *employee ownership as a business ownership succes-*
8 *sion planning option.*

9 “(c) *CONSULTATION AND INPUT.—The Secretary of*
10 *Labor shall solicit advice and input from the Advocate for*
11 *Employee Ownership in developing regulations or interpre-*
12 *tations of this Act that relate to employee stock ownership*
13 *plans.*

14 “(d) *COMPENSATION.—The Advocate for Employee*
15 *Ownership shall be entitled to compensation at the same*
16 *rate as the rate of basic pay in effect for a position at level*
17 *V of the Executive Schedule under section 5316 of title 5,*
18 *United States Code.*

19 “(e) *ANNUAL REPORT.—*

20 “(1) *IN GENERAL.—Not later than December 31*
21 *of each calendar year beginning after the date of en-*
22 *actment of this section, the Advocate for Employee*
23 *Ownership shall submit a report to the Committee on*
24 *Health, Education, Labor, and Pensions of the Senate*
25 *and the Committee on Education and Workforce of*

1 *the House of Representatives on the activities of the*
2 *Office of the Advocate for Employee Ownership dur-*
3 *ing the fiscal year ending during such calendar year,*
4 *including the contents described in paragraph (2).*

5 “(2) CONTENTS.—*Each report submitted under*
6 *paragraph (1) shall—*

7 “(A) *summarize the assistance requests re-*
8 *ceived by the Advocate for Employee Ownership*
9 *during the fiscal year ending during the cal-*
10 *endar year of such report;*

11 “(B) *describe the activities, including the*
12 *activities described under paragraphs (3) and*
13 *(4) of subsection (b), and evaluate the effective-*
14 *ness of the Advocate for Employee Ownership*
15 *during such fiscal year;*

16 “(C) *describe any significant problems the*
17 *Advocate for Employee Ownership has identified*
18 *during such fiscal year and ways to mitigate*
19 *such problems;*

20 “(D) *contain recommendations for any ad-*
21 *ministrative or legislative action that may be*
22 *appropriate to resolve barriers to, and to*
23 *incentivize, practices that promote employee*
24 *ownership, including the use of employee stock*
25 *ownership plans; and*

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

3 “(3) CONCURRENT SUBMISSION.—The Advocate
4 for Employee Ownership shall submit a copy of each
5 report submitted under paragraph (1) to the Sec-
6 retary of Labor, and any other appropriate official,
7 at the same time such report is submitted under
8 paragraph (1).

9 “(4) PUBLIC AVAILABILITY.—The Advocate for
10 Employee Ownership shall make a copy of each report
11 submitted under paragraph (1) available to the pub-
12 lic.

13 “(5) DEFINITION OF EMPLOYEE STOCK OWNER-
14 SHIP PLAN.—For purposes of this section, the term
15 ‘employee stock ownership plan’ has the meaning
16 given the term in section 4975(e)(7) of the Internal
17 Revenue Code of 1986.

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

21 (b) CLERICAL AMENDMENT.—The table of contents in
22 section 1 of the Employee Retirement Income Security Act
23 of 1974 (29 U.S.C. 1001 note) is amended by inserting after
24 the item relating to section 3004 the following new item:

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

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