

December 4, 2025

The Honorable Frank Lucas  
United States House of Representatives

The Honorable French Hill  
Chairman, Committee on Financial Services  
United States House of Representatives

The Honorable Maxine Waters  
Ranking Member, Committee on Financial  
Services  
United States House of Representatives

Dear Representative Lucas, Chairman Hill, and Ranking Member Waters:

On behalf of the Stable Value Investment Association, I'm writing in support of H.R. 1013, the Retirement Fairness for Charities and Educational Institutions Act of 2025. The bill makes important updates that will allow 403(b) plans to operate on more level footing with other defined contribution plans while lowering costs and improving investment options for the workers and institutions they serve.

Stable value is a low-risk asset class focused on capital preservation and liquidity that smooths market volatility through the use of insurance or bank contracts and represents roughly 10 percent of all defined contribution assets. The changes in H.R. 1013 will allow 403(b) plans to access new types of stable value investments that have long been enjoyed elsewhere in the defined contribution system.

Allowing 403(b) plans to invest in collective investment trusts is a straightforward change that will benefit participants. CITs typically have lower operating expenses than comparable mutual funds and opening access to CITs will reduce costs and expand the availability of stable value structures that are standard in 401(k) plans, including synthetic stable value fund offerings that are widely appreciated elsewhere in the defined contribution system. These structures help preserve capital and reduce volatility for long term savers. They are used across all other defined contribution plan types and are an important tool for maintaining participant confidence through varying market conditions.

The bill also provides 403(b) plans with access to insurance company separate accounts. This access is especially important for stable value, as it allows for additional customization and protections for plans. While general account stable value products are an effective solution for many plans, they cannot be customized to meet the specific needs of larger and more complex plans. Separate account stable value funds are a well-established tool in the rest of the defined contribution system with approximately 5,000 plans and \$70 billion dollars in assets as of year-end 2024. Separate accounts provide additional protections because plan assets are segregated from the insurer's general account and are not subject to its other liabilities. They also allow the investment portfolio to be tailored to the objectives and demographics of the plan instead of

simply invested in the general account. SVIA research shows that average fees for separate account stable value products are comparable to other stable value structures such as CITs.

Importantly, the separate account structures addressed in H.R. 1013 are institutional products used only in retirement plans. They are not retail products and do not introduce new consumer facing insurance offerings. The bill aligns 403(b) plans with the investment options already available to 401(k) and other defined contribution plans, and in doing so it provides 403(b) sponsors with modern tools to manage costs and deliver high quality capital preservation options to participants.

Thank you for your leadership on this issue and for supporting a practical update that improves the retirement system for millions of workers in nonprofit and educational institutions.

Sincerely,

Zach Gieske  
President  
Stable Value Investment Association