

**Calendar No. 158**

119TH CONGRESS  
1ST SESSION

**S. 2403**

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.

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IN THE SENATE OF THE UNITED STATES

JULY 23, 2025

Mr. MARSHALL (for himself and Mr. KAINE) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

SEPTEMBER 11, 2025

Reported by Mr. CASSIDY, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

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**A BILL**

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) For purposes of clause (ii), a fiduciary of  
16 an employee stock ownership plan as defined in sec-  
17 tion 407(d)(6) may make a good faith reliance on  
18 the principles and methodologies set forth in Inter-  
19 nal Revenue Service Revenue Ruling 59–60 (as in  
20 effect on the date of enactment of the ERISA Ade-  
21 quate Consideration Act of 2025) in determining the  
22 fair market value of an asset described in such  
23 clause.”.

24 (b) **EFFECTIVE DATE.**—The amendments made by  
25 subsection (a) shall apply with respect to determinations  
26 described in section 3(18)(B) of the Employee Retirement

1 ~~Income Security Act of 1974 (29 U.S.C. 1002(18)(B))~~ (as  
 2 added by such subsection) that are made on or after the  
 3 date of enactment of this Act.

4 **SECTION 1. SHORT TITLE.**

5 *This Act may be cited as the “Retire through Owner-*  
 6 *ship Act”.*

7 **SEC. 2. AMENDING ADEQUATE CONSIDERATION DEFINI-**  
 8 **TION.**

9 (a) *IN GENERAL.*—Section 3(18) of the *Employee Re-*  
 10 *tirement Income Security Act of 1974 (29 U.S.C. 1002(18))*  
 11 *is amended—*

12 (1) *by redesignating clauses (i) and (ii) as sub-*  
 13 *clauses (I) and (II), respectively;*

14 (2) *by redesignating subparagraphs (A) and (B)*  
 15 *as clauses (i) and (ii), respectively;*

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

17 (4) *by adding at the end the following:*

18 “(B)(i) *For purposes of clause (ii) of subpara-*  
 19 *graph (A), a fiduciary of an employee stock owner-*  
 20 *ship plan (as defined in section 407(d)(6)) may make*  
 21 *a good faith reliance on a valuation provided by an*  
 22 *independent valuation expert or business appraiser*  
 23 *that has relied upon the principles and methodologies*  
 24 *set forth in Internal Revenue Service Revenue Ruling*  
 25 *59–60 (as amplified and modified by the Internal*

1     *Revenue Service from time to time) in determining*  
 2     *the fair market value of an asset described in such*  
 3     *clause.*

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

5                 “(I) preclude the Secretary from promul-  
 6             *gating, in accordance with section 553 of title 5,*  
 7             *United States Code, any regulation interpreting*  
 8             *such clause;*

9                 “(II) expand the regulatory authority of the  
 10             *Secretary with respect to the term ‘adequate con-*  
 11             *sideration’ beyond such authority available to*  
 12             *the Secretary on the day before the date of enact-*  
 13             *ment of the Retire through Ownership Act; or*

14                 “(III) modify a fiduciary’s obligations  
 15             *under section 404.”.*

16     **(b) EFFECTIVE DATE.**—*The amendments made by sub-*  
 17     *section (a) shall apply with respect to determinations de-*  
 18     *scribed in section 3(18)(B) of the Employee Retirement In-*  
 19     *come Security Act of 1974 (29 U.S.C. 1002(18)(B)) (as*  
 20     *added by such subsection) that are made on or after the*  
 21     *date of enactment of this Act.*



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