H. R. 2130

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

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IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 2011

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

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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) Eighty-four percent of mutual fund inves-

4 tors would be more likely to invest in a fund if one

5 of its principles was to invest in companies that en-

6 gage in ethical business practices in terms of oper-

7 ations and reporting.

8   (3) Seventy-one percent of investors agree that

9 companies that operate with higher levels of integ-

10 rity carry less investment risk, and 67 percent of in-

11 vestors believe that these companies deliver better

12 investment returns.

13   (4) In 2007, $2,700,000,000,000 was invested

14 in socially responsible funds in the United States.

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

16   (a) DEFINITION.—Section 8438(a) of title 5, United

17 States Code, is amended—

18   (1) in paragraph (9), by striking "and" at the

19   end;

20   (2) in paragraph (10), by striking the period at

21   the end and inserting "; and"; and

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

23   "(11) the term 'Corporate Responsibility Stock

24   Index Fund' refers to the fund established under

25   subsection (b)(1)(G).".

1 (b) ESTABLISHMENT.—

2   (1) IN GENERAL.—Section 8438(b)(1) of title

3 5, United States Code, is amended—

4   (A) in subparagraph (E), by striking

5   "and" at the end;

6   (B) in subparagraph (F), by striking the

7   period at the end and inserting "; and"; and

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

9   "(G) a Corporate Responsibility Stock Index

10 Fund as provided under paragraph (6).".

11   (2) FUND REQUIREMENTS.—Section 8438(b) of

12 title 5, United States Code, is amended by adding

13 at the end the following:

14 "(6)(A) The Board shall select a minimum of one

15 index which is a commonly recognized, passively managed

16 index comprised of stocks (domestic or otherwise) that

17 have been analyzed based on criteria consistent with the

18 purposes of this paragraph. Such criteria shall at a min-

19 imum include corporate governance, environmental prac-

20 tices, workplace relations and benefits, product safety and

21 impact, international operations and human rights, in-

22 volvement with repressive regimes, and community rela-

23 tions. The (or, if more than one, each) index's financial

24 track record must be comparable to that of the other op-

25 tions available under the Thrift Savings Plan.

1   "(B) The Corporate Responsibility Stock Index Fund

2 shall be invested in a portfolio designed to replicate the

3 performance of the index in subparagraph (A) (or, if more

4 than one, their overall average performance). The portfolio

5 shall be designed such that, to the extent practicable, the

6 percentage of the Corporate Responsibility Stock Index

7 Fund that is invested in each stock is the same as the

8 percentage determined by dividing the aggregate market

9 value of all shares of that stock by the aggregate market

10 value of all shares of all stocks included in such index (or

11 indexes).".

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