

Agenda Item 7: Social Benefits

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IPSASB Meeting
December 8-11, 2014
Toronto, Canada

Project timeline

Discussion

- Consider Key Issues
- Initial Page-by-Page Review

Approval

- March Meeting
- Publication in April

Comments

- Comment Period? March Decision
- Review of Responses September or December

Chapter 1 – Introduction (Paragraphs 5 – 8) (MC 1)

- Consequential Amendments (CP 1.4) Required?
- CP 2008 Responses – Sufficient Detail (CP 1.22)?
- Relocation of QC Material to Chapter 4?

Chapter 2 – Social Benefit Programs (Paragraphs 9 – 17) (MC 2)

- Improved Flow
- SNA Description (CP 2.16 – 2.29)
 - Which version – CP or Shorter (Issues Paper Appendix A)?
 - No SNA Diagram
- CP Appendix A – Additional Text (A.2 – A.4)
- CP Appendix A – Remove Examples?

Chapter 3 – Scope and Definitions (Paragraphs 18 – 21) (MC 3)

- Usefulness of SNA Classification (CP 3.4)
- Amendments to Definitions (CP 3.23 – 3.34)
 - Removal of Pension Benefits and Non-Pension Benefits
- Diagram (CP 3.35)

Chapters 4 and 5 (Paragraphs 22 – 25)

- No Comments at September Meeting
- Minor Editorial Changes
- Page-by-Page Review

Chapter 6 – Option 2: Social Contract Approach (Paragraphs 26 – 28) (MC 4)

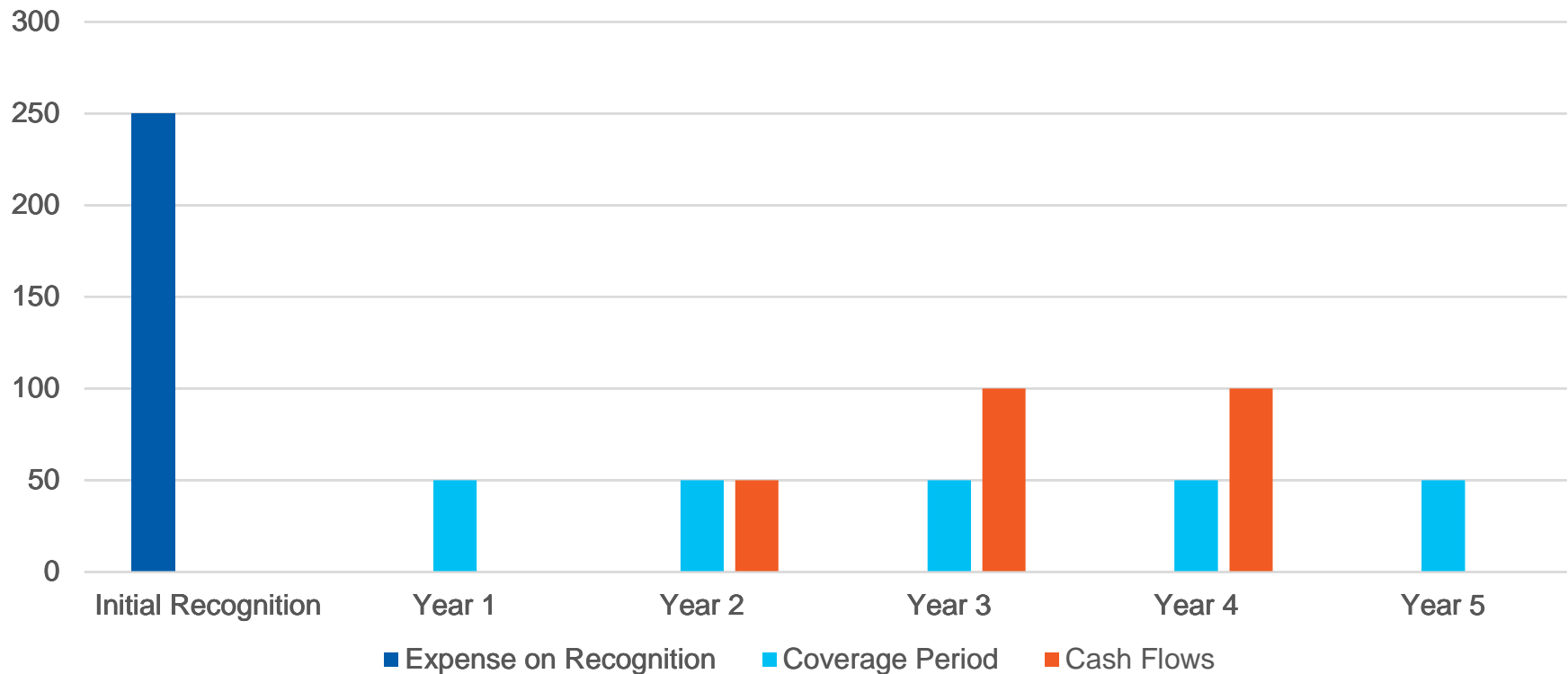
- Issues Addressed:
 - Households as counterparties
 - Intergenerational Issues
 - Related asset not recognized
 - Liability recognition dependent on financing
 - Assumption social benefits paid by resource providers
- Now over complex?
- Suggestions for Simplification?

Chapter 7 – Option 3: Social Insurance Approach (Paragraphs 29 – 30) (MC 5)

- Comparison with Insurance Contract (CP 7.3 – 7.5)
- Types of Contribution (e.g., In Kind) (CP 7.14 – 7.24)
- Initial Recognition (CP 7.34 – 7.36)
 - Includes Example

Initial Recognition: Subsidy Example (CP 7.36)

Recognition of Social Benefits Expenses



Chapter 7 – Option 3: Social Insurance Approach (Paragraphs 29 – 30) (MC 5)

- Measurement Basis (CP SMC 11)
 - Removal of presumption in favor of cost of fulfillment
- Nature of Contributions (CP 7.54 – 7.62)
- Discount Rate (CP 7.65 – 7.70)
- Subsequent Measurement (CP 7.77 – 7.79)
 - Additional Specific Matter for Comment (SMC 14)

Chapter 8 – Presentation (Paragraphs 31 – 35) (MC 6)

- Objective (CP 8.4):

An entity shall provide information that helps users of its financial statements and general purpose financial reports assess:

- a) The impact of social benefits provided on the entity's financial performance and financial position; and*
- b) The sustainability of social benefits provided.*

To assist this assessment, an entity shall present contextual information about:

- c) The nature of social benefits provided by the entity; and*
- d) How the entity administers the provision of social benefits.*

Chapter 8 – Presentation (Paragraphs 31 – 35) (MC 6)

- Support Presentation Objective?
- Information Selection (CP 8.4 – 8.13), Location (CP 8.14 – 8.19) and Organization (CP 8.20 – 8.22)
 - Or shorter version (Issues Paper Appendix C)?
- Approach for Future Projects?

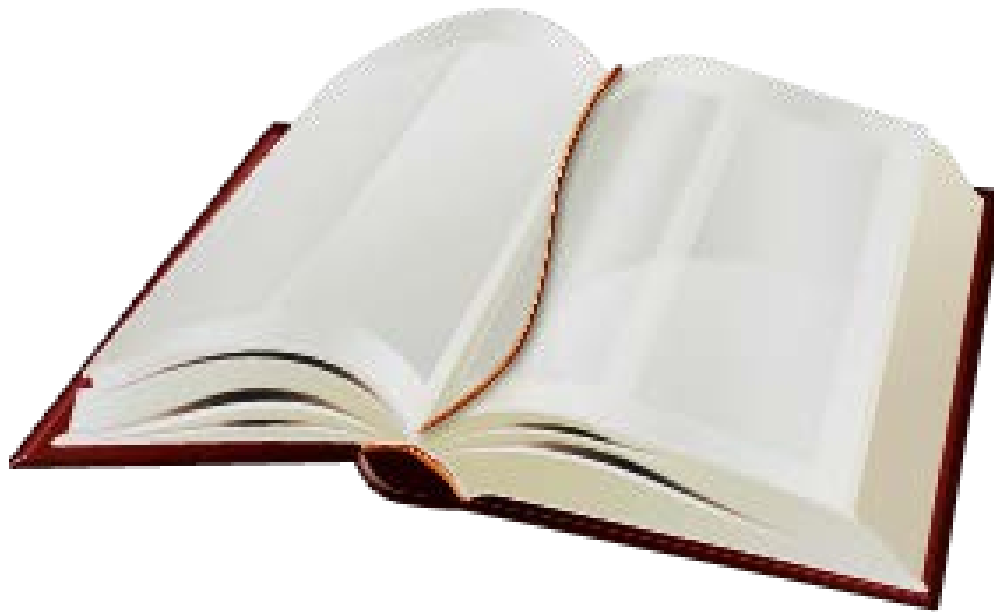
Chapter 9 – Social Security Funds, Composite Programs and Other Issues (Paragraph 36) (MC 7)

- Historical Use of Fund Accounting (CP 9.2)
- Examples of Composite Social Security Programs?
 - New Specific Matter for Comment 16
- Guarantees (CP 9.9 – 9.11)
- Control, Joint Control and Significant Influence (CP 9.12 – 9.14)

Appendix B - Evaluation of Options against the Objectives and the QCs (Paragraph 37) (MC 8)

- Evaluation against Paragraph 2.11 of the Conceptual Framework
 - Level of Detail
 - Support Analysis

Page-by-Page Review (MC 9)





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