

## Costs and Charges

TPT has reviewed all of its DC costs and charges as part of our ongoing commitment to:

- providing our members and employers good value for money and
- presenting clear, understandable information about costs and chargesFollowing this review we have decided to make some changes.

### Ethical Target Date Funds

From 1 June 2021, the annual management charge (AMC) for the post '99 Ethical Target Date Funds (ETDFs) is **0.63%**. Members who joined the ETDF before 1999 pay a lower AMC of **0.5%** because they paid a fixed price on joining the fund (as required by the Rules at that time). The quoted AMC includes all fixed member charges.

Investment funds also incur additional expenses which are charged to the fund, but not paid out of the underlying management fee. These typically include custodian fees, legal fees and depository expenses. These charges are taken from members' funds in addition to the AMC and can vary from month to month and between funds. TPT has set an upper expectation on the variable costs that the investment managers can deduct from these funds as follows:

- ETDF = **0.05%**
- ETDF (pre-99) = **0.075%**

These charges are in line with the Department for Work and Pensions' cap on costs and charges for default funds used for auto enrolment, which is currently set at **0.75%** excluding transaction costs.

In all DC pension schemes, a further layer of cost is incurred when contributions are invested. Investments involve transactions such as buying, selling, lending and borrowing of investments and all of these transactions incur costs. Transaction costs are payable by members in addition to the AMC and the additional fund expenses described above. More information in respect of the transaction costs payable, including a breakdown of the costs for each ETDF can be found in our annual Chair's Statement Regarding DC Governance, [here](#).