

110TH CONGRESS
1ST SESSION

H. R. 2519

To amend title 5, United States Code, to provide for a corporate responsibility investment option under the Thrift Savings Plan.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2007

Mr. LANGEVIN (for himself and Mr. SHAYS) introduced the following bill;
which was referred to the Committee on Oversight and Government Reform

A BILL

To amend title 5, United States Code, to provide for a corporate responsibility investment option under the Thrift Savings Plan.

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 “Federal Employees Re-
5 sponsible Investment Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) The Department of Labor has asserted that
9 socially responsible investments meet the fiduciary

1 standards set in the Employee Retirement Income
2 Security Act.

3 (2) 84 percent of mutual fund investors would
4 be more likely to invest in a fund if one of its prin-
5 ciples was to invest in companies that engage in eth-
6 ical business practices in terms of operations and re-
7 porting.

8 (3) 71 percent of investors agree that compa-
9 nies that operate with higher levels of integrity carry
10 less investment risk, and 67 percent of investors be-
11 lieve that these companies deliver better investment
12 returns.

13 **SEC. 3. CORPORATE RESPONSIBILITY STOCK INDEX FUND.**

14 (a) DEFINITION.—Section 8438(a) of title 5, United
15 States Code, is amended—

16 (1) in paragraph (9), by striking “and” at the
17 end;

18 (2) in paragraph (10), by striking the period at
19 the end and inserting “; and”; and

20 (3) by adding at the end the following:

21 “(11) the term ‘Corporate Responsibility Stock
22 Index Fund’ refers to the fund established under
23 subsection (b)(1)(F).”.

24 (b) ESTABLISHMENT.—

1 (1) IN GENERAL.—Section 8438(b)(1) of title
2 5, United States Code, is amended—

3 (A) in subparagraph (D), by striking
4 “and” at the end;

5 (B) in subparagraph (E), by striking the
6 period at the end and inserting “; and”; and

7 (C) by adding at the end the following:

8 “(F) a Corporate Responsibility Stock Index
9 Fund as provided under paragraph (5).”.

10 (2) FUND REQUIREMENTS.—Section 8438(b) of
11 title 5, United States Code, is amended by adding
12 at the end the following:

13 “(5)(A) The Board shall select an index which is a
14 commonly recognized, passively managed index comprised
15 of domestic stocks that have been analyzed based on cri-
16 teria consistent with the purposes of this paragraph. Such
17 criteria may include corporate governance, environmental
18 practices, workplace relations and benefits, product safety
19 and impact, international operations and human rights,
20 involvement with repressive regimes, and community rela-
21 tions. The index’s financial track record must be com-
22 parable to that of the other options available under the
23 Thrift Savings Plan.

24 “(B) The Corporate Responsibility Stock Index Fund
25 shall be invested in a portfolio designed to replicate the

1 performance of the index in subparagraph (A). The port-
2 folio shall be designed such that, to the extent practicable,
3 the percentage of the Corporate Responsibility Stock
4 Index Fund that is invested in each stock is the same as
5 the percentage determined by dividing the aggregate mar-
6 ket value of all shares of that stock by the aggregate mar-
7 ket value of all shares of all stocks included in such
8 index.”.

9 (c) ACKNOWLEDGMENT OF RISK.—Section 8439(d)
10 of title 5, United States Code, is amended—

11 (1) by striking “or the Small Capitalization
12 Stock Index Investment Fund,” and inserting “the
13 Small Capitalization Stock Index Investment Fund,
14 or the Corporate Responsibility Stock Index Fund,”;
15 and

16 (2) by striking “and (10),” and inserting “(10),
17 and (11),”.

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