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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend title 5, United States Code, to address the responsibilities of
fiduciaries with respect to the Thrift Savings Fund, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. FINE introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend title 5, United States Code, to address the respon-
sibilities of fiduciaries with respect to the Thrift Savings
Fund, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “TSP Fiduciary Secu-
5 rity Act of 2025”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) The Federal Retirement Thrift Investment
2 Board has a fiduciary duty to manage the Thrift
3 Savings Fund in the best interest of the beneficiaries
4 of the Fund.

5 (2) The principal beneficiaries of the Thrift
6 Savings Fund are the civil servants of the United
7 States, and members of the uniformed services, who
8 are tasked with defending the national security of
9 the United States.

10 (3) The duty of the Federal Retirement Thrift
11 Investment Board to manage the Thrift Savings
12 Fund in the best interests of the beneficiaries of the
13 Fund includes a duty not to harm the national secu-
14 rity of the United States.

15 **SEC. 3. FIDUCIARY RESPONSIBILITIES WITH RESPECT TO**
16 **THRIFT SAVINGS FUND.**

17 Section 8477 of title 5, United States Code, is
18 amended—

19 (1) in subsection (b)(1)—

20 (A) in subparagraph (B), by striking “;
21 and” and inserting a semicolon;

22 (B) in subparagraph (C), by striking the
23 period at the end and inserting “; and”; and

24 (C) by adding at the end the following:

1 “(D) to the maximum extent practicable, by
2 preventing the investments of the Thrift Savings
3 Fund (or portions thereof), and the exercise of vot-
4 ing rights associated with any such investments,
5 from harming the national security of the United
6 States.”; and

7 (2) in subsection (e), by adding at the end the
8 following:

9 “(9)(A) Notwithstanding any other provision of this
10 subsection, no fiduciary shall be personally liable for any
11 monetary damages, or be assessed any civil penalty, under
12 this subsection with respect to a breach of the requirement
13 under subsection (b)(1)(D).

14 “(B) Subparagraph (A) shall cease to have effect be-
15 ginning on January 1, 2027.”.

16 **SEC. 4. REVIEW OF THRIFT SAVINGS FUND FOR COMPLI-**
17 **ANCE WITH FIDUCIARY DUTIES.**

18 (a) IN GENERAL.—Section 8477(f) of title 5, United
19 States Code, is amended—

20 (1) by inserting “(1)” after “(f)”; and

21 (2) by adding at the end the following:

22 “(2)(A) Not later than 1 year after the date of enact-
23 ment of this paragraph, the Secretary of Labor, in con-
24 sultation with the Secretary of Defense, the Attorney Gen-
25 eral, the Secretary of Homeland Security, and the Sec-

1 retary of the Treasury, shall prescribe regulations to carry
2 out subsection (b)(1)(D) with respect to each of the fol-
3 lowing:

4 “(i) The investments of the Thrift Savings
5 Fund, which shall include the establishment of
6 standards by which compliance with subsection
7 (b)(1)(D) with respect to the investments of the
8 Thrift Savings Fund (or portions thereof) shall be
9 determined.

10 “(ii) The exercise of voting rights associated
11 with the investments of the Thrift Savings Fund (or
12 portions thereof).

13 “(B) The regulations prescribed under subparagraph
14 (A)(ii) shall include—

15 “(i) the establishment of a process by which the
16 exercise of voting rights described in subparagraph
17 (A)(ii) shall be reviewed by the Secretary of Labor,
18 in consultation with the Secretary of Defense, the
19 Attorney General, the Secretary of Homeland Secu-
20 rity, and the Secretary of the Treasury, for compli-
21 ance with subsection (b)(1)(D) with respect to the
22 exercise of those rights; and

23 “(ii) the establishment of standards by which
24 compliance with subsection (b)(1)(D) with respect to
25 the exercise of voting rights described in subpara-

1 graph (A)(ii) shall be determined, including the fac-
2 tors contributing to a determination that a covered
3 vote would not comply with subsection (b)(1)(D).

4 “(C) For the purposes of any regulation prescribed
5 under subparagraph (A), the Secretary of Labor shall pre-
6 sume that—

7 “(i) an investment of the Thrift Savings Fund
8 (or portions thereof) does not comply with sub-
9 section (b)(1)(D) if the investment invests in—

10 “(I) an entity included on—

11 “(aa) the list of Communist Chinese
12 military companies maintained under sec-
13 tion 1237(b) of the Strom Thurmond Na-
14 tional Defense Authorization Act for Fiscal
15 Year 1999 (50 U.S.C. 1701 note); or

16 “(bb) the entity list maintained by the
17 Bureau of Industry and Security of the
18 Department of Commerce and set forth in
19 Supplement No. 4 to part 744 of title 15,
20 Code of Federal Regulations; or

21 “(II) a parent, subsidiary, or affiliate of,
22 or an entity controlled by, an entity described
23 in subclause (I); and

24 “(ii) an exercise of voting rights associated with
25 any investments of the Thrift Savings Fund (or por-

1 tions thereof) does not comply with subsection
2 (b)(1)(D) if that exercise of voting rights is a cov-
3 ered vote with respect to a proposal that would—

4 “(I) approve or ratify a transaction, in-
5 cluding a transaction described in subparagraph
6 (D)(ii)(I), that would cause, or would reason-
7 ably be expected to cause, an entity to which
8 the covered vote applies to—

9 “(aa) breach any contract with the
10 Federal Government to which the entity is
11 a party, and under which the consideration
12 provided to the entity over the course of
13 the entire contract is more than
14 \$10,000,000, if the entity has otherwise
15 complied with all applicable laws and regu-
16 lations in fulfilling the responsibilities of
17 the entity with respect to the contract;

18 “(bb) significantly reduce the produc-
19 tion of, or the capital expenditure or re-
20 search and development expenditure with
21 respect to, any—

22 “(AA) industrial resources, crit-
23 ical technology items, or materials
24 that are essential to the national de-
25 fense (as those terms are defined in

1 section 702 of the Defense Production
2 Act of 1950 (50 U.S.C. 4552)); or

3 “(BB) emerging and
4 foundational technology identified by
5 the President under section 1758 of
6 the Export Controls Act of 2018 (50
7 U.S.C. 4817); or

8 “(cc) outsource or substantially sell,
9 whether to any affiliated entity or joint
10 venture, or by contract, to any entity lo-
11 cated in a covered country, any—

12 “(AA) industrial resources, crit-
13 ical technology items, or materials
14 that are essential to the national de-
15 fense (as those terms are defined in
16 section 702 of the Defense Production
17 Act of 1950 (50 U.S.C. 4552)); or

18 “(BB) emerging and
19 foundational technology identified by
20 the President under section 1758 of
21 the Export Controls Act of 2018 (50
22 U.S.C. 4817); or

23 “(II) elect to the board of directors of any
24 entity an individual who—

1 “(aa) is a director, officer, employee,
2 or affiliate of any entity described in clause
3 (i)(I);

4 “(bb) at any time during the 5-year
5 period preceding the date on which that
6 election occurs, was as described in item
7 (aa); or

8 “(cc) a reasonable investor would be-
9 lieve supports any proposal described in
10 subclause (I).

11 “(D) In this paragraph—

12 “(i) the term ‘covered country’ means—

13 “(I) the People’s Republic of China, the
14 Russian Federation, North Korea, Iran, Syria,
15 Sudan, Venezuela, or Cuba;

16 “(II) any country, the government of which
17 the Secretary of State determines has repeat-
18 edly provided support for acts of international
19 terrorism pursuant to—

20 “(aa) section 1754(c)(1)(A) of the Ex-
21 port Control Reform Act of 2018 (50
22 U.S.C. 4813(c)(1)(A));

23 “(bb) section 620A of the Foreign As-
24 sistance Act of 1961 (22 U.S.C. 2371);

1 “(cc) section 40 of the Arms Export
2 Control Act (22 U.S.C. 2780); or

3 “(dd) any other provision of law; or

4 “(III) any other country that the Secretary
5 of Labor, in consultation with the Secretary of
6 Defense, the Attorney General, the Secretary of
7 Homeland Security, and the Secretary of the
8 Treasury, designates as posing an undue or un-
9 necessary risk to the national security of the
10 United States; and

11 “(ii) the term ‘covered vote’ means a vote in
12 favor of (or an abstention with respect to) a pro-
13 posal to—

14 “(I) approve or ratify a transaction involv-
15 ing an entity, including—

16 “(aa) any sale of, or other disposition
17 of (whether in a single or a series of trans-
18 actions) assets or capital stock; and

19 “(bb) any merger, consolidation, joint
20 venture, partnership, spin-off, reverse spin-
21 off, dissolution, restructuring, recapitaliza-
22 tion, liquidation, or any other business
23 combination or strategic transaction; or

1 “(II) elect an individual to the board of di-
2 rectors of the entity that is the subject of the
3 proposal.”.

4 (b) REVIEW OF EXERCISE OF VOTING RIGHTS; RE-
5 PORT TO CONGRESS.—Section 8438 of title 5, United
6 States Code, is amended—

7 (1) in subsection (f)—

8 (A) by inserting “(1)” after “(f)”; and

9 (B) by adding at the end the following:

10 “(2) For the purposes of paragraph (1), a review of
11 the exercise of voting rights for compliance with section
12 8477(b)(1)(D), including under the regulations prescribed
13 under section 8477(f)(2), shall not be considered to be the
14 exercise of voting rights associated with the ownership of
15 securities by the Thrift Savings Fund.”; and

16 (2) by adding at the end the following:

17 “(i) Not later than 2 years after the date of enact-
18 ment of this subsection, and annually thereafter, the Sec-
19 retary of Labor shall submit to the Committee on Home-
20 land Security and Governmental Affairs of the Senate and
21 the Committee on Oversight and Government Reform of
22 the House of Representatives a report regarding—

23 “(1) for the year covered by the report, the in-
24 vestments of the Thrift Savings Fund (or portions
25 thereof), and the exercise of voting rights associated

1 with any such investments, that have been reviewed
2 for compliance with section 8477(b)(1)(D); and
3 “(2) the outcome with respect to enforcement of
4 each review conducted under paragraph (1) and a
5 justification for that outcome.”.

6 **SEC. 5. PROHIBITION ON INVESTMENT OF THRIFT SAVINGS**
7 **FUND SUMS IN ENTITIES BASED IN THE PEO-**
8 **PLE’S REPUBLIC OF CHINA THROUGH THE**
9 **TSP MUTUAL FUND WINDOW.**

10 Section 8438(b)(5) of title 5, United States Code, is
11 amended by adding at the end the following:

12 “(E) A mutual fund accessible through a mutual fund
13 window authorized under this paragraph may not include
14 an investment in any security of—

15 “(i) an entity based in the People’s Republic of
16 China; or

17 “(ii) any subsidiary that is owned or operated
18 by an entity described in clause (i).”.