ZEDRA

Trustees must prepare for CDC’s governance challenge, warns ZEDRA

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[UK – 1 September 2026] – ZEDRA, an award-winning provider of pension and incentive services, today urged trustees to prepare for how Collective Defined Contribution (CDC) arrangements could change the nature of trustee decision-making, with governance and decision-making processes requiring as much consideration as scheme design.

While CDC pensions are increasingly recognised as a potential third way between defined benefit (DB) and defined contribution (DC) schemes, trustees should begin preparing now for the different nature of decisions they may be required to make, particularly where those decisions could directly influence members’ benefits.

Sam Burden, Client Director at ZEDRA, commented: “Much of the conversation around CDC has focused on its potential to bridge the gap between defined benefit and defined contribution pensions, and rightly so. However, an equally important consideration is how CDC changes the role of trustees and the decisions they will be required to make.

“Unlike many traditional pension decisions, CDC trustees will be required to make ongoing judgements that balance competing priorities, including different forms of risk, fairness between generations and the long-term sustainability of the scheme. These are complex decisions where there will not always be a single 'right' answer.

“This makes governance critical. Trustees need confidence not only in the decisions they make, but in the processes and frameworks that support those decisions. Where decisions have the potential to affect members’ benefits, those processes should be established, tested and understood well in advance. You don’t want to be designing the process at the same time as making difficult decisions.”

Burden continued: “CDC has significant potential, but its success will depend on more than scheme design alone. As the UK CDC market develops, trustee boards should consider whether they have the right governance, experience and perspective to meet the demands of this evolving landscape. Preparing now will put schemes in the strongest position to make balanced, well-informed decisions when it matters most.”

-ENDS-

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Notes to Editors

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About ZEDRA

ZEDRA is a global provider of Corporate, Funds and Wealth solutions, supporting businesses, fund managers, high-net-worth individuals and families with the governance, administration and operational expertise needed to navigate complexity and achieve their long-term ambitions.

With more than 1,400 specialists across 100 countries and 30+ offices, ZEDRA combines deep technical knowledge with a genuine relationship-led approach. From global expansion and fund administration to private wealth, pensions and incentives, ZEDRA helps clients manage risk, protect assets and build for the future with confidence.

At ZEDRA, we make ambition happen.