

119TH CONGRESS
1ST SESSION

H. R. 1013

To amend the Federal securities laws to enhance 403(b) plans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2025

Mr. LUCAS (for himself, Mr. GOTTHEIMER, Mr. FOSTER, and Mr. BARR) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Federal securities laws to enhance 403(b) plans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Retirement Fairness
5 for Charities and Educational Institutions Act of 2025”.

6 **SEC. 4102. ENHANCEMENT OF 403(b) PLANS.**

7 (a) AMENDMENTS TO THE INVESTMENT COMPANY
8 ACT OF 1940.—Section 3(c)(11) of the Investment Com-
9 pany Act of 1940 (15 U.S.C. 80a–3(c)(11)) is amended
10 to read as follows:

1 “(11) Any—

2 “(A) employee’s stock bonus, pension, or
3 profit-sharing trust which meets the require-
4 ments for qualification under section 401 of the
5 Internal Revenue Code of 1986;

6 “(B) custodial account meeting the re-
7 quirements of section 403(b)(7) of such Code;

8 “(C) governmental plan described in sec-
9 tion 3(a)(2)(C) of the Securities Act of 1933;

10 “(D) collective trust fund maintained by a
11 bank consisting solely of assets of one or
12 more—

13 “(i) trusts described in subparagraph
14 (A);

15 “(ii) government plans described in
16 subparagraph (C);

17 “(iii) church plans, companies, or ac-
18 counts that are excluded from the defini-
19 tion of an investment company under para-
20 graph (14) of this subsection; or

21 “(iv) plans which meet the require-
22 ments of section 403(b) of the Internal
23 Revenue Code of 1986—

24 “(I) if—

1 “(aa) such plan is subject to
2 title I of the Employee Retirement
3 Income Security Act of
4 1974 (29 U.S.C. 1001 et seq.);

5 “(bb) any employer making
6 such plan available agrees to
7 serve as a fiduciary for the plan
8 with respect to the selection of
9 the plan’s investments among
10 which participants can choose; or

11 “(cc) such plan is a govern-
12 mental plan (as defined in sec-
13 tion 414(d) of such Code); and

14 “(II) if the employer, a fiduciary
15 of the plan, or another person acting
16 on behalf of the employer reviews and
17 approves each investment alternative
18 offered under such plan described
19 under subclause (I)(cc) prior to the
20 investment being offered to partici-
21 pants in the plan; or

22 “(E) separate account the assets of which
23 are derived solely from—

24 “(i) contributions under pension or
25 profit-sharing plans which meet the re-

quirements of section 401 of the Internal Revenue Code of 1986 or the requirements for deduction of the employer's contribution under section 404(a)(2) of such Code;

“(ii) contributions under governmental plans in connection with which interests, participations, or securities are exempted from the registration provisions of section 5 of the Securities Act of 1933 by section 3(a)(2)(C) of such Act;

“(iii) advances made by an insurance company in connection with the operation of such separate account; and

“(iv) contributions to a plan described in clause (iii) or (iv) of subparagraph (D).”.

(b) AMENDMENTS TO THE SECURITIES ACT OF 1933.—Section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)) is amended—

(1) by striking “beneficiaries, or (D)” and inserting “beneficiaries, (D) a plan which meets the requirements of section 403(b) of such Code (i) if (I) such plan is subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.), (II) any employer making such plan

1 available agrees to serve as a fiduciary for the plan
 2 with respect to the selection of the plan's invest-
 3 ments among which participants can choose, or (III)
 4 such plan is a governmental plan (as defined in sec-
 5 tion 414(d) of such Code), and (ii) if the employer,
 6 a fiduciary of the plan, or another person acting on
 7 behalf of the employer reviews and approves each in-
 8 vestment alternative offered under any plan de-
 9 scribed under clause (i)(III) prior to the investment
 10 being offered to participants in the plan, or (E)";

11 (2) by striking "(C), or (D)" and inserting
 12 "(C), (D), or (E)"; and

13 (3) by striking "(iii) which is a plan funded"
 14 and all that follows through "retirement income ac-
 15 count)." and inserting "(iii) in the case of a plan not
 16 described in subparagraph (D) or (E), which is a
 17 plan funded by an annuity contract described in sec-
 18 tion 403(b) of such Code".

19 (c) AMENDMENTS TO THE SECURITIES EXCHANGE
 20 ACT OF 1934.—Section 3(a)(12)(C) of the Securities Ex-
 21 change Act of 1934 (15 U.S.C. 78c(a)(12)(C)) is amend-
 22 ed—

23 (1) by striking "or (iv)" and inserting "(iv) a
 24 plan which meets the requirements of section 403(b)
 25 of such Code (I) if (aa) such plan is subject to title

1 I of the Employee Retirement Income Security Act
 2 of 1974 (29 U.S.C. 1001 et seq.), (bb) any employer
 3 making such plan available agrees to serve as a fidu-
 4 ciary for the plan with respect to the selection of the
 5 plan’s investments among which participants can
 6 choose, or (cc) such plan is a governmental plan (as
 7 defined in section 414(d) of such Code), and (II) if
 8 the employer, a fiduciary of the plan, or another per-
 9 son acting on behalf of the employer reviews and ap-
 10 proves each investment alternative offered under any
 11 plan described under subclause (I)(cc) prior to the
 12 investment being offered to participants in the plan,
 13 or (v)”;

14 (2) by striking “(ii), or (iii)” and inserting
 15 “(ii), (iii), or (iv)”;

16 (3) by striking “(II) is a plan funded” and in-
 17 serting “(II) in the case of a plan not described in
 18 clause (iv), is a plan funded”.

19 (d) CONFORMING AMENDMENT TO THE SECURITIES
 20 EXCHANGE ACT OF 1934.—Section 12(g)(2)(H) of the
 21 Securities Exchange Act of 1934 (15 U.S.C. 78l(g)(2)(H))
 22 is amended by striking “or (iii)” and inserting “(iii) a plan
 23 described in section 3(a)(12)(C)(iv) of this Act, or (iv)”.

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