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Agenda Item
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Date: September 1, 2011
Memo to: Members of the IPSASB
From: John Stanford
Subject: Education Session: Social Benefits

Objectives of Session

1. The objectives of the sessions are:

- To (a) provide background and details of the work that the IPSASB (and its predecessor the Public Sector Committee) have carried out on social benefits over the last decade and (b) identify the main issues that have proved difficult to resolve, in order to inform a decision on whether to reactivate the social benefits project in 2011.

Agenda Materials (all circulated on intranet on July 5th)

- Project History
- Invitation to Comment, *Accounting for the Social Policies of Government* (January 2004)
- ED 34, *Social Benefits: Disclosure of Cash Transfers to Individual or Households* (March 2008)
- Consultation Paper, *Social Benefits: Issues in Recognition and Measurement* (March 2008)

Background

2. At the meeting in June 2011 the IPSASB considered a project brief on Social Benefits. It was decided to defer a decision on whether to reactivate this project until the IPSASB had conducted an Education Session on Social Benefits.

Structure of the Session

3. The session will consider the following areas:

- Project Development and Key Documents;
- Definitions of Social Benefits and their Sub-Categories;

- The Approach to Identification of Present Obligations and Liabilities (including distinguishing Commitments and Liabilities);
- Measurement Issues;
- Alternative Models (Executory Contract Accounting and Insurance Accounting);
- Link with Phase 2 of Conceptual Framework; and
- The Way Forward: The Options.

4. In the context of the exploration of alternative models, Ken Warren has offered to discuss the recent New Zealand experience of (a) accounting for the government's compulsory accident cover scheme on an insurance accounting basis and (b) the possibility of extending this approach to other social benefit programs. Staff is very grateful to Ken for providing fresh insights and alternatives on accounting for social benefits.