



Auditor of Public Accounts
Mike Harmon

PRESS RELEASE

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**Auditor Mike Harmon Joins Kentucky Treasurer, Attorney
General in Opposing Proposed Federal Rule That Risks
Retirement Savings**

FRANKFORT, Ky. (December 30, 2021) – Kentucky Auditor Mike Harmon joined State Treasurer Allison Ball, and Attorney General Daniel Cameron in opposition to a proposed United States Department of Labor rule. The three statewide officials criticized the administrative rule which would promote harmful and risky investment guidelines for employee retirement plans by enabling Employee Retirement Income Security Act (ERISA) fiduciaries to make investment decisions based on non-finance related data like climate change and social issues. Auditor Harmon joined 23 state attorneys general and financial officers in opposing the proposed change.

“The fact that many retirement plans are greatly underfunded, it is important that investment decisions for these plans remain based on wise fiscal strategies and not based on activism and politics,” Auditor Harmon said. “Given that the states have made promises of specific income streams to retirees, it is imperative that we as leaders, not allow anyone to jeopardize those promises or add additional burdens to taxpayers.”

The proposed rule change would allow plan sponsors and investment managers to implement environmental, social, and governance (ESG) investment strategies in retirement plans as a default option. ESG funds dissolve the traditional fiduciary obligations owed to beneficiaries and instead prioritize social and political action.

The [letter](#) states: “It is our position that social and political issues should not be considered by fiduciaries in employee retirement savings investment decisions. We are not opposed to any person or entity considering ESG or other social factors when investing their own money; individuals and companies may promote social causes through their investments to the extent

they desire. But we are opposed to investment managers and employers being encouraged or mandated to consider ESG factors and protected from legal action when they do.”

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