



February 6, 2025

The Honorable Frank Lucas
United States House of Representatives
2405 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 Bill Foster
United States House of Representatives
2366 Rayburn 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:

The Insured Retirement Institute (IRI)¹ writes to support the ***Retirement Fairness for Charities and Educational Institutions Act of 2025***. The bill authorizes the use of collective investment trusts (CITs) and unregistered insurance company separate accounts within 403(b) retirement savings plans. By amending federal securities law, the bill will provide teachers, hospital workers, employees of charities, and others who work for non-profit organizations who are offered employer-sponsored 403(b) retirement plans to have parity with all other retirement plan participants who already have the opportunity to choose to invest in more cost-efficient investment options, including those that offer protected, guaranteed lifetime income solutions.

Retirement savers participating in 401(k) plans, 457(b) plans, and the federal Thrift Savings Plan (TSP) all now have access to cost-effective collective investment trusts (CITs) and unregistered insurance company separate accounts. These solutions offer retirement savers employed by taxable companies, state and local governments, and the federal government the ability to access less expensive solutions that preserve principal and provide protected, guaranteed lifetime income solutions.

Currently, exemptions exist under the *Investment Company Act of 1940*, the *Securities Act of 1933*, and the *Securities Exchange Act of 1934* that authorize 401(k) plans, 457(b) plans, the TSP, and other plan types to utilize CITs and unregistered insurance company separate accounts. These exemptions, unfortunately, do not currently apply to 403(b) plans due in large part to 403(b) plans previously being offered as "retail" products sold directly to retirement savers at applicable organizations. However, since the creation of 403(b) retirement plans, there have been changes in the law by which 403(b) retirement plans have shifted to "institutional" arrangements, with an employer selecting the plan, professionals establishing plan menus of investments, and investor protections put in place. While these changes have made 403(b) retirement plans similar in many aspects to 401(k) plans and other retirement plan vehicles, an antiquated view of 403(b) retirement plans remains and has created disparity between retirement plan participants and their opportunities to access CITs and unregistered separate accounts as investments.

The *SECURE 2.0 Act of 2022* included a measure which took a step forward towards parity by making a necessary change to the *Internal Revenue Code* to eliminate a barrier to authorizing the use of CITs and unregistered insurance company separate accounts in 403(b) retirement plans. However, without enacting the changes to federal securities law included in this bill, those saving for retirement through a 403(b) retirement plan will continue to have a disparity with participants in 401(k) and all other retirement plans.

¹ The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, broker-dealers, banks, marketing organizations, law firms, and solution providers. IRI members account for 90 percent of annuity assets in the U.S., including the foremost distributors of protected lifetime income solutions, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, and the advancement of digital solutions within a collaborative industry community. Learn more at www.irionline.org.

Expanding opportunities to save for retirement through workplace retirement savings plans and facilitating greater access to and use of lifetime income solutions that offer retirement plan participants the ability to turn their accumulated savings for their retirement years into a protected, guaranteed stream of income to sustain them throughout their retirement years, is a high priority for IRI and our members. IRI's 2024 Federal Retirement Security Blueprint² includes as a proposal exactly what the ***Retirement Fairness for Charities and Educational Institutions Act of 2025*** would do if enacted into law. The Blueprint proposal supports the enactment of legislation to amend securities laws to authorize the use of CITs and unregistered insurance company separate accounts within 403(b) retirement plans. The Blueprint strongly supports establishing parity through the enactment of amendments to federal securities law that will place those saving for retirement through a 403(b) retirement plan on a level playing field as those participants in all other employer-sponsored retirement plans. Therefore, IRI is pleased to express its strong support for enacting this bill.

As Congress considers this legislation to provide parity to teachers, hospital staff, members of the clergy, and employees of charities and other non-profit organizations to have the same opportunities to invest in cost-effective options and generate protected guaranteed lifetime income, we welcome the opportunity to work with you and your staff to advance this measure. We thank you for your leadership in pursuing this legislation. If you have any questions, please do not hesitate to contact me at (202) 469-3004 or prichman@irionline.org, or John Jennings, Director, Government and Political Affairs, at (202) 469-3017 or jjennings@irionline.org.

Sincerely,

A handwritten signature in cursive script that reads "Paul J. Richman".

Paul J. Richman
Chief Government & Political Affairs Officer
Insured Retirement Institute

² 2024 Federal Retirement Security Blueprint, Insured Retirement Institute, March 2024.