NAIFA Statement of support for H.R. 1013, the bipartisan Retirement Fairness for Charities and Educational Institutions Act

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On behalf of the members of the National Association of Insurance and Financial Advisors (NAIFA), we urge support for H.R. 1013, the bipartisan Retirement Fairness for Charities and Educational Institutions Act, expected on the House floor this afternoon. The bill would end an outdated inequity by giving more than 10 million American workers who participate in 403(b) retirement plans — including teachers, college and university employees, nurses, hospital workers, and employees of charities and nonprofit organizations — access to the same investment choices available to other retirement savers. The legislation would expand these choices while preserving existing regulatory oversight and important investor protections. Where someone works should not determine the retirement savings investment options available to them.

Strong Bipartisan Support

The House has approved these provisions in March 2024 as part of the Lucas amendment to H.R. 2799 (301–125) and again in December 2025 as Section 202 of the INVEST Act (302–123). Both votes drew strong bipartisan majorities. H.R. 1013 now has 24 House cosponsors and its Senate companion, S. 424, has 21 cosponsors.

More Than 10 Million American Workers Deserve Equal Retirement Savings Opportunities

Outdated federal securities laws still exclude 403(b) plans from investment options available in other workplace retirement plans. By contrast, participants in 401(k) plans, state and local government 457(b) plans, and the federal Thrift Savings Plan already have access to these low-cost institutional investment options.

H.R. 1013 Expands Access to Low-Cost, Established Retirement Investment Options

H.R. 1013 would correct this inequity by expanding the investment choices available to 403(b) plans to include two well-established, low-cost investment options:

- Collective Investment Trusts (CITs) are professionally managed investment funds offered by banks and trust companies that pool retirement savings to provide diversified, low-cost investment options. Their cost-efficient structure helps workers retain more of their savings for investment and potential growth. CITs already account for approximately 37% of 401(k) plan assets and are widely used in target-date funds, demonstrating their established role in helping millions of Americans save for retirement.

- Nonregistered insurance company separate accounts are professionally managed investment options offered by insurers that provide cost efficiencies and can support solutions offering principal protection and protected, guaranteed lifetime retirement income.
- Strong Regulatory Oversight and Investor Protections Remain in Place. Importantly, nonregistered does not mean unregulated. CITs are overseen by federal and state banking regulators, and insurance company separate accounts by state insurance regulators. SEC enforcement authority and applicable Department of Labor protections remain intact. The bill limits these options to qualifying employer-sponsored retirement plans with appropriate plan sponsor or fiduciary oversight, not direct retail sales to individuals.

Congress Must Complete the Work Begun in SECURE 2.0

Congress took the first step toward correcting this disparity when it passed the bipartisan SECURE 2.0 Act in 2022, making the necessary tax law changes. But without the corresponding federal securities law amendments in H.R. 1013, those reforms cannot be fully implemented. Nearly four years later, Congress should finish the job before the 119th Congress adjourns. We respectfully ask for continued support by passing H.R. 1013 today.