

12 August 2025

CDC could signal new era for pensions adequacy, says ZEDRA

[UK – 12 August 2025] – ZEDRA, award-winning provider of pension and incentive services, today stated that, with the right approach from trustees, Collective Defined Contribution (CDC) pension schemes hold the potential to address long standing challenges around adequacy and sustainability in retirement provision, significantly improving member outcomes.

Kim Nash, Managing Director of ZEDRA Governance said: “CDC is an exciting prospect, not just because of the potential for higher more stable member outcomes, but also because it shifts complex decision making to trustees, making retirement planning simpler for members. It challenges us to rethink how we approach scheme governance, decision-making, and member communications from the ground up. Trustees have a direct influence on members’ retirement outcomes, if we are serious about addressing adequacy, we must be open to new approaches, and CDC gives us another tool to support better long-term outcomes.

“Of course, clarity and member communications will be absolutely critical. We need to engage early, be transparent, and make sure members really understand what CDC means for them. That’s not always straightforward, especially when members come from different benefit backgrounds and bring different expectations around risk and certainty.”

Nash added: “The long-term nature of CDC also opens up new opportunities on the investment side. It gives us the space to think differently about strategy, including how we might access the illiquidity premium, but we have to be clear on our investment beliefs and consider whether these are aligned with the provider, and accountable in how we monitor performance. Setting guardrails can help us stay focused while managing risk in a measured way.

“Strong governance will also be absolutely central. Trustees need to be involved early, approving scheme design, shaping the investment approach, and helping to build frameworks that support good decision-making in both the short and long term. There will be value in rehearsing difficult decisions, like how we might respond to a need to reduce pension increases, so we can approach

those moments with consistency and confidence and remove emotional barriers to decision making.”

Nash concluded: “CDC gives us a real chance to offer members a more predictable retirement income. As trustees, we have a unique opportunity, and responsibility, to shape the future of retirement provision. We should be open to innovation within the market and consider how CDC may support member outcomes both in accumulation and decumulation. The path to adequacy and sustainability won’t be passive so trustees must lead with clarity, and collaboration.”

-ENDS-

Notes to Editors

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About ZEDRA

ZEDRA is a global powerhouse providing Corporate & Global Expansion, Active Wealth, Pensions & Incentives and Fund services, all aligned under one common goal: to embrace the future with certainty.

The firm's highly experienced teams enable high net worth individuals and families as well as medium to large sized companies, pension funds and trustees, asset managers and their investors to focus on their core activities by choosing ZEDRA as their trusted partner. As an experienced, reliable and innovative adviser, ZEDRA helps them successfully navigate estate planning, governance and global operations.

Ultimately, what ZEDRA delivers is complete peace of mind, knowing its expertise is supported by a robust, ethical approach, meeting the local and international requirements of an increasingly demanding regulatory environment.

ZEDRA inherited a wealth of knowledge and experience following its acquisition of the trust businesses of a renowned bank in 2016. This solid foundation combined with innovative thinking has allowed ZEDRA to grow rapidly in a competitive marketplace to a team of over 1,000 industry experts across 16 countries throughout Asia, Oceania, the Americas and Europe.

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