

119TH CONGRESS  
1ST SESSION

# S. 2403

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## AN ACT

To amend the Employee Retirement Income Security Act of 1974 to provide a clear definition of adequate consideration for certain closely held stock, and for other purposes.

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 “Retire through Owner-  
3 ship Act”.

4 **SEC. 2. AMENDING ADEQUATE CONSIDERATION DEFINI-  
5 TION.**

6 (a) IN GENERAL.—Section 3(18) of the Employee  
7 Retirement Income Security Act of 1974 (29 U.S.C.  
8 1002(18)) is amended—

9 (1) by redesignating clauses (i) and (ii) as sub-  
10 clauses (I) and (II), respectively;

11 (2) by redesignating subparagraphs (A) and  
12 (B) as clauses (i) and (ii), respectively;

13 (3) by inserting “(A)” before “The term”; and

14 (4) by adding at the end the following:

15 “(B)(i) For purposes of clause (ii) of subpara-  
16 graph (A), a fiduciary of an employee stock owner-  
17 ship plan (as defined in section 407(d)(6)) may  
18 make a good faith reliance on a valuation provided  
19 by an independent valuation expert or business ap-  
20 praiser that has relied upon the principles and meth-  
21 odologies set forth in Internal Revenue Service Rev-  
22 enue Ruling 59–60 (as amplified and modified by  
23 the Internal Revenue Service from time to time) in  
24 determining the fair market value of an asset de-  
25 scribed in such clause.

26 “(ii) Clause (i) shall not be interpreted to—

1           “(I) preclude the Secretary from promul-  
2           gating, in accordance with section 553 of title  
3           5, United States Code, any regulation inter-  
4           preting such clause;

5           “(II) expand the regulatory authority of  
6           the Secretary with respect to the term ‘ade-  
7           quate consideration’ beyond such authority  
8           available to the Secretary on the day before the  
9           date of enactment of the Retire through Owner-  
10          ship Act; or

11          “(III) modify a fiduciary’s obligations  
12          under section 404.”.

13          (b) EFFECTIVE DATE.—The amendments made by  
14          subsection (a) shall apply with respect to determinations  
15          described in section 3(18)(B) of the Employee Retirement  
16          Income Security Act of 1974 (29 U.S.C. 1002(18)(B)) (as  
17          added by such subsection) that are made on or after the  
18          date of enactment of this Act.

Passed the Senate October 9, 2025.

Attest:

*Secretary.*

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