



Pensions Authority update

The Authority has endorsed the CTS as a process to allow trustees of pension schemes to understand and benchmark the investment costs paid on behalf of members. The CTS builds on a similar initiative in the UK which has been successful in helping trustees both understand and compare those investment costs.

Costs and value for money are an important part of the Authority's engagement with pension scheme trustees. The information provided by CTS will be a useful input into that dialogue. The Authority will expect those schemes which are not participating in the CTS process to have equivalent data, from whatever source, including a comparison of the costs of related investments across the industry.

The Authority favours a voluntary approach to cost transparency, benchmarking and disclosure. Through its supervisory activities, the Authority will closely monitor the success of the voluntary regime. However, in the longer term if cost disclosure and comparability are not adequate, the Authority will seek legislative change.

It is nearly five years since the Code of Practice for trustees was first published, and Authority will conduct a review this year. No significant change of direction is planned, however, there will be some clarifications and responses to issues that have arisen since the document was first published. Participation in the CTS and value for money benchmarks will be an area of focus of this review.