

Social Benefits

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IPSASB Meeting

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Toronto, Canada

Scope of the social benefits project (Agenda Item 7.2.1)

Social Benefits are benefits that are:

- Organized for the benefit of the population as a whole, or for a large section of the population;
- Provided to mitigate the effect of social risks;
- Provided as part of the systematic intervention by a public sector entity;
- Provided to specific individuals and/or households rather than made generally available; and
- Provided in cash or in kind.

Social risks are events or circumstances that:

- Relate to the characteristics of individuals and/or households – for example, age, health, poverty and employment status; and
- May adversely affect the welfare of individuals and/or households, either by imposing additional demands on their resources or by reducing their income.

Additional guidance included

Scope of the social benefits project

(Agenda Item 7.2.1)

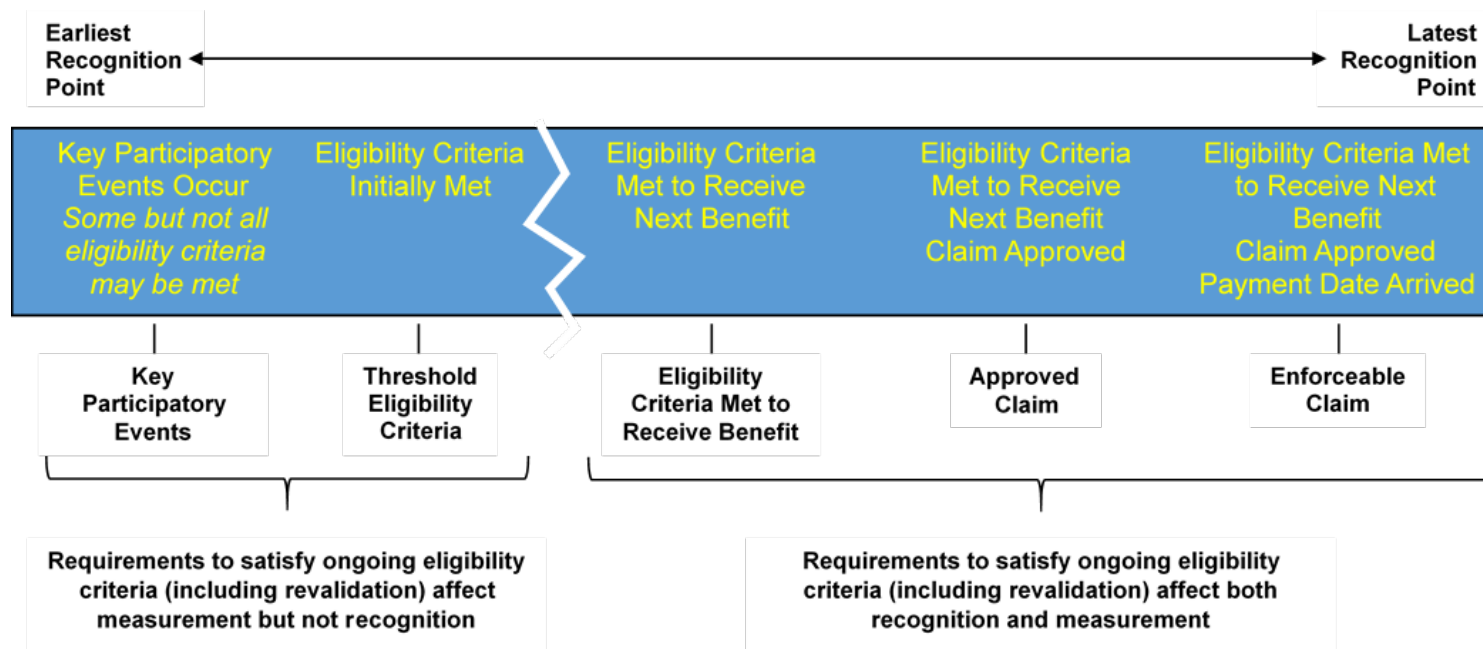
Within the scope of the project	Outside the scope of the project
<ul style="list-style-type: none">• Social security (included in the scope of the CP)• Social assistance (included in the scope of the CP)	<ul style="list-style-type: none">• Benefits provided to entities rather than individuals or households (for example, grants to charities or grants to companies to promote economic regeneration)• Provision of collective goods and services• Private arrangements (i.e., transactions between a public sector entity and one individual or household)• Ad-hoc transfers (for example, in response to disaster relief)• Social transfers in kind that do not address social risks (for example, recreation, cultural or sporting services such as parks, museums and sports facilities)• <i>Universal services such as healthcare.</i>

Scope of the social benefits project (Agenda Item 7.2.1)

- **Decisions required**

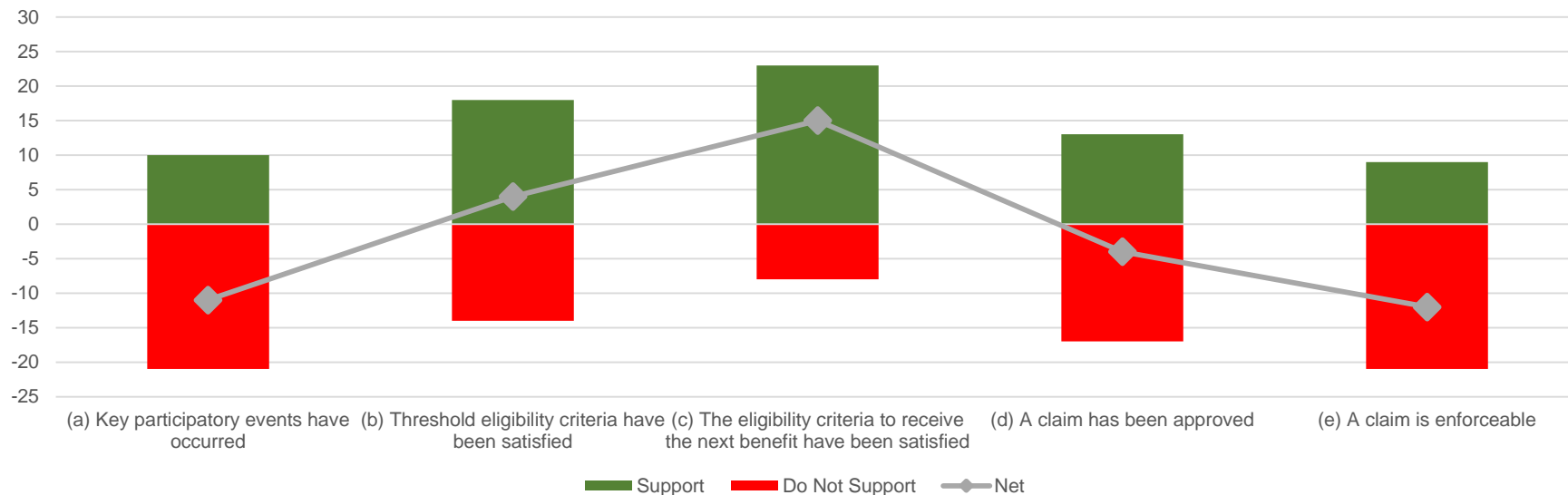
- Does the IPSASB support the staff proposals regarding the scope of the project, and the definitions of social benefits and social risks?
- If so, should the guidance on the definitions be included as part of the definitions or included elsewhere in the ED?

Obligating Event: recognition points in CP (Agenda Item 7.2.2)



Obligating Event: respondents' support for events (Agenda Item 7.2.2)

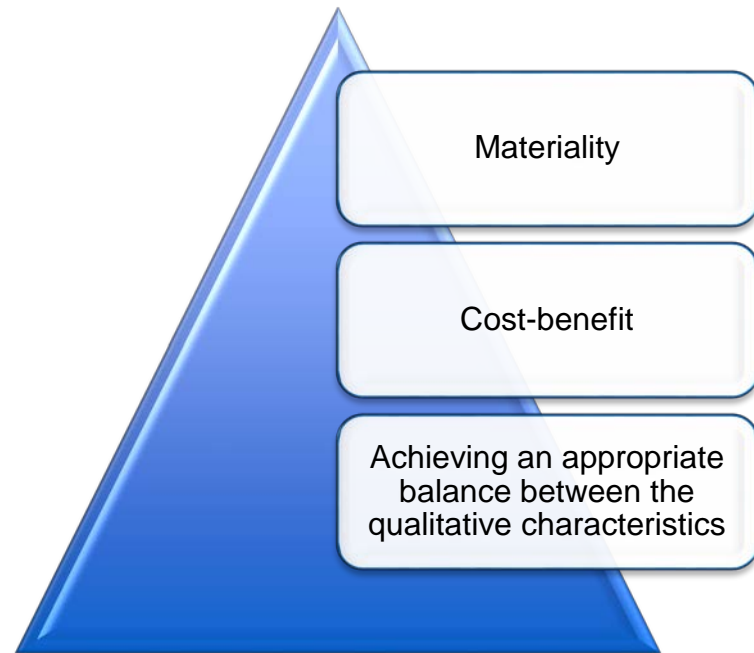
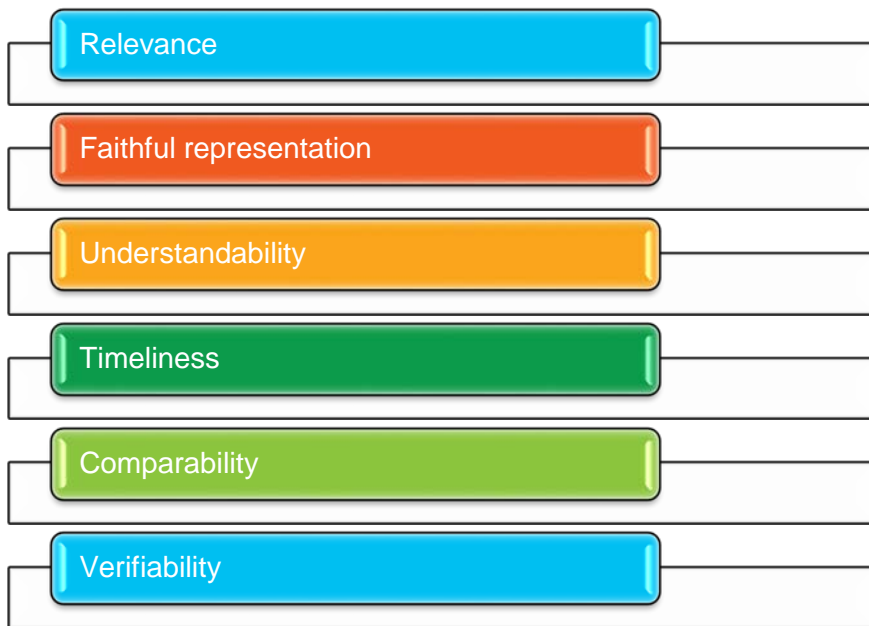
Respondents' Support for Obligating Events



Obligating Event: liability definition and recognition criteria (Agenda Item 7.2.2)

- A **liability** is:
 - A present obligation of the entity for an outflow of resources that results from a past event.
- The **recognition criteria** are that:
 - An item satisfies the definition of an element; and
 - Can be measured in a way that achieves the qualitative characteristics and takes account of constraints on information in GPFRs.

Obligating Event: qualitative characteristics and constraints on information (Agenda Item 7.2.2)



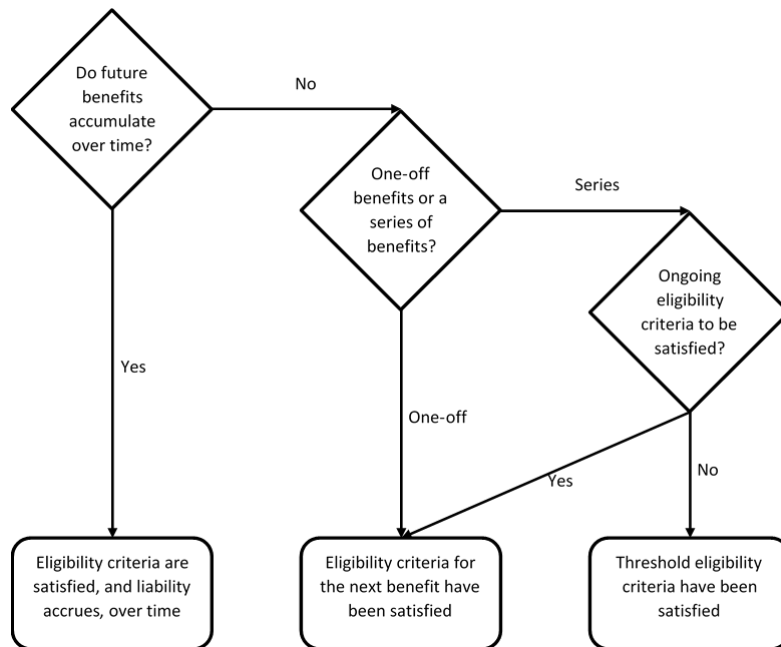
Obligating Event: staff analysis (Agenda Item 7.2.2)

Obligating Event	Definition	Measurable
(a) Key participatory events have occurred	x	✓
(b) Threshold eligibility criteria have been satisfied	✓	✓
(c) The eligibility criteria to receive the next benefit have been satisfied	✓	✓
(d) A claim has been approved	✓	✓
(e) A claim is enforceable	✓	✓

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(d) A claim has been approved	✓	✓
(e) A claim is enforceable	✓	✓
(f) A liability accrues over time	✓	✓

Obligating Event: staff proposals (Agenda Item 7.2.2)



Obligating Event: decisions required (Agenda Item 7.2.2)

- Does the IPSASB support the staff proposals that:
 - A liability and an expense for a social benefit should be recognized when the eligibility criteria have been met; and
 - There are three categories of eligibility criteria for social benefits:
 - Eligibility criteria are satisfied but entitlement to the benefit has not vested;
 - Threshold eligibility criteria have been satisfied; and
 - Eligibility criteria to receive the next benefit have been satisfied.
- If the IPSASB does not support the staff proposals, the IPSASB is asked to agree which obligating events should be included in a future ED, or alternatively to agree what additional research is required.

Presentation and Disclosure (Agenda Item 7.2.3)

- **Decisions required**

- Whether long-term fiscal sustainability reporting should be mandatory for entities with social benefits, and if so whether that should be in the notes to the financial statements or in a separate general purpose financial report;
- Whether it agrees with staff's view that contingent liabilities should be disclosed, consistent with the approach taken in IPSAS 19, but amended to reflect the wording used in the Conceptual Framework; and
- What additional information should be disclosed under the obligating event approach.



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