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New DOL Guidance on ESG Factors in ERISA Plan Investments

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PUBLISHED

12/05/2022

SOURCE

Bloomberg Law

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On Nov. 22, 2022, the Department of Labor issued a final rule that permits plan fiduciaries to take into account ESG factors and other ancillary factors if the fiduciary concludes that the investment “equally serve[s] the financial interests of the plan over the appropriate time horizon” without creating “expected reduced returns or greater risk” (Final Rule). The Final Rule also eliminated a recordkeeping requirement that the prior rule had imposed.

This *Bloomberg Law* article, “New DOL Guidance on ESG Factors in ERISA Plan Investments,” authored by Groom principal [Kevin Walsh](#) and Groom associate [Jacob Eigner](#), provides an overview of the interplay between ESG factors and fiduciary duties in plan investments, background of the dichotomy in guidance issued during previous administrations, and a summary of key provisions in the Final Rule applicable to ESG factors in plan investments.

To read the article, [click here](#).