

To the office of U.S. Representative Ryan Mackenzie

Re: HR 8660 (119th Congress), Valuing Employee Stock Today Act • Latest action (2026-07-21): Ordered to be Reported (Amended) by the Yeas and Nays: 18 - 15.
VFA SI Solution #17 • published 2026-05-14 • <https://www.valuesforamerica.com/solutions/17>
Office of record (Congress.gov): 121 Cannon House Office Building, Washington, DC • (202) 225-6411

Interstate Worker Equity Protection Act

The measure, as described from the official record: Protect workers' ability to access and retain employer-provided equity compensation, such as stock options or shares, without unfair restrictions, forfeitures, or clawbacks by employers.

THE PROPOSAL

This Act amends the Fair Labor Standards Act of 1938 (FLSA) to protect access to vested employer equity for employees of enterprises engaged in interstate commerce or the production of goods for commerce, as defined in FLSA Section 3(s).

Employers covered by this Act may not deny, forfeit, or claw back vested equity compensation (including stock options, restricted stock units, or profit interests that have vested) from employees based on termination, resignation, or non-compete clauses, except for cause such as proven theft, fraud, or gross misconduct adjudicated in court. Vesting schedules remain enforceable if clearly disclosed pre-grant.

Employees may file complaints with the Department of Labor (DOL) Wage and Hour Division within 2 years of violation. DOL investigates and may order reinstatement of equity, back value, and liquidated damages equal to the equity's fair market value. Aggrieved employees have a private right of action in federal district court for the same remedies, with attorney fees for prevailing plaintiffs.

This protection applies only to equity in companies with securities traded on national exchanges or engaged in interstate commerce exceeding \$500,000 annual sales. States retain authority over intrastate employers.

DOL must report annually to Congress on enforcement data and economic impact.

OPERATIVE PROVISIONS (VFA PROPOSAL)

Funding Source	Annual appropriations from the general fund of the Treasury
Funding Amount	Capped at \$5 million per fiscal year
Sunset Years	5 years
Oversight Body	DOL Office of Inspector General, with annual GAO audit
Enforcement Mechanism	DOL Wage and Hour Division investigations + private right of action in federal court
Effective Date	October 1 of the year following enactment

CONSTITUTIONAL BASIS

- Article I, Section 8, Clause 3 (regulates commerce among states)
- Tenth Amendment (reserves intrastate employment to states)

Concerns with the measure as written:

- Overreaches into purely intrastate employment contracts and private equity arrangements (Tenth Amendment)
- Applies too broadly beyond enterprises engaged in interstate commerce (Article I, Section 8, Clause 3)

WHY BOTH SIDES CAN BACK IT (VFA'S ASSESSMENT)

Honors Democratic priorities of strengthening worker protections and financial security in compensation; honors Republican priorities of strict limits to interstate commerce only (federalism), cost caps, sunset for review, and preservation of legitimate business vesting/for-cause exceptions to avoid overregulating private contracts.

Values for America is a nonpartisan, constitution-first SI think tank. This brief is informational. It is a policy proposal, not law, and it does not support or oppose any candidate or party. Full analysis and sources:

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