

U.S. Sen. Baldwin: Announces new legislation to reverse Trump administration move to silence workers in corporate America

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EMPOWERS Act Allows Retirement Savers to Set Binding Proxy Voting Guidelines

WASHINGTON, D.C. – U.S. Senator Tammy Baldwin today announced new legislation that would reverse a final rule from the U.S. Department of Labor to limit retirement plans from voting on corporate proxies and undermine workers' voice in the public companies where they invest.

In August, Trump's Labor Department proposed a rule to discourage ERISA plans from voting their proxies at all, unless the plans set a default voting policy to always vote with management. The rule effectively prevents workers from using their collective voice to influence public companies. The Trump administration's DOL rule is expected to be finalized today, and Baldwin will introduce her legislation to reverse it in January at the start of the 117th Congress.

Baldwin's legislation would reverse this rule and make it easier for workers to control how their shares held for retirement are voted. The *Encouraging More Proxy voting by Organized Workers, Employees, and Retirement Savers (EMPOWERS) Act* would allow workers to elect representative trustees who would manage their ERISA plan jointly with the employer's trustees and set voting guidelines that investment managers would be required to follow.

“With this action, the message from President Trump and Secretary Scalia is clear: big corporations and investment funds want workers to hand over their hard-earned

savings and then stay quiet,” **said Senator Baldwin.** “This DOL rule will allow special interests and big corporations, who already have too much power in Washington, to continue to put short-term profits and their own-paychecks ahead of workers and their retirement savings. We must take action to give workers and retirees a seat at the table and their rightful voice in board rooms across America, and that’s what my legislation will do.”

ERISA plans invest over \$11 trillion in assets on behalf of workers and retirees. The public company stocks are held by the plan’s investment manager, not by the workers and retirees who have built those retirement savings. That proxy voting power is also held by the investment managers—not workers. The investment industry has become increasingly concentrated and today the “Big Three” investment funds, BlackRock, Vanguard, and State Street, manage assets for over half of all ERISA plans. One of the Big Three is the largest shareholder in 9 out of 10 companies in the S&P 500, giving them the power to influence almost every vote, at almost every public company in the nation, using workers’ retirement savings to do it. The EMPOWERS Act would restore the ability of ERISA plan participants—not large asset managers—to determine how their shares are voted.

The legislation is cosponsored by Senators Bernie Sanders (I-VT), Elizabeth Warren (D-MA), Jeff Merkley (D-OR), Ed Markey (D-MA), Cory Booker (D-NJ), and Richard Blumenthal (D-CT) and supported by: American Federal of Labor and Congressional of Industrial Organizations (AFL-CIO), Majority Action, Public Citizen, Service Employees International Union (SEIU), Communication Workers of America (CWA), International Brotherhood of Teamsters (IBT), American Economic Liberties Project, Stop The Money Pipeline, Rapid Shift Network, Catholic Network US, Call to Action CO, and Connecticut Citizen Action Group, the American Federation of State, County and Municipal Employees (AFSCME), and Sierra Club.

“The AFL-CIO is pleased to support Senator Baldwin’s EMPOWERS Act. Pension plan assets are the deferred wages of working people, and appointing worker representatives to boards of trustees will give workers a voice in the companies that we invest in,” **said AFL-CIO President Richard Trumka.**

“Research by Majority Action has shown that the world’s largest asset managers have used their tremendous voting power to rubber-stamp corporate boards and undermine initiatives to address climate change. As its name suggests, Senator Baldwin’s EMPOWERS Act will empower retirement savers to set their own proxy voting guidelines—reversing the recently proposed Department of Labor rule aiming

to silence them—and enable workers to collectively make their voices heard in boardrooms across the country,” **said Eli Kasargod-Staub, Executive Director of Majority Action.**

“The EMPOWERS Act would help rein in the dominant role played by a small group of giant asset managers in determining the outcome of corporate elections and restore the decision-making authority to the true shareholders — workers and retirees. We have seen time and again that the outsized footprint of a few large financial companies in the governance of corporate America results in an excessive deference to management and the needs of wealth and well-connected being put ahead of the public interest. The EMPOWERS Act is an important step toward breaking the new version of the old money trust,” **said Graham Steele, senior fellow with American Economic Liberties Project.**

Throughout her career, Senator Baldwin has stood up for the rights of workers, called out the abuses of big corporations and special interests, and championed reforms that will give workers a say in how their company’s profits are spent. Senator Baldwin introduced legislation, the *Reward Work Act*, that would give workers a seat on corporate boards and [rein in corporate America’s addiction to stock buybacks](#).

More information on the EMPOWERS Act is available [here](#).

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