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Submitter Information

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General Comment

Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Avenue NW
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Attention: Proxy Voting and Shareholder Rights NPRM
Rule Number: RIN 1210-AB91

I am writing on behalf of the African-American communities in Colorado who stand to benefit the most from the Department of Labor's latest proposed rule change. It is crucial that that those managing our retirement plans act in the best interest of plan participants, which is already required by ERISA but will be further clarified by these proposed changes.

For many in the African-American community, their limited pensions are what they will depend on to support themselves and their loved ones. Ensuring that those managing our plans provide the highest rates of return possible is essential for many African-Americans to live a comfortable retirement. I appreciate that the Department of Labor has now clarified that plans are not required to vote on all proxy issues. This clarification is especially important if these issues do not result in any economic benefit or loss - which will help to limit the costs that proxy decisions cause and that get passed on to plan participants.

The Department of Labor's latest clarification as well as its recent rule to ensure investments cannot be made without non-financial considerations, such as ESG investments, are great steps that uphold the idea that plan managers should always be looking out for plan participants and maximizing their returns.

These two recent rulings offer consistency, safeguarding investments and proxy votes from matters like ESG positions - positions that would prevent plan participants from receiving their maximum rates of return. As I shared earlier, as many in the African-American community rely on limited retirement plans, they also demand the highest rates of return possible and do not care about the political or social issues they could instead be losing their hard-earned investments in.

While this clarification is a step in the right direction towards putting more money in the pockets of plan participants, the Department of Labor can go further. An area that is not clearly explained is how exactly a plan can determine whether or not a vote would be economically beneficial or not - something that would be extremely helpful if the Department of Labor provided additional insight. Another clarification would be to match the requirements of ESG investments is to call for investment expert validation to determine whether a proxy vote would have an economic impact.

Finally, the Department of Labor should act swiftly and prevent the ability for automatic voting, otherwise known as "robo-voting," for proposals. Making robo-voting illegal would stop plan managers from automatically voting for whatever a proxy advisor has recommended without acting in good faith and researching what is being proposed. These additions would serve to greatly improve the effectiveness of this rule and enhance plan participant protections.

I support the clarifications this rule proposes and hope that additional improvements be made to further protect the African-American community's investments.

Sincerely,
Maya Wheeler