U.S. Chamber of Commerce

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April 15, 2026

The Honorable Tim Walberg
Chairman
Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

The Honorable Bobby Scott
Ranking Member
Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Walberg and Ranking Member Scott:

The U.S. Chamber of Commerce (Chamber) supports H.R. 6084, the ERISA Litigation Reform Act. This bill restores the original intent of the Employee Retirement Income Security Act of 1974 (ERISA) by narrowly amending it to require allegations that a prohibited transaction exemption for a contract for services or an employee stock ownership plan was not met. The bill will lower the cost of sponsoring an employee benefit plan, while preserving ERISA's civil remedies. We look forward to working with this Committee on this important issue.

ERISA's drafters explicitly provided for civil actions to enforce ERISA, but they did not contemplate that such actions would be used to police exempted prohibited transactions.[1] This is especially true for run-of-the-mill transactions, such as contracting with a vendor to run the plan, that are not only necessary but often required under ERISA.[2] The recent Supreme Court decision in *Cunningham v. Cornell*[3] upends this understanding, and, as the concurrence in that opinion noted:

> "[U]nfortunately, this straightforward application of established rules has the potential to cause—and, indeed, I expect it will cause—untoward practical results... The upshot is that all that a plaintiff must do in order to file a complaint that will get by a motion to dismiss under Federal Rule of Civil

[1] For a more detailed discussion of the legislative history of ERISA's prohibited transactions and exemptions and the Supreme Court's decision in *Cunningham* and its implications see The U.S. Chamber of Commerce Submission for the Record "Pension Predators: Stopping Class Action Abuse Against Workers' Retirement" available at https://www.congress.gov/119/meeting/house/118704/documents/HHRG-119-ED02-20251202-SD010.pdf.
[2] For example, tens of millions of Americans benefit from these routine services every time they log into their retirement plan account through their plan service provider's website.
[3] *Cunningham v. Cornell University*, 604 U.S. 693 (2025).

Procedure 12(b)(6) is to allege that the administrator did something that, as a practical matter, it is bound to do."[4]

Under the Supreme Court's new standard, plaintiffs will be able to survive a motion to dismiss when challenging run-of-the-mill service contracts that are necessary and required to run a plan. Surviving a motion to dismiss is significant because "in modern civil litigation, getting by a motion to dismiss is often the whole ball game because of the cost of discovery. Defendants facing those costs often calculate that it is efficient to settle a case even though they are convinced that they would win if the litigation continued." (citations omitted).[5]

Instead of relying on costly and increasingly meritless litigation to fix the problems created by the Supreme Court's ruling that undermines congressional intent, Congress can solve the problem without restricting participants' access to the original civil remedies in ERISA or limiting their ability to plead by inference.[6] Congress can restore its original intent with targeted legislation requiring a plaintiff to plead facts showing that the transaction was not exempt, which are the exact same facts necessary to plead a breach of fiduciary duty. H.R. 6084 does this with respect to contracts for services and ESOPs, while also preserving the ERISA's civil remedies, including class actions on behalf of the plan.

We look forward to working with the Committee to advance the bill and collaborating on solutions that encourage employers to establish and maintain plans and preserve ERISA's civil remedies.

Sincerely,

Chantel Sheaks

Chantel L. Sheaks
Vice President, Retirement Policy
U.S. Chamber of Commerce

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[4] Cunningham, 604 U.S. at 710.
[5] Id. at 710-11.
[6] This would not be the first time that Congress amended ERISA to restore it to its original intent after a Supreme Court decision. In 1996, in response to the Supreme Court decision in John Hancock Mutual Life Insurance Co. v. Harris Trust & Savings Bank, 510 U.S. 86 (1993), Congress amended ERISA to add Section 401(c) – Clarification of Application of ERISA to Insurance Company General Accounts. This paragraph required the Secretary of Labor (Secretary) to issue final regulations by December 31, 1997, for the purpose of determining which assets held by an insurer (other than plan assets held in its separate accounts) are plan assets.