

February 5, 2025

Submitted via email

The Honorable Frank Lucas United States House of Representatives 2405 Rayburn House Office Building Washington, DC 20515

The Honorable Bill Foster United States House of Representatives 2366 Rayburn House Office Building Washington, DC 20515 The Honorable Josh Gottheimer United States House of Representatives 106 Cannon House Office Building Washington, DC 20515

The Honorable Andy Barr United States House of Representatives 2430 Rayburn House Office Building Washington, DC 20515

Dear Representatives Lucas, Gottheimer, Foster and Barr:

On behalf of the American Benefits Council ("the Council"), I am writing to express our support for the Retirement Fairness for Charities and Educational Institutions Act. We thank you for your leadership in introducing this bill. It would fully address a longstanding unfairness in the law, under which employees of charities and public educational institutions in 403(b) plans are not permitted to invest in the same cost-effective investments available in all other plans, including 401(k) plans, governmental 457(b) plans and the Federal Thrift Savings plan.

The Council is a Washington, D.C.-based employee benefits public policy organization. The Council advocates for employers dedicated to the achievement of best-in-class solutions that protect and encourage the health and financial well-being of their workers, retirees and their families. Council members include more than 220 of the world's largest corporations and collectively either directly sponsor or support sponsors of health and retirement benefits (including 403(b) plans) for virtually all Americans covered by employer-provided plans.

Specifically, the bill would permit 403(b) plans — which function as a 401(k)-type plan for charities and public educational institutions — to invest in collective investment

trusts (CITs) and unregistered insurance company separate accounts on the same basis as all other types of plans. The advantages are clear — less expensive investments.

Moreover, the bill completely leaves intact the SEC's ability to oversee and regulate the investment products being offered under 403(b) plans, including enforcement powers over misleading disclosures or promotion of imprudent products.

Our plan sponsor members would also retain the responsibility to screen any investments made available to their participants, a further protection for participants.

In short, eliminating this anomalous penalty on 403(b) plan participants would be a great step forward and we thank you for your leadership in sponsoring this bill. We look forward to working with you toward enactment.

Sincerely,

Lynn Dudley

Lynn Dudley

Senior Vice President, Global Retirement & Compensation Policy