

117TH CONGRESS
1ST SESSION

H. R. 3295

To amend title 5, United States Code, to prohibit sums in the Thrift Savings Fund from being invested in any security of an entity based in the People’s Republic of China, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 18, 2021

Mr. BANKS introduced the following bill; which was referred to the Committee on Oversight and Reform

A BILL

To amend title 5, United States Code, to prohibit sums in the Thrift Savings Fund from being invested in any security of an entity based in the People’s Republic of China, 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; FINDINGS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Prohibiting TSP Investment in China Act”.

6 (b) FINDINGS.—Congress finds the following:

7 (1) The Thrift Savings Fund invests more than
8 \$700,000,000,000 on behalf of plan participants. As

1 the guardian of the retirement funds of approxi-
2 mately 6,000,000 Federal civilian and military plan
3 participants, it is critical that sums in the Thrift
4 Savings Fund are not invested in securities linked to
5 the economy of the People's Republic of China.

6 (2) Companies headquartered in the People's
7 Republic of China have repeatedly committed cor-
8 porate espionage, violated sanctions imposed by the
9 United States, flouted international property laws,
10 committed theft, and failed to comply with audit and
11 regulatory standards designed to safeguard inves-
12 tors.

13 (3) The Thrift Savings Plan is known for its
14 low management fees and comprehensive array of in-
15 vestment strategies. The provisions of this Act, and
16 the amendments made by this Act, will not increase
17 fees imposed on participants of the Thrift Savings
18 Plan.

19 (4) The November 2017 selection of the MSCI
20 ACWI Index by the Federal Retirement Thrift In-
21 vestment Board, initially scheduled to be effective in
22 2020, would violate the terms of subsection (i) of
23 section 8438 of title 5, United States Code, as added
24 by section 2(a) of this Act.

1 **SEC. 2. PROHIBITION ON ANY TSP FUND INVESTING IN EN-**
2 **TITIES BASED IN THE PEOPLE’S REPUBLIC**
3 **OF CHINA.**

4 (a) IN GENERAL.—Section 8438 of title 5, United
5 States Code, is amended by adding at the end the fol-
6 lowing:

7 “(i) Notwithstanding any other provision of this sec-
8 tion, no fund established or overseen by the Board may
9 include an investment in any security of—

10 “(1) an entity based in the People’s Republic of
11 China; or

12 “(2) any subsidiary that is owned or operated
13 by an entity described in paragraph (1).”.

14 (b) DIVESTITURE OF ASSETS.—Not later than 30
15 days after the date of enactment of this Act, the Federal
16 Retirement Thrift Investment Board established under
17 section 8472(a) of title 5, United States Code, shall—

18 (1) review whether any sums in the Thrift Sav-
19 ings Fund are invested in violation of subsection (i)
20 of section 8438 of that title, as added by subsection
21 (a) of this section;

22 (2) if any sums are invested in the manner de-
23 scribed in paragraph (1), divest those sums in a
24 manner that is consistent with the legal and fidu-
25 ciary duties provided under chapter 84 of that title,
26 or any other applicable provision of law; and

1 (3) reinvest any sums divested under paragraph
2 (2) in investments that do not violate subsection (i)
3 of section 8438 of that title, as added by subsection
4 (a) of this section.

5 **SEC. 3. PROHIBITION ON INVESTMENT OF TSP FUNDS IN**
6 **ENTITIES BASED IN THE PEOPLE’S REPUBLIC**
7 **OF CHINA THROUGH THE TSP MUTUAL FUND**
8 **WINDOW.**

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

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

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

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

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