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NEWS FOR IMMEDIATE RELEASE

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**Wisconsin DOJ Joins Coalition in Opposing Plan to Weaken Federal
Protections for Retirement Investments**

Proposal would open the door to risky 401(k) investments, including cryptocurrency

MADISON, Wis. — The Wisconsin Department of Justice (DOJ) joined a coalition in opposing a proposal from the Trump administration that would put the retirement savings of millions of Americans at risk.

In their [comment letter](#) submitted to the U.S. Department of Labor Friday, the coalition argues that the department’s proposed rule would harm workers and retirees by potentially increasing their exposure to risky, volatile alternative assets, such as cryptocurrency. The Department of Labor estimates that under the proposed rule, about 4.5 million workers and retirees would be affected, and approximately \$178 billion would go into funds with riskier investments each year.

“People spend their entire careers building toward a secure retirement,” said AG Kaul. “The federal government shouldn’t be rewriting the rules at the expense of working people.”

Congress set a high standard of prudence for the managers, known as fiduciaries, of 401(k) plans governed by the Employee Retirement Income Security Act of 1974. The standard requires them to choose and monitor investment options with care to ensure the financial soundness of the plans workers rely on for a secure retirement. For decades, courts have confirmed that fiduciaries must be both careful and skillful when managing workers’ savings.

If fiduciaries do not meet the standard set by law, they could face government enforcement or lawsuits from the workers and retirees who lose money. Congress gave workers and retirees the power to bring those lawsuits to hold fiduciaries accountable and deter them from taking improper or needless risks when choosing investments. The department’s proposed rule would create a loophole that tries to

stop courts from evaluating whether fiduciaries were careful and skillful when choosing investments for workers' retirement savings.

The coalition argues that the proposed rule would shift financial risk to workers and away from fiduciaries, and, in doing so, would harm states and their residents. The letter notes that the loss of retirement income could force workers to continue employment beyond retirement age, potentially harming their health and safety. Seniors who lose portions of their retirement savings would also increasingly have to rely on federal and state public assistance programs.

Joining Wisconsin DOJ in submitting the comment letter are the attorneys general of Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Rhode Island, Vermont, and Virginia, along with the Pennsylvania Department of Labor and Industry.