



CFA Institute

A GUIDE TO ETHICAL PRACTICES IN THE GOVERNANCE OF PENSION PLANS

WHAT IS THE CFA INSTITUTE PENSION TRUSTEE CODE OF CONDUCT?

The CFA Institute Pension Trustee Code of Conduct sets the standard for ethical behavior for a pension plan's governing body. Compliance with the Pension Trustee Code promotes professional excellence among the plan's trustees and trust among the plan's stakeholders. CFA Institute developed the Pension Trustee Code in conjunction with a multinational coalition of associations after consultation with a wide range of industry participants and stakeholders.

The fundamental ethical principles embodied within this Code are intended to enhance a pension plan's established internal governance policies and procedures. The Code fosters a level of industry self-regulation that extends beyond the minimum requirements established by law. We encourage public and private industry pension plans, including unions and corporations, to adopt the Pension Trustee Code.

WHO BENEFITS FROM THE PENSION TRUSTEE CODE OF CONDUCT?

Pension plan trustees, beneficiaries, and participants benefit from the Pension Trustee Code of Conduct. Compliance with the Code is voluntary but, by choosing to comply, a pension plan's governing body demonstrates its commitment to the highest ethical standards in the oversight of management and administration of pension plan assets.

HOW CAN I LEARN MORE?

To learn more about the Pension Trustee Code, including how to claim compliance with the Code, please visit [our website](https://www.cfainstitute.org), [cfainstitute.org](https://www.cfainstitute.org). For additional information, please contact us at industrystandards@cfainstitute.org.

WHAT DOES THE PENSION TRUSTEE CODE OF CONDUCT COVER?

The Code outlines 10 fundamental ethical principles that are universally applicable to pension plan trustees:

1. Act in good faith and in the best interests of the plan participants and beneficiaries.
2. Act with prudence and reasonable care.
3. Act with skill, competence, and diligence.
4. Maintain independence and objectivity by, among other actions, avoiding conflicts of interest, refraining from self-dealing, and refusing any gift that could reasonably be expected to affect their loyalty.
5. Abide by all applicable laws, rules, and regulations, including the terms of the plan documents.
6. Deal fairly, objectively, and impartially with all participants and beneficiaries.
7. Take actions that are consistent with the established mission of the plan and the policies that support that mission.
8. Review on a regular basis the efficiency and effectiveness of the plan's success in meeting its goals, including assessing the performance and actions of plan service providers, such as investment managers, consultants, and actuaries.
9. Maintain confidentiality of plan, participant, and beneficiary information.
10. Communicate with participants, beneficiaries, and supervisory authorities in a timely, accurate, and transparent manner.