

2025-2026 Legislative Agenda



H.2809/S.1794 | *An Act requiring administrators of certain retirement plans to disclose conflicts of interest*

Lead Sponsors: Rep. Carol Doherty (D-Taunton) | Sen. Michael Brady (D-Brockton)

The glossy 403(b) retirement planning materials distributed to municipal employees by sales agents working for commissions may never mention high fees or other hidden expenses. The sales pitch likely does not explain that an employee who contributes just \$250 per month could pay over \$160,000 in additional fees for some 403(b) plans compared to the state's 457(b) SMART Plan.

This bill seeks to bring transparency to the fee structures of 403(b) plans sold to employees of the state's political subdivisions. The agents selling these plans often use high pressure sales tactics to help hide large and hidden fees and some sell "investments" that lock funds for long periods of time, making it very difficult for account holders get out of a bad investment. Most of these sales agents have not been vetted by the employer and have no fiduciary responsibility to their potential customers.

Unlike private-sector 401(k) plans, 403(b) plans available to public employees do not have to comply with the federal ERISA law, which sets minimum standards for retirement plans, and requires administrators who manage retirement savings plans to act as fiduciaries – in the best interest of the investor.

This legislation would require:

- Companies that offer 403(b) retirement plans to employees of the state's political subdivisions, including municipal employees, to disclose the expense ratio and return, net of fees, for each investment under the retirement plan.
- Disclosure of the compensation paid to any person who provides investment advice to public employees in a 403(b) retirement plan.

A comparison prepared by a nonprofit organization of public school district 403(b) retirement options is available at <https://403bwise.org/>

Please contact MTA Government Relations if you have any questions or require any additional information.
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