

**Stable Value Investment Association
Statement for the Record**

**Hearing on
“Pension Predators: Stopping Class Action Abuse Against Workers’ Retirement”
before the Health, Employment, Labor, and Pensions Subcommittee of the Committee
on Education & the Workforce**

December 2, 2025

The Stable Value Investment Association (SVIA) appreciates the opportunity to provide this statement for the record on the current ERISA litigation environment and its implications for stable value and the broader retirement system.

SVIA represents all segments of the stable value community, including plan sponsors, insurance companies, banks, asset managers, and consultants. Collectively, our members manage nearly \$900 billion that participants have invested in stable value across more than 270,000 defined contribution (DC) plans, representing around 10% of the total DC industry. Stable value has been part of the DC system since its inception and has consistently delivered on its objectives of principal preservation, steady positive returns, and daily liquidity.

Stable value is widely used by American workers. It is offered in roughly three out of four employer-sponsored retirement plans, and participant allocations tend to rise with age. This reflects the role stable value plays as a principal preservation option, particularly for participants who are approaching or entering retirement and who need protection from market volatility. Because stable value provides bond-like long-term returns with far lower return volatility, it serves as an important tool for participants seeking both security and dependable growth within their portfolios.

In recent years, the defined contribution system has seen a substantial increase in ERISA litigation with a now well-established pattern. Many suits have been filed that take a narrow view of investment decisions, rely on short time periods, and compare products that differ significantly in structure, objective, and risk profile. This framework does not reflect how fiduciaries make decisions or how ERISA evaluates prudence. Stable value illustrates this challenge clearly, as stable value products vary in design, liquidity features, and contract structure, and fiduciaries must weigh many factors to determine the option that best meets the needs of their participants. Evaluating those decisions through a single lens, such as focusing on returns over a short period of time, does not provide an accurate picture of prudence or of a product’s appropriateness for a plan.

In 2025 alone a single law firm filed eighteen nearly identical cases against plan sponsors¹ alleging their stable value funds underperformed, each following the same template and relying on the same hindsight-based comparisons. Although each employer, plan design, and investment lineup is distinct, these suits do not meaningfully account for those differences or the differences in the types of stable value products they are using. Instead, they apply a uniform theory that does not reflect how fiduciaries evaluate stable value products or how ERISA assesses prudence. The volume and uniformity of these filings place additional strain on plan sponsors and create uncertainty that ultimately impacts participants' access to a well-designed plan.

The rise in litigation is creating pressure across the retirement system. Plan sponsors are facing higher fiduciary insurance costs, increased administrative burdens, and growing uncertainty about how courts will evaluate routine decisions. As a result, some may reduce investment menu options, drop innovative options, or remove financial-advice services out of concern that offering them could increase litigation risk. Others may reconsider whether they can continue to offer a plan. Each of these outcomes diminishes participants' access to tools that support long-term retirement readiness.

SVIA believes that the current litigation environment warrants careful review. The goal should not be to limit genuine accountability but to ensure that ERISA remains aligned with its original purpose: to protect participants while providing fiduciaries the discretion they need to act in participants' best interests. A more balanced framework will help preserve access to a full range of investment options and will support stronger retirement outcomes for American workers.

We appreciate the Committee's attention to these issues and stand ready to assist as a resource. If you have any questions, please do not hesitate to contact Zach Gieske, President, SVIA, at zach@stablevalue.org or 202-322-5082.

Sincerely,

Zach Gieske
President
Stable Value Investment Association

¹ *Lagafuaina v. Mitchell International*, Case No. 3:25-cv-03018 (S.D. Cal. filed Nov. 6, 2025); *Porter v. Arthur J. Gallagher*, Case No. 1:2025cv13005 (N.D. Ill. filed Oct. 24, 2025); *Hensley v. Molson Coors*, Case No. 2:25-cv-01371 (E.D. Wis. filed Sep. 9, 2025); *Gutierrez v Kaiser Foundation*, Case No. 3:2025cv07380 (N.D. Cal. filed Sep. 2, 2025); *Hogan v. Paramount*, Case No. 1:25-cv-07128 (S.D.N.Y. filed Aug. 27, 2025); *Babinski v. Siemens Energy*, Case No. 4:2025cv03381 (S.D. Tex. Filed Jul. 22, 2025); *Halamek et al v. Philips North*

America LLC et al, Case No. 1:25-cv-12003 (D. Mass. filed Jul. 15, 2025); *Wolfe v. AmDocs Inc*, Case. No. 4:25-cv-00880 (E.D. Tex. filed Aug. 14, 2025); *Batten v. Ricoh*, Case No. 2:2025cv04658 (E.D. Pa. filed Aug. 13, 2025); *Kahl v. Allina Health System*, Case. No. 0:25-cv-02780 (D. Minn. Filed Jul. 7, 2025); *Dell v Stifel Financial Corp.*, Case. No. 4:25-cv-00993 (E.D. Mo. filed Jul. 4, 2025); *Muldoon et al v. Penn State Health*, Case No. 1:25-cv-01181 (M.D. Pa. filed Jun. 27, 2025); *Johnston et al v. Intermountain Healthcare et al*, Case No. 1:25-cv-00073 (D. Utah filed Jun. 3, 2025); *Reven v. Cigna Group*, Case No. 2:25-cv-02465 (E.D. Pa. filed May 31, 2025); *Tedford v. Equitable Financial Life Insurance Company et al*, Case No. 2:25-cv-02180 (D. N.J. filed Mar. 31, 2025); *Clinton v. Baxter Int'l Inc.*, Case No. 1:2025cv03368 (N.D.Ill. filed Mar. 28, 2025); *Gonzalez v. JPMorgan Chase Bank N.A. et al*, Case No. 2:2025cv01889 (D. N.J. 2025).; and *Jacobs et al. v. Hackensack Meridian Health*, Case No. 3:2025cv01272 (D. N.J. filed Feb. 14, 2025).