



09 July 2012

Our ref: ICAEW Rep 91/12

Catherine Cunningham
The National Association of Pension Funds
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138 Cheapside
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By email: Catherine.Cunningham@napf.co.uk

Dear Ms Cunningham

Telling employers about DC pension charges

ICAEW welcomes the opportunity to comment on the consultation paper *Telling employers about DC pension charges* published by NAPF on 15 May 2012, a copy of which is available from this [link](#).

ICAEW is a world-leading professional accountancy body. We operate under a Royal Charter, working in the public interest. ICAEW's regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the UK Financial Reporting Council. We provide leadership and practical support to over 138,000 member chartered accountants in more than 160 countries, working with governments, regulators and industry in order to ensure that the highest standards are maintained.

ICAEW members operate across a wide range of areas in business, practice and the public sector. They provide financial expertise and guidance based on the highest professional, technical and ethical standards. They are trained to provide clarity and apply rigour, and so help create long-term sustainable economic value.

This response reflects consultation with the ICAEW Business Law Committee which includes representatives from public practice and the business community. The Committee is responsible for ICAEW policy on business law issues and related submissions to legislators, regulators and other external bodies.

We welcome the proposal for a Code of Conduct to be adopted by all parties providing services to employers in setting up and administering pension schemes. We agree that the current inconsistency and lack of clarity in the information provided to employers means that it is difficult for them to understand the impact charges will have on the retirement incomes of their employees, and therefore to make informed choices when they are considering which DC scheme to provide for their employees.

We therefore agree that a Summary of Charges, drawn up in accordance with standard templates, will make it easier for employers to compare the charges made by different providers and the impact of those charges on members' individual funds.

One of the reasons for the difficulty in comparing the charges applied in different schemes is the lack of clear and consistent terminology. We therefore recommend that the guidance specifically sets out main

categories of charges used in the industry and a uniform method for how they should be calculated e.g. 'Annual management charge'.

We do not have any comments in response to the detailed questions in the consultation paper.

Yours sincerely

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