SPARK INSTITUTE
SHAPING AMERICA'S RETIREMENT

March 31, 2025

The Honorable French Hill
Chairman
House Financial Services Committee
2129 Rayburn HOB
Washington, DC 20515

The Honorable Ann Wagner
Chairman
Subcommittee on Capital Markets
House Financial Services Committee
2350 Rayburn HOB
Washington, DC 20515

RE: Feedback Request on Legislative Proposals to Increase Investor Access and Facilitate Capital Formation

Dear Chairman Hill and Chairman Wagner:

On behalf of the SPARK Institute, we appreciate this opportunity to share our view on a range of issues related to our retirement savings system.

The SPARK Institute believes that retirement security is the shared responsibly of individuals, employers, government, and the providers, consultants, and advisors who serve them. We represent the interests of a broad-based cross section of retirement plan service providers and investment managers, including banks, mutual fund companies, insurance companies, third-party administrators, trade clearing firms and benefits consultants. Collectively, our members serve more than 110 million employer-sponsored plan participants.

The Retirement Fairness for Charities and Educational Institutions Act

The SPARK Institute has long supported the Retirement Fairness for Charities and Educational Institutions Act. Our members believe strongly that the bipartisan legislation is essential to increase access for retirement savers in 403(b) plans by expanding the investment options that are permitted.

The Retirement Fairness for Charities and Educational Institutions Act builds on the bipartisan work Congress initiated in the SECURE 2.0 Act of 2022 to improve, simplify, and modernize retirement savings. The legislation provides the needed security exemptions to fully realize the ability of 403(b) plans to invest in collective investment trusts (CITs) and unregistered insurance company separate accounts. The bill will provide full investment parity across all retirement plan types. The millions of teachers and charity workers saving for retirement in 403(b) have long been denied investment parity and this legislation would correct for that historical anomaly.

Retirement Investment Options: Private Markets

We appreciate the Committee's interest in whether 401(k) and other defined contribution retirement savings plans should have greater access to private markets. A key component of the incredible success of the American retirement system – with nearly $30 trillion saved in in defined contribution plans and IRAs – is the ongoing innovation to help bring people into the retirement savings system and provide them with investment options that help them achieve a secure retirement.

SPARK members have been on the front lines of working with retirement plan sponsors and investment managers to continue the innovation of products and services. Our ongoing innovations will continue to provide retirement savers with the most robust set of investment options to help them meet their long-term goals.

In that regard, while there is currently limited adoption of retirement plan investment options with private market components, we do see a growing interest from retirement plan sponsors and employees. Defined benefit plans have invested in private market investments for many years, and our members are working to explore ways to bring those investments to defined contribution plans. SPARK members and their partners have been active in efforts to further integrate private market investments as components of broader plan retirement investment options such as target date funds and CITs. Ensuring a stable legislative and regulatory framework that allows for continued retirement plan product innovation will be essential in this ongoing effort.

SPARK looks forward to working with the Congress and the Administration to ensure that retirement savers continue to benefit from innovation that offers investment options that will help them achieve a secure retirement, while maintaining the appropriate safeguards to protect participants.

We greatly appreciate your interest in these important retirement security issues. As the Committee continues to explore these and other proposal, we look forward to working with you to help all retirement savers achieve a financially secure retirement.

Sincerely,



Tim Rouse
Executive Director
The SPARK Institute, Inc.