

Checklist

Compare your DB scheme costs

This checklist is designed to help you to calculate the annual costs of your defined benefit (DB) scheme so that you can compare your costs against those of other schemes using our online tool. Some costs can vary considerably from year to year, depending on the services contracted or the activities undertaken. You may want to arrive at an average cost by looking at what the average spend has been over a number of years. **Most of these costs may be found in your scheme accounts or by asking your service providers.**

Visit www.tpr.gov.uk/costs-tool to compare your costs with other schemes.

Administration fees

Administration costs are likely to include:

- data management and administration of member benefits including calculations
- member communications and pensions payroll
- management of scheme bank account(s)
- monitoring of risks and internal controls
- preparation (not audit) of scheme annual accounts.

If the administration is managed in-house or by the employer and there is no invoiced cost to the scheme, you can estimate cost by multiplying the number of people working on administration by their salary.

Cost

Independent trustee fees

Fees relating to services provided by an independent trustee appointed to the scheme, which may include provision of secretarial services.

Cost

Actuarial fees

Costs incurred for actuarial services to the scheme trustees (excluding the 'actuarial valuation' as defined by Section 224 of the Pensions Act 2004) and excluding any actuarial services provided to the employer.

Cost

Covenant costs

Covenant advice provided to the trustees by an independent assessor on the strength of the employer's covenant to support the scheme or, where applicable, the impact on the covenant of particular events.

Cost

Legal fees

These are costs associated with internal and external legal advice.

You should include all legal costs that have been paid for directly by the scheme or by the employer on the scheme's behalf. Do not include any legal costs that the employer has taken for its own advice.

Cost

Investment costs

These can include:

- investment consultants, advisers and managers
- custody, administration and platform fees
- hedging, including liability-driven investment advice.

Cost

Other external costs

These can include:

- trustee expenses (not independent trustee costs)
- annual cost of secretary to trustees and/or pension manager
- independent financial advisers or employment benefit consultants
- auditor fees
- any other costs.

Cost

Total costs

This is the total cost of your DB scheme for comparison using our online tool, available at www.tpr.gov.uk/costs-tool.

Total for comparison

Levy and triennial review costs

To find out your full expenditure you will need to add the cost of pension scheme levies and triennial valuations (not shown in the comparison tool and separated from ongoing actuarial costs in this check list).

Levy and triennial costs

Total expenditure