ASSOCIATION OF PROFESSIONAL PENSION TRUSTEES

PRESS RELEASE

APPT OUTLINES TRUSTEES' AND MEMBERS' NEEDS FROM RETIREMENT CDC

3 December 2025: Responding to the DWP consultation. the **Association of Professional Pension Trustees (APPT) says it supports the development of a Retirement Collective Defined Contribution (RCDC) model that is transparent, well-understood by members, and straightforward for trustees to operate. Clear communications requirements, alignment with the guided retirement framework, and certainty over trustee disclosure duties are essential to delivering a workable regime that enhances member engagement and trust.**

We support the Government's ambition to widen access to sustainable, income-focused solutions in later life, and we agree that a Retirement CDC (RCDC) model could play a valuable role within the UK's evolving decumulation framework.

Commenting on the response, APPT Vice Chair, Vassos Vassou said:
"For RCDC to work effectively, members must understand the nature of the product—particularly the collective risk-sharing (including any approach to cohorting), the absence of guarantees, and the potential for benefit adjustments. Clear, consistent and non-technical communications are essential, both at the point of entry and throughout the member's lifecycle, including prior to retirement.

"This is particularly important if RCDC is used as the default decumulation option in a scheme, as it will impact on the investment strategy during accumulation which may not be suitable if the member does not wish to use the CDC solution.

"Trustees will need certainty about the minimum disclosure standards, the required risk warnings, and the expected format of member literature. These requirements should be set out unambiguously and aligned, where possible, with existing CDC and decumulation-related disclosure regimes to avoid duplication and inconsistency.

Compatibility with forthcoming guided retirement requirements
The APPT response adds that the RCDC framework should also dovetail with the forthcoming guided retirement obligations on schemes. Members should experience a coherent, joined-up journey rather than multiple overlapping or conflicting communications. A clear articulation of how RCDC interacts with trustees' guided-retirement duties - including signposting, scheme-provided pathways, and behavioural nudges - will be vital. Guidance from DWP and TPR should ensure that schemes can integrate RCDC seamlessly into their decumulation support models.

Clarity on trustee disclosure obligations
Given the new and evolving nature of RCDC, APPT says trustees will need a definitive and comprehensive set of disclosure obligations. These should cover:

- pre-retirement information requirements.
- information to be provided at the point of joining the RCDC arrangement.
- ongoing disclosures, including how adjustments and funding positions must be communicated; and
- any additional reporting duties to regulators.

Providing this clarity at an early stage will give trustees confidence that they can meet regulatory expectations and support good member outcomes. Requirements should be consistent regardless of whether RCDC is provided by the scheme directly or through a partner.

The APPT response also encourages DWP to ensure the actuarial-equivalence framework clearly allows for fair adjustments where members have materially impaired life expectancy and where survivor benefits are included. Transparent conversion factors that reflect these elements will support fairness and help members understand the value of their choices.

For a copy of the APPT response click HERE

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Notes to editors:

The **Association for Professional Pension Trustees (APPT)** is the industry body for professional trustees of occupational pension schemes, working to encourage best practice within the sector and promote the interests of its members. Our members work as professional trustees at over 2,000 schemes of all types, including many trustee boards for defined benefit and defined contribution schemes including DC master trusts. Our members each typically work on multiple appointments and in total are responsible for managing schemes with assets of over £1,2 tn.
The APPT is one of the two recognised accreditation bodies for professional trustees, responsible for promoting and maintaining high standards amongst practitioners. Every year, members have to renew their accreditation, confirming they are working to the standards required and evidencing they have pursued their professional development over the preceding 12-months.