



March 31, 2025

The Honorable French Hill
Chairman
House Financial Services Committee
2129 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
4340 O'Neill House Office Building
Washington, D.C. 20515

Re: Letter of Support for H.R. 1013, *The Retirement Fairness for Charities and Educational Institutions Act*

Dear Chairman Hill and Ranking Member Waters:

On behalf of the nearly 39,000 members of the American Retirement Association (ARA)¹ who work on behalf of the 14.5 million Americans in the nonprofit sector relying on 403(b) plans for their retirement savings, I write to express strong support for H.R. 1013, *The Retirement Fairness for Charities and Educational Institutions Act of 2025* (the Act). This critical legislation will enhance retirement security for American workers such as public school teachers, charity workers, and other retirement savers who wish to invest in collective investment trusts (CITs) under their 403(b) plans—a long-standing option already available to private-sector employees through 401(k) plans.

Currently, outdated securities laws unfairly prohibit 403(b) plan participants from investing in CITs, despite their widespread use and success in 401(k) plans. Like mutual funds and exchange-traded funds (ETFs), CITs pool assets from multiple investors. They also typically have fees up to 53% lower than mutual funds—savings that directly benefit participants.² Moreover, CITs offer greater flexibility in investment strategies, enabling retirement savers to diversify their savings across a broader range of securities.

In addition to CITs being cost-effective and adaptable, they also are highly regulated. The Office of the Comptroller of the Currency (OCC) oversees them under Regulation 9, which establishes strict fiduciary standards. Additionally, the Act would require most 403(b) plans offering CITs to adhere to additional fiduciary standards under the Employee Retirement Income Security Act (ERISA) or federal securities laws, ensuring the same level of oversight and protection that already applies to 401(k) plans.

The regulatory distinction between 403(b) and 401(k) plans needlessly restricts investment choices for public school teachers, charity workers, and other nonprofit employees. By modernizing these rules, the Act will reduce costs, improve diversification, and enhance flexibility in asset selection, all while maintaining strong regulatory oversight and fiduciary safeguards. The House passed this bipartisan legislation in the

¹ The ARA is the coordinating entity for its five underlying affiliate organizations representing the full spectrum of America's private retirement system – the American Society of Enrolled Actuaries (ASEA), the American Society of Pension Professionals and Actuaries (ASPPA), the National Association of Plan Advisors (NAPA), the National Tax-Deferred Savings Association (NTSA), and the Plan Sponsor Council of America (PSCA). The ARA and its underlying affiliate organizations are diverse in the roles they play, but united in their dedication to the success of America's private retirement system.

² See ARA, "Lowering Investment Fees for Participants in 403(b) Retirement Plans" (2024), *available at* <https://araadvocacy.org/wp-content/uploads/2024/11/ARA-GAC-ARA-Investment-Parity-Report.pdf>.

118th Congress, but it unfortunately stalled in the Senate. This Congress has a real opportunity to get it across the finish line.

Thank you for your leadership in strengthening retirement security for all Americans. We appreciate the opportunity to contribute to this discussion and look forward to working with you to ensure the best possible outcomes for retirement savers.

Sincerely,

/s/

Brian H. Graff, Esq., APM
Executive Director/CEO
American Retirement Association

cc: The Honorable Frank Lucas
The Honorable Josh Gottheimer
The Honorable Bill Foster
The Honorable Andy Barr