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## COMMITTEE OF GLOBAL UNIONS CALLS FOR COST TRANSPARENCY AT PENSION FUNDS ACROSS THE WORLD

New report highlights efforts by trade unions and trustees in four countries to shed light on opaque costs incurred by pension funds through the use of cost transparency templates

**Vancouver, BC, October 4, 2018** – Trade unions and trade union-nominated trustees at pension funds have stepped up pressure on asset managers and regulators to improve the disclosure of comparable, timely and verifiable data on costs and fees, according to a report by the Global Unions Committee on Workers' Capital (CWC).

The CWC report [Pension Fund Cost Transparency](#) finds that unions, trustees, legislators and regulators are recognizing the importance of mandating standardized disclosures that inform responsible decision making by trustees. The report examines case studies in the UK, Netherlands, the USA and Australia — four jurisdictions that account for 77 percent of global pension fund investments.

The CWC report identifies that more than 90 percent of the total cost of running a pension is related to investment management and transaction costs at two large Dutch pension funds. While these costs are published by funds and collected by the regulator in the Netherlands, they are not always transparent or understood in jurisdictions that do not have cost disclosure templates. In Australia, superannuation funds are required by the regulator to disclose costs to fund members and funds have adopted a voluntary cost mapping table. In the UK, a cost template will be published by regulators in the autumn of 2018. In the USA, some states have adopted fee collection requirements for public pension plan investments in private market assets.

“It is troubling to think that two workers in a similar industry with similar wages might find themselves in vastly different situations at retirement because of opacity around fees and the impact of fees on the net returns of their pension funds,” said Sharan Burrows, General Secretary of the International Trade Union Confederation.

Cost transparency can facilitate incremental reductions in costs, thereby improving the ability of pension funds to deliver retirement payouts and, in the case of defined contribution funds, to maximise members' accumulated funds on retirement. In the Netherlands, the aggregated asset management and transaction costs paid by pension funds have declined over the five years since the introduction of a cost collection and reporting system.

The CWC report explains why fee transparency and pension fund costs are essential for both trustees and fund members, and how pension fund trustees and trade unions can continue to secure better transparency of costs across asset classes, such as public equities and alternative investments.

“The CWC is encouraged to see more efforts to legislate or provide regulatory guidance so that pension trustees can have access to verifiable, reliable and standardised information on the fees they pay to asset managers.” said Burrows. “We have produced this report as a toolkit and guide on how to achieve cost transparency.”

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Interviews available with the report coordinator, Hugues Létourneau (604-695-2038), [hletourneau@share.ca](mailto:hletourneau@share.ca)

### **About the Global Unions Committee on Workers' Capital (CWC)**

*The Global Unions Committee on Workers' Capital (CWC) is an international labour union network for dialogue and action on the responsible investment of workers' retirement savings. It is a joint initiative of the International Trade Union Confederation (ITUC), the Global Unions Federation (GUFs), and the Trade Union Advisory Committee to the OECD (TUAC).*

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