

S. 2403, Retire through Ownership Act

Senator Roger Marshall (R-KS) and Senator Tim Kaine (D-VA)

Sec. 1. *Short Title* – This section designates the act as the “Retire through Ownership Act”

Sec. 2. *Amending Adequate Consideration Definition* – This section amends Section 3(18) of the Employee Retirement Income Security Act of 1974 to provide more clear guidance for companies when determining “adequate consideration” in an ESOP transaction

Specifically, it permits fiduciaries of employee stock ownership plans to rely on the methodology outlined in IRS Revenue Ruling 59-60 when determining the fair market value of closely held stock. It does not amend the Department of Labor’s mandate or authority to issue adequate consideration guidance

This change takes effect immediately upon enactment of this Act.