To amend title I of the Employee Retirement Income Security Act of 1974 to require in the annual report of each defined benefit pension plan disclosure of plan investments in hedge funds.

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2007

Mr. CASTLE (for himself and Mr. MAHONEY of Florida) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend title I of the Employee Retirement Income Security Act of 1974 to require in the annual report of each defined benefit pension plan disclosure of plan investments in hedge funds.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Pension Security Act of 2007”.
SEC. 2. DISCLOSURE IN ANNUAL REPORT OF INVESTMENTS IN HEDGE FUNDS BY DEFINED BENEFIT PENSION PLANS.

(a) In general.—Section 103(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023(b)) is amended—

(1) in paragraph (3)(C), by striking “value;” and inserting “value, including, in the case of a defined benefit pension plan, a separate schedule identifying each hedge fund (as defined in paragraph 5)) in which amounts held for investment under the plan are invested as of the end of the plan year covered by the annual report and the amount so invested in such hedge fund;”; and

(2) by adding at the end the following new paragraph:

“(5) For purposes of paragraph (3)(C), the term ‘hedge fund’ means an unregistered investment pool permitted under sections 3(c)(1) and 3(c)(7) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(1), (7)) and section 4(2) of the Securities Act of 1933 (15 U.S.C. 77d(2)) and Rule 506 of Regulation D of the Securities and Exchange Commission (17 CFR 230.506).”.

(b) Effective date; regulations.—The amendments made by subsection (a) shall apply with respect to annual reports for plan years beginning on or after the
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1 date of the enactment of this Act. The Secretary of Labor,
2 in consultation with the Securities and Exchange Commis-
3 sion, shall issue initial regulations to carry out the amend-
4 ments made by subsection (a) not later than 1 year after
5 the date of the enactment of this Act.