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Financial Factors in Selecting Plan Investments

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Financial Factors in Selecting Plan Investments

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Submitter Information

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General Comment

US Department of Labor
Office of Regulations and Interpretations, Employee Benefits Security Administration, Room N-5655, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210,
Attention: Financial Factors in Selecting Plan Investments Proposed Regulation.

RE: RIN 1210-AB95

To the Department of Labor,

I am writing you today to support the recently proposed rule on ESG investing in private pension plans overseen by ERISA.

As a contributor to a private pension plan, my sole intention with opening the plan was to maximize the return on my investment and exit the plan with as much money as possible upon retiring. Its been concerning to see the social and political ambitions of progressive officials and political activists trickle down into the management decisions of fund managers. It is my belief that private pensions are not the appropriate vehicle to push ESG investing principles because too often they prefer to address issues like social welfare or environmental concerns, when the sole intention of private pensions should be to maximize the returns of the plans beneficiaries.

Under ERISA, private pension funds are clearly required to be solely focused on maximizing the returns of the beneficiary and not to accept additional risk to promote a public policy, social belief, or any other nonpecuniary goal. ESG investments clearly fit under the category of a

nonpecuniary goal because while they frequently are used as a mean to push a social or political goal, studies also show that they perform worse than standard index funds.

Considering all this, it is apparent that ERISA must be modernized to ensure that a funds investment strategies are truly focused on the maximization of returns. Self-interests, especially those coming from a social or political opinion, should not and cannot be allowed to be put ahead the interests of plan beneficiaries. I would like to thank Secretary Scalia and the Labor Department for their work on this issue and I encourage them to finalize the proposed rule.

Sincerely,
Jeremiah Martin