

Opening Statement of Ranking Member Mark DeSaulnier (CA-10)

Subcommittee on Health, Employment, Labor, and Pensions

Pension Predators: Stopping Class Action Abuse Against Workers' Retirement

Tuesday, December 2, 2025 | 10:15 a.m.

Thank you, Mr. Chairman, and thank you to our witnesses for being here today.

Workers deserve to earn a decent wage, provide for themselves and their families, and retire with dignity. That's the American way, when we do it right. But right now, they are facing an economy that isn't working for them and for most Americans. Jobs numbers released last month show that the Trump Administration presided over two consecutive months of job losses this year, while consumer prices continue to go up. This represents the first monthly job losses since the first Trump Administration.

At the same time, we remain deeply concerned about this Subcommittee's agenda, particularly its focus on prioritizing the interests of corporations over American workers and their retirement security.

In July, the Subcommittee held a hearing examining the Department of Labor's Employee Benefits Security Administration – known as EBSA – which is a vital agency that protects workers' hard-earned health and retirement benefits. Regrettably, EBSA has remained underfunded and understaffed for years, and the Trump Administration's Fiscal Year 2026 budget only makes things worse.

Against this backdrop, this Subcommittee seeks to undermine retirement savers' legal right to obtain justice in court. No one wants frivolous lawsuits. But if we follow regulations and fund investigators and the enforcement arm, we wouldn't have to deal with these lawsuits.

Under the *Employee Retirement Income Security Act* – known as ERISA – workers have a legal right to bring claims in federal court. Over the years, workers have filed cases alleging misconduct by retirement plan sponsors, such as charging excessive fees or offering risky investments, that can sharply reduce workers' retirement savings.

I expect this morning's hearing will focus on the recent Supreme Court case entitled *Cunningham v. Cornell University*. This case involved 28,000 plaintiffs who alleged that their retirement plans paid several times more in fees than they should have paid. The technical issue in this case was whether the plaintiffs needed to allege more than that a violation occurred to survive a motion to dismiss. The Supreme Court unanimously ruled that they did not. This ruling ensured that the very point of ERISA—to protect benefits—is realized.

In the months that have followed the Supreme Court's unanimous decision, there has not been any spike in ERISA litigation, as some feared. One major law firm that defends corporations acknowledged that the decision – quote – “has not yet resulted in a material increase in recordkeeping fee challenges or ERISA excessive fee lawsuits.” Close quote.

Based on the title of today's hearing, I suspect we will hear a lot about so-called frivolous ERISA class action litigation. According to the Congressional Research Service, there were 586 class actions filed between 2020 and 2024, which represents just a minuscule fraction of the over 800,000 private sector retirement plans.

Yet, despite these facts, Committee Republicans recently introduced legislation that functionally overturns the unanimous Supreme Court decision in *Cunningham v. Cornell* and makes it more difficult for workers and retirement savers who have been ripped off to get their day in court.

This is wrong, Mr. Chairman.

We should instead strengthen and expand ERISA's fundamental protections. We should ensure that workers and retirees are empowered to stand up for themselves and their families if denied the health care benefits they deserve. For example, I have previously introduced the *Employee and Retiree Access to Justice Act*, which would ensure that individuals have meaningful recourse when they are denied retirement and health benefits, including mental health and substance use disorder treatment, under an employer-sponsored plan.

This is the kind of meaningful solution that workers and retirement plan participants want from us, not policies that make it more difficult for them to seek justice.

Mr. Chairman, I'd be more than happy to work with you on your bill and my bill to see if we can avoid inefficiencies in American workers getting the pension plans that they paid into and their employers contributed to. Thank you, and I yield back.