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Florida Attorney General's Office News Release

Action to Stop Asset Managers from Abusing Rule



TALLAHASSEE, Fla.—Attorney General Ashley Moody is taking action to stop a Department of Labor rule which would affect the retirement accounts of millions of people. The rule allows 401(k) managers to direct clients' money to Environmental, Social and Governance investments and runs contrary to the laws outlined in the Employee Retirement Income Security Act of 1974.

Attorney General Ashley Moody said, "Fund managers have a responsibility to choose investments that most financially benefit the account holder. The Department of Labor's 2022 Investment Duties Rule undermines this principle and risks the retirement and financial security of millions of Americans to promote political agendas. I'm taking action to protect Floridians' retirement investments from the Biden administration's unlawful and financially irresponsible mandate."

The new rule, called "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights," is set to take effect on Jan. 30. Two-thirds of the U.S. population's retirement savings accounts would be affected, totaling $12 trillion in assets. Strict laws placed in ERISA are intended to protect retirement savings from unnecessary risk. Attorney General Moody, in a 25-state coalition of attorneys general, is filing suit to stop the rule.

The complaint states: "The 2022 Investment Duties Rule makes changes that authorize fiduciaries to consider and promote "nonpecuniary benefits" when making investment decisions…Contrary to Congress's clear intent, these changes make it easier for fiduciaries to act with mixed motives. They also make it harder for beneficiaries to police such conduct."

Attorney General Moody is joined by the attorneys general of the following states in filing the complaint: Alabama, Alaska, Arkansas, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky,

Louisiana, Mississippi, Missouri, Montana, Nebraska, New Hampshire, North Dakota, Ohio, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia and Wyoming.

To view the complaint, click here.