

News

PLANSPONSOR Features Sepsakos's Comments on Potential Regulatory Updates

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Groom principal [George Sepsakos's](#) remarks on key legal and regulatory developments affecting retirement plan investments, including expected Department of Labor ("DOL") actions on environmental, social, and governance ("ESG") and private equity access from his presentation, "Washington Update," at the [PLANSPONSOR National Conference](#), were featured in the *PLANSPONSOR* article, "PSNC 2025: Washington Update."

PLANSPONSOR reported that at the conference, Sepsakos said that "it is likely that the new ESG rule will revert back to something similar to the one issued during the first Trump administration, which explicitly stated that fiduciaries need to consider only 'pecuniary factors' when making investment decisions."

"Trump 1.0 was very clear: If you're going to be [considering ESG factors], you need to document the reasons why," Sepsakos said. "You need to be very comfortable that these [offer] the same [investment performance]. If you can't get comfortable from an economic perspective, this is not the administration to be [piling] up plan lineups with ESG-type funds."

According to *PLANSPONSOR*, Sepsakos added in his presentation that "a possible way around this, for participants particularly interested in accessing investments focused on ESG, is to offer a self-directed brokerage window, in which participants have more freedom to pick the investments they want."

The platform further reported that Sepsakos noted that "the Securities and Exchange Commission ("SEC") has certain rules governing how private funds can be offered, and these rules would need to be revised to allow alternative assets in 401(k) plans."

"I also think with some of these private products, you're likely going to see potential exemption requests that are issued," he said. "That might be an area where the Labor Department issues [either] individual or class exemptions to allow the asset class to be more readily available within retirement plans. I certainly see some groundswell, and I think this has been a priority with this administration."

PLANSPONSOR reported that, at the conference, Sepsakos said that "if an executive order is issued...he 'expects the DOL would also produce guidance on factors to consider when evaluating investment options that have allocations to private equity or other alternative assets.'"

To read the article, [click here](#).