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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

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

IN THE HOUSE OF REPRESENTATIVES

Mr. LUCAS introduced the following bill; which was referred to the Committee on _____

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-

1 pany Act of 1940 (15 U.S.C. 80a–3(c)(11)) is amended
2 to read as follows:

3 “(11) Any—

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

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

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

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

15 “(i) trusts described in subparagraph
16 (A);

17 “(ii) government plans described in
18 subparagraph (C);

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

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

1 “(I) if—

2 “(aa) such plan is subject to
3 title I of the Employee Retirement
4 Income Security Act of
5 1974 (29 U.S.C. 1001 et seq.);

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

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

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

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

1 “(i) contributions under pension or
2 profit-sharing plans which meet the re-
3 quirements of section 401 of the Internal
4 Revenue Code of 1986 or the requirements
5 for deduction of the employer’s contribu-
6 tion under section 404(a)(2) of such Code;

7 “(ii) contributions under govern-
8 mental plans in connection with which in-
9 terests, participations, or securities are ex-
10 empted from the registration provisions of
11 section 5 of the Securities Act of 1933 by
12 section 3(a)(2)(C) of such Act;

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

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

19 (b) AMENDMENTS TO THE SECURITIES ACT OF
20 1933.—Section 3(a)(2) of the Securities Act of 1933 (15
21 U.S.C. 77c(a)(2)) is amended—

22 (1) by striking “beneficiaries, or (D)” and in-
23 serting “beneficiaries, (D) a plan which meets the
24 requirements of section 403(b) of such Code (i) if
25 (I) such plan is subject to title I of the Employee

1 Retirement Income Security Act of 1974 (29 U.S.C.
2 1001 et seq.), (II) any employer making such plan
3 available agrees to serve as a fiduciary for the plan
4 with respect to the selection of the plan’s invest-
5 ments among which participants can choose, or (III)
6 such plan is a governmental plan (as defined in sec-
7 tion 414(d) of such Code), and (ii) if the employer,
8 a fiduciary of the plan, or another person acting on
9 behalf of the employer reviews and approves each in-
10 vestment alternative offered under any plan de-
11 scribed under clause (i)(III) prior to the investment
12 being offered to participants in the plan, or (E)”;

13 (2) by striking “(C), or (D)” and inserting
14 “(C), (D), or (E)”;

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

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

1 (1) by striking “or (iv)” and inserting “(iv) a
2 plan which meets the requirements of section 403(b)
3 of such Code (I) if (aa) such plan is subject to title
4 I of the Employee Retirement Income Security Act
5 of 1974 (29 U.S.C. 1001 et seq.), (bb) any employer
6 making such plan available agrees to serve as a fidu-
7 ciary for the plan with respect to the selection of the
8 plan’s investments among which participants can
9 choose, or (cc) such plan is a governmental plan (as
10 defined in section 414(d) of such Code), and (II) if
11 the employer, a fiduciary of the plan, or another per-
12 son acting on behalf of the employer reviews and ap-
13 proves each investment alternative offered under any
14 plan described under subclause (I)(cc) prior to the
15 investment being offered to participants in the plan,
16 or (v)”;

17 (2) by striking “(ii), or (iii)” and inserting
18 “(ii), (iii), or (iv)”;

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

22 (d) CONFORMING AMENDMENT TO THE SECURITIES
23 EXCHANGE ACT OF 1934.—Section 12(g)(2)(H) of the
24 Securities Exchange Act of 1934 (15 U.S.C. 78l(g)(2)(H))

1 is amended by striking “or (iii)” and inserting “(iii) a plan
2 described in section 3(a)(12)(C)(iv) of this Act, or (iv)”.