

115TH CONGRESS
2D SESSION

S. 3424

To amend title 5, United States Code, to provide for an investment option under the Thrift Savings Plan that does not include investment in any fossil fuel companies.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 6, 2018

Mr. MERKLEY introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

To amend title 5, United States Code, to provide for an investment option under the Thrift Savings Plan that does not include investment in any fossil fuel companies.

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 “Retirement Invest-
5 ments for a Sustainable Economy Act of 2018” or the
6 “RISE Act of 2018”.

7 **SEC. 2. SENSE OF CONGRESS.**

8 It is the sense of Congress that—

1 (1) continued inaction by the Federal Govern-
2 ment with respect to addressing climate change
3 poses a significant threat to the growth and stability
4 of the economy and population of the United States;

5 (2) pension and retirement funds are vulnerable
6 to distinct risks relating to climate change, includ-
7 ing—

8 (A) climate impact risks, including sea
9 level rise, heat waves, desertification, ocean
10 acidification, flooding, drought, extreme weath-
11 er, and wildfires;

12 (B) carbon-constrained demand risks, in-
13 cluding stranded carbon assets, which financial
14 institutions have estimated as having a value of
15 \$100,000,000,000,000; and

16 (C) climate liability risks, including from
17 evolving interpretations of fiduciary and
18 tortious duties of care; and

19 (3) assessing the potential impact of climate-re-
20 lated risks on national and international financial
21 systems, including retirement savings accounts and
22 pensions, is an urgent concern.

23 **SEC. 3. CLIMATE CHOICE STOCK INDEX FUND.**

24 Section 8438 of title 5, United States Code, is
25 amended—

1 (1) in subsection (a)—

2 (A) by redesignating paragraphs (4)
3 through (10) as paragraphs (7) through (13),
4 respectively;

5 (B) by redesignating paragraphs (1), (2),
6 and (3) as paragraphs (2), (4), and (5), respec-
7 tively;

8 (C) by inserting before paragraph (2), as
9 so redesignated, the following:

10 “(1) the term ‘Climate Choice Stock Index
11 Fund’ means the Climate Choice Stock Index Fund
12 established under subsection (b)(1)(G);”;

13 (D) by inserting after paragraph (2), as so
14 redesignated, the following:

15 “(3) the term ‘entity’ means any sole propri-
16 etorship, organization, association, corporation, part-
17 nership, joint venture, limited partnership, limited li-
18 ability partnership, limited liability company, or
19 other business association, including any wholly-
20 owned subsidiary, majority-owned subsidiary, par-
21 ent-country national, or affiliate of the business as-
22 sociation, that exists for the purpose of making prof-
23 it;”;

24 (E) by inserting after paragraph (5), as so
25 redesignated, the following:

1 “(6) the term ‘fossil fuel entity’ means any en-
2 tity—

3 “(A) with proven carbon reserves; or

4 “(B) that explores for, extracts, processes,
5 refines, or transmits coal, oil, gas, oil shale, or
6 tar sands;”; and

7 (2) in subsection (b)—

8 (A) in paragraph (1)—

9 (i) in subparagraph (E), by striking
10 “and” at the end;

11 (ii) in subparagraph (F), by striking
12 the period at the end and inserting “;
13 and”; and

14 (iii) by adding at the end the fol-
15 lowing:

16 “(G) a Climate Choice Stock Index Fund
17 as provided in paragraph (6).”; and

18 (B) by adding at the end the following:

19 “(6)(A) The Board shall select an index which
20 is a commonly recognized index comprised of com-
21 mon stock.

22 “(B) The historical performance of the index
23 selected under subparagraph (A) shall be comparable
24 to that of the other investment funds and options
25 available under this subsection.

1 “(C) The Climate Choice Stock Index Fund
2 shall be invested in a portfolio that is designed—

3 “(i) to replicate the performance of the
4 index selected under subparagraph (A);

5 “(ii) such that, to the extent practicable,
6 the percentage of the Climate Choice Stock
7 Index Fund that is invested in each stock is the
8 same as the percentage determined by dividing
9 the aggregate market value of all shares of that
10 stock by the aggregate market value of all
11 shares of all stocks included in the index se-
12 lected under subparagraph (A); and

13 “(iii) to ensure that no investment in the
14 portfolio is an investment with respect to a fos-
15 sil fuel entity.”.

16 **SEC. 4. GOVERNMENT ACCOUNTABILITY OFFICE REPORT.**

17 (a) DEFINITION.—In this section, the term “fossil
18 fuel entity” has the meaning given the term in section
19 8438(a) of title 5, United States Code, as amended by
20 this Act.

21 (b) REPORT.—Not later than 1 year after the date
22 of enactment of this Act, the Comptroller General of the
23 United States shall submit to Congress a report that—

24 (1) analyzes, as of that date of enactment—

1 (A) the proportion of the stocks, bonds,
2 and other obligations held by the Thrift Savings
3 Fund that are stocks, bonds, or other obliga-
4 tions of a fossil fuel entity; and

5 (B) the effect on individuals holding ac-
6 counts in the Thrift Savings Fund of the Thrift
7 Savings Fund holding stocks, bonds, or other
8 obligations of fossil fuel entities under the cli-
9 mate policies that would be needed to limit
10 global temperature increase to 2 degrees Cel-
11 sius, given technology that is available and eco-
12 nomicallly feasible as of that date of enactment;
13 and

14 (2) provides a plan and mechanism that would
15 allow the Federal Retirement Thrift Investment
16 Board to divest from fossil fuel entities to prevent
17 or mitigate any negative investment risk on individ-
18 uals holding accounts in the Thrift Savings Fund.

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