

NLPC Opposes Department of Labor's Pension Fund Rule Encouraging Investments in Woke Social Awareness Funds

FALLS CHURCH, VA, USA, December 17, 2021 /EINPresswire.com/ -- The [National Legal and Policy Center](#) (NLPC) filed comments with the U.S. Department of Labor opposing a proposed rule that would allow retirement plan fiduciaries under ERISA-covered retirement plans to consider environmental, social, and governance (ESG) factors in making investment decisions for employees' retirement funds as a means of promoting collateral social policy or goals.



Promoting Ethics in Public Life

In its comments, NLPC opposed the Biden Administration's proposal motivated by climate change policies, which would amend the rule issued by the Trump Administration in 2020, NLPC cited studies by experts that show that not only is it dubious that ESG funds do better than non-ESG funds, but that there are hidden fees making them even more expensive.

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Peter Flaherty

NLPC cited comments by former Deputy Secretary of Labor Patrick Pizzella who wrote, “Virtue-signaling with other people’s money is the icing on the cake of woke capitalism. Large sums of money accumulated from assembly-line workers, construction crews, independent contractors, and small-business owners are placed in the hands of fiduciaries who get to maximize risk rather than returns.”

“The responsibility of fiduciaries to retirees and employees is to maximize the return on their investments in their retirement funds, not to promote the latest social and political causes,” said

Peter Flaherty, NLPC's Chairman.

NLPC also proposed that the rule require fiduciaries to maximize disclosure of ESG funds to the account holders and to obtain their affirmative consent before investing in them.

"Requiring affirmative opt-in consent rather than a negative opt-in process is pro-consumer in this and other contexts where consumers find that they have unwittingly been charged with goods or services they did not want," said Paul Kamenar, NLPC's counsel who filed the comments for NLPC.

NLPC's Corporate Responsibility Project promotes integrity in corporate governance, including honesty and fair play in relationships with shareholders, employees, business partners and customers. NLPC places special emphasis on the responsibility of the corporation to defend and advance the interests of the people who own the company, the shareholders, not someone else's political agenda.

Over the years, NLPC attended stockholder meetings as a shareholder to advocate the interests of shareholders and oppose petitions by activists to advance one-sided special interests that are often hypocritical. Earlier this year, NLPC opposed the SEC's approval of Nasdaq's Board Diversity Rule that would require racial and gender quotas on Nasdaq Boards.

[For a copy of the comments filed by NLPC, please visit:](https://www.nlpc.org/wp-content/uploads/2021/12/NLPC-Comments-on-DOL-ESG-Rule-Dec-13-1.pdf)

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