

## Section 128.

(last updated 1/19/2023)

**Title:** Enhancement of 403(b) plans

**Effective Date:** Effective for amounts invested after date of enactment.

**Mandatory or Optional:** N/A

**Plans Affected:** 403(b)

**Previous Law:** 403(b) plan investments are generally limited to annuity contracts and mutual funds. The IRS guidance indicates that 403(b) plans are permitted to invest in collective investment trusts (81-100 trusts), but such investment is generally prohibited by the securities laws.

**SECURE 2.0 Law:** Amends the Code to explicitly allow 403(b) plans with custodial accounts to invest in collective investment trusts. However, the legislation does not address the securities law issues that prohibit such investments in most cases.

**Guidance and/or Correction Bills:**

- None