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BEFORE THE

**SUBCOMMITTEE ON HEALTH, EMPLOYMENT, LABOR, AND PENSIONS
COMMITTEE ON EDUCATION & WORKFORCE
U.S. HOUSE OF REPRESENTATIVES**

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Good morning, Chairman Allen, Ranking Member DeSaulnier and Members of the Subcommittee, thank you for inviting me here today to testify about the important work of the Employee Benefits Security Administration (EBSA) at the United States Department of Labor (DOL). It is an honor to appear before this subcommittee and represent President Donald Trump, Secretary of Labor Lori Chavez-DeRemer, and EBSA. I have lived the American dream of starting, leading, and building great businesses in the retirement and benefit plan fiduciary arena. Now, I am humbled to have the opportunity to serve my country as Assistant Secretary of Labor for the Employee Benefits Security Administration.

Vision for Employee Benefits Security Administration

EBSA is charged with protecting American workers' retirement and health care benefits under the Employee Retirement Income Security Act of 1974 (ERISA). We are the guardians of ERISA and the stewards of retirement and health plans in the United States. Our agency is responsible for over 155 million workers, retirees, and their families who are covered by benefit plans we oversee, including over 837,000 private retirement plans holding an estimated \$15.2 trillion in assets and approximately 2.8 million health plans, and 521,000 other welfare plans. EBSA also has regulatory and interpretive responsibilities related to individual retirement accounts (IRAs) holding roughly \$16.8 trillion in assets.

Prior to my confirmation last year, the ERISA benefits system faced many challenges. Litigation abuse and regulatory overreach threatened harm to Americans' retirement and health plans. Innovation stagnated as employers were paralyzed with very rational fears. EBSA, under President Trump's and Secretary Chavez-DeRemer's bold leadership, is charting a new course. We want more employers to offer more benefits – and more inventive ones at that. To execute that vision, we are addressing regulatory overreach and litigation abuse with three key goals in mind:

- First, we are addressing regulatory overreach in the employee benefits arena – restoring discretion and judgment to plan sponsors. We are providing regulatory clarity for both retirement and health plan sponsors.
- Second, we are stopping regulation by government enforcement, ending an often ad-hoc, oppressive enforcement regime. EBSA's enforcement is now fair and even-handed. And

we are doubling down on enhanced compliance assistance and outreach to employers and workers.

- Third, we are attacking regulation by private litigation, combatting ERISA class action litigation abuse that has stifled innovation in plan design – paralyzing conscientious plan fiduciaries who follow sound fiduciary practices.

We believe that this three-part formula is the key to unlocking innovation in retirement and health plan solutions in America, which will unleash the full potential of the retirement and health plan systems. It is how we deliver on President Trump’s goal to usher in a new Golden Age for Americans and how we achieve a new Golden Age of employee benefits.

Addressing Regulatory Overreach in Employee Benefits

EBSA is taking regulatory actions at the express directive of President Trump to provide regulatory clarity on key fiduciary issues for both retirement and health plans.

Earlier this year, EBSA published a groundbreaking proposed rulemaking that gives plan fiduciaries the tools they need to carry out their responsibilities and negotiate fair contracts with Pharmacy Benefit Managers (PBMs) that have cemented themselves into the prescription drug supply chain. Once finalized, this rule will put the hard-earned dollars of American workers and business owners back in their pockets by saving the American worker and the healthcare system billions of dollars over the next 10 years.

This rule will enhance transparency in PBM compensation by requiring detailed disclosures of direct and indirect compensation to fiduciaries of self-insured group health plans governed by ERISA, specifically rebates, claw backs of copays from pharmacies, and spread pricing. And it will also give plan sponsors audit rights for the first time. With this information in hand, fiduciaries will need to closely evaluate whether their pharmacy spend meets ERISA’s standards for reasonableness, ensuring that plan assets are used prudently and in the best interests of participants. Equipped with clearer and more comprehensive data, they will be in a stronger position to negotiate better deals with PBMs—driving down overall health plan costs. Coupled with the new provisions in the Consolidated Appropriations Act of 2026 – specifically the requirement to pass-through 100 percent of manufacturer rebates – this creates, for the first time, a complete transparency framework for prescription drug pricing.

President Trump’s “American Worker First” agenda for employer-sponsored healthcare is designed to put control back in the hands of employers and employees, drive down costs, and maximize value. We strive for a health care system where every dollar is traceable, every contract is understandable, and employers and workers get real value for their money. Our mission is simple: use ERISA’s full power to demand value and lower costs by holding health insurers, PBMs, and service providers accountable.

For retirement plans, under President Trump’s directive, EBSA took decisive steps on March 31, 2026, to alleviate regulatory burdens and litigation risks that interfere with the ability of American workers, through their retirement accounts, to achieve the competitive returns and asset diversification necessary to secure a dignified and comfortable retirement. We published a Notice

of Proposed Rulemaking that will assist plan fiduciaries who follow a prudent process – as outlined within twenty safe harbor examples – in diversifying plan investment choices from unfair hindsight second-guessing of their discretionary fiduciary decisions.

The proposed rule clarifies fiduciary duties and levels the playing field so that plan fiduciaries can responsibly make discretionary judgments about what investments are most likely to maximize risk-adjusted returns – selecting plan investments without fear of undue liability. EBSA is applying a principle- and process-based standard that ERISA requires. The rule is asset-neutral – DOL does not endorse any investment product. This proposed rule will empower plan fiduciaries to offer more innovative retirement solutions for America’s workers.

Another example of providing regulatory clarity is our decisive action on the investment advice fiduciary rule. The Biden Administration issued a rule to expand DOL’s authority beyond employee benefit plans to IRA rollovers. This action was declared illegal by two federal district courts. The SEC and state regulators have jurisdiction to regulate activity in the individual market, and we are going to let them do their jobs.

Instead of attempting to regulate activity outside of our jurisdictional mandate, EBSA is focused on our core mission, redoubling our efforts to make employer-based U.S. retirement plans the strongest and most innovative in the world. The Department recently confirmed that the original 1975 five-part test for status as an investment advice fiduciary has been fully restored.

Ensuring Fair and Even-handed Enforcement

My second goal is to ensure that EBSA’s enforcement is fair, even-handed, and efficient. We will accomplish this objective with four guiding enforcement principles, along with pledges from EBSA to the regulated community. First, we are going to focus on cases where there is egregious conduct and significant harm, with a significant focus on enforcing the duty of loyalty under ERISA. Second, we are going to stop regulation by enforcement to assure fairness and proper notice to the regulated community. Third, EBSA will appropriately vet all significant enforcement matters to ensure there are no rogue EBSA investigations and that enforcement is consistent and uniform nationwide. And finally, we will ensure that EBSA’s enforcement will be timely and responsive.

Our changes to enforcement have allowed EBSA to strategically deploy our limited resources, and the results continue to demonstrate maximum effectiveness. In fiscal year (FY) 2025, EBSA recovered nearly \$1.4 billion in payments to plans, participants and beneficiaries. Nearly half, or \$714.4 million was recovered from 878 civil enforcement investigations. In FY26, EBSA is introducing timeliness metrics that will promote prompt detection, pursuit, and correction of violations. These metrics are meant to address concerns about EBSA investigations spanning years. EBSA is committed to completing investigations within reasonable timelines, along with prosecuting bad actors who violate ERISA.

Finally, for the first time in nearly two decades, we instituted material changes to EBSA’s national enforcement priorities. We are going to be better stewards of our enforcement resources to increase broad-based employee benefit plan compliance, address abusive practices and bad actors, and

deliver results that increase security for participants and beneficiaries. By recalibrating the areas our investigators focus on, EBSA investigations will be more efficient, responsive, and prioritize serious misconduct rather than minor process fouls.

EBSA revised its enforcement priorities to include cybersecurity and data protection, barriers to mental health and substance use disorder benefits, compliance with the No Surprises Act, protection of benefit distributions, retirement asset management and fiduciary conduct, criminal abuse of contributory plans and service provider oversight. We removed ESOP valuations and terminated-vested participants searches from our national enforcement priorities. Prior ESOP enforcement had the direct impact of employers avoiding the use of ESOPs because of litigation risk. This directly harmed American workers when they lost out on the potential of ownership in the company for which they worked. And terminated-vested participant searches resulted in making plan sponsors spend more than account balances in futile, repeated searches for missing participants. EBSA will require common sense. As noted above, EBSA's mission is to protect the retirement and health system in America, not harm it.

EBSA has also prioritized compliance assistance and outreach. One of the most important ways that EBSA protects American workers is our Benefits Advisors program. The program is supported by an army of advisors strategically placed in 11 locations across the country. Their job is to answer the phone when American workers and business owners call to get help with the retirement and health care issues and claims. Overall, in fiscal year 2025, EBSA's Benefits Advisors closed 249,000 cases and protected almost \$536 million in health, retirement, and other job-based benefits. But it's not just about the money — it's about peace of mind and knowing someone has your back. Under this Administration, EBSA will always be there for the American worker.

Combatting ERISA Litigation Abuse

Finally, our third goal is to combat ERISA class action litigation abuse, which has stifled innovation in plan design. This type of litigation abuse deters conscientious plan sponsors from trying innovative strategies that could protect their employees and potentially enhance their benefits. This is why we have filed a number of amicus briefs to defend ERISA as a law of process in which independent and conflict-free plan fiduciaries have discretion and flexibility to act in the best interests of their participants. We have also made clear in our filings that plan fiduciaries' decisions should not be subject to second-guessing from the judicial system when they have followed a sound and prudent fiduciary process as ERISA requires.

We are not depriving workers of their right to sue. EBSA will ardently protect the right of participants to sue when the harm is real. Instead, we are pushing back on meritless cases that are designed to leverage settlements because the cost of class-action litigation is so high. We are pushing back on cases against plans with best-in-class fiduciary processes. Our amicus program is decisively pro-ERISA, as EBSA's job is to protect and steward America's retirement and health systems. And that is what we are doing.

Conclusion

EBSA remains committed to ensuring the security of retirement, health, and other job-based benefits of America's workers and their families, and we will continue to use all the tools at our disposal. I will continue to work tirelessly to lead this great agency in its sacred and timeless mission. Again, thank you again for the opportunity to appear before you today on behalf of this historic Administration. I look forward to answering your questions.