

Agenda Item 7: Social Benefits

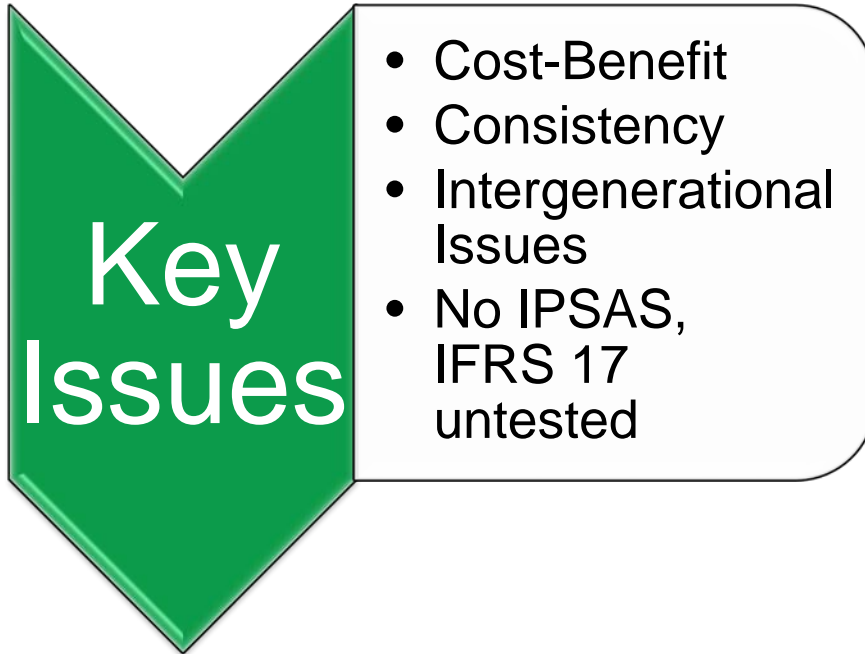
Paul Mason, Principal

IPSASB Meeting

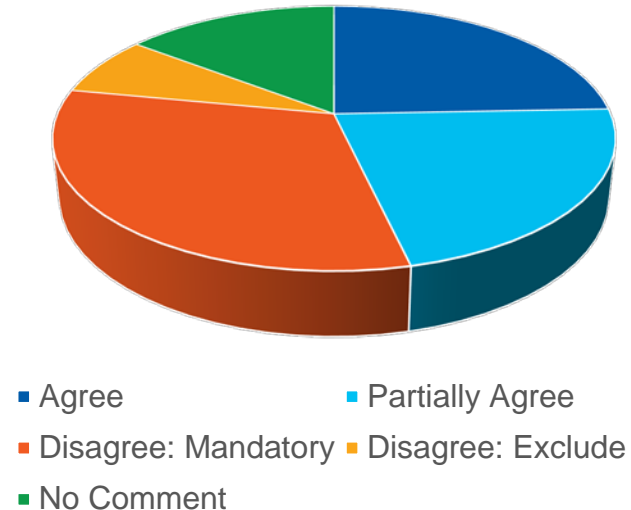
Toronto, Canada

June 19 – 22, 2018

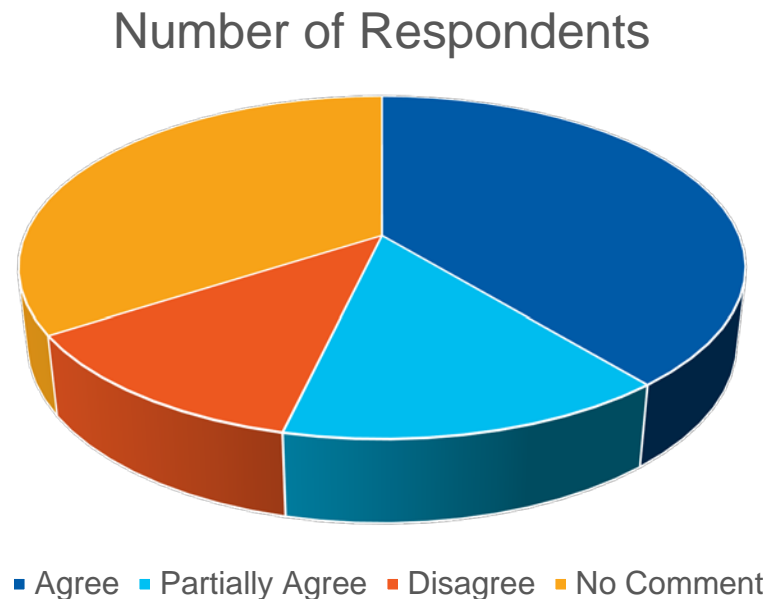
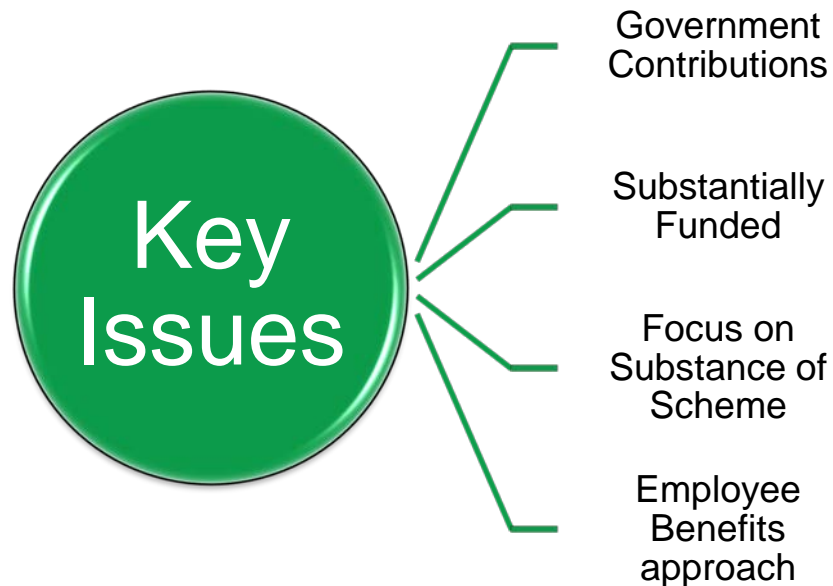
Insurance Approach: Optional (Agenda Item 7.2.1)



Number of Respondents



Insurance Approach: Criteria Appropriate (Agenda Item 7.2.1)



Insurance Approach: Use of IFRS 17 (Agenda Item 7.2.1)

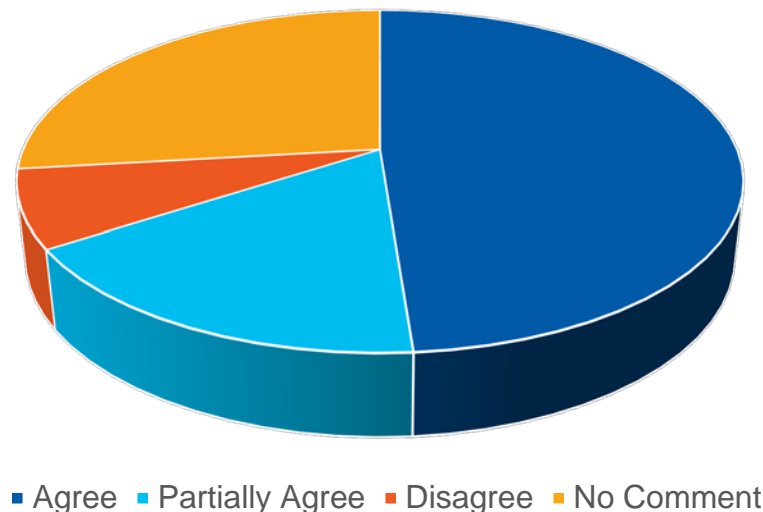
Key Issues



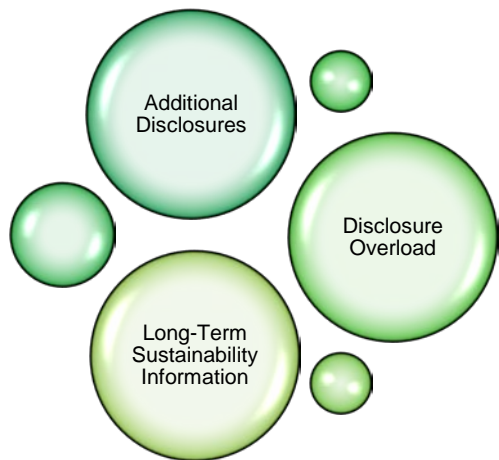
☐ Guidance on Discount Rates and Risk Adjustment

☐ Other National Standards

Number of Respondents

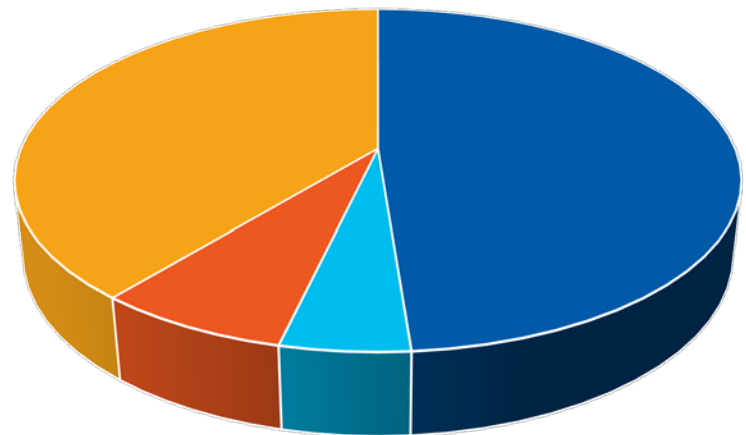


Insurance Approach: Additional Disclosures (Agenda Item 7.2.1)



Key Issues

Number of Respondents



■ Agree ■ Partially Agree ■ Disagree ■ No Comment

Insurance Approach: Decisions Required (Agenda Item 7.2.1)

Should the Insurance Approach remain optional?

- Included in Post Implementation Review?

Staff proposals for criteria supported?

- “Substantially funded”
- Review management of the scheme

Does the IPSASB wish to develop guidance on applying IFRS 17?

No changes to disclosure required?

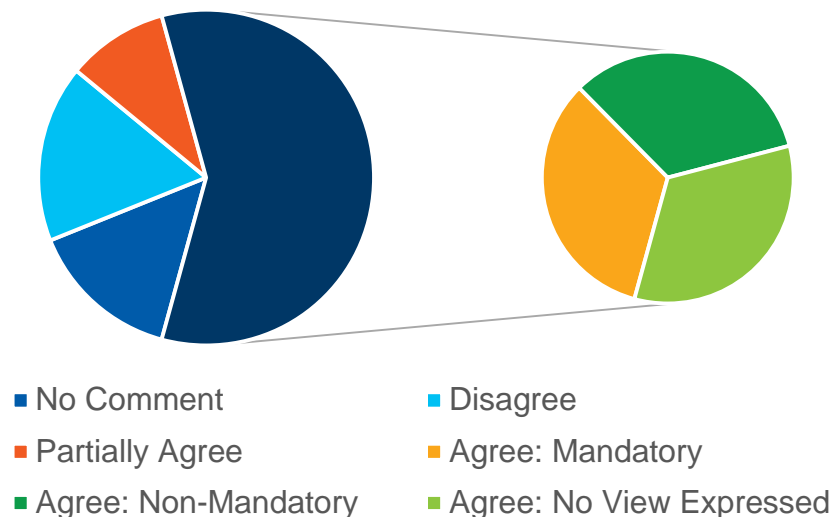
Reporting on the Long Term Sustainability of an Entity's Finances (Agenda Item 7.2.2)

Specific Matter for Comment 6:

Do you think the IPSASB should undertake further work on reporting on long-term fiscal sustainability, and if so, how?

If you think the IPSASB should undertake further work on reporting on long-term fiscal sustainability, what additional new developments or perspectives, if any, have emerged in your environment which you believe would be relevant to the IPSASB's assessment of what work is required?

Number of Respondents



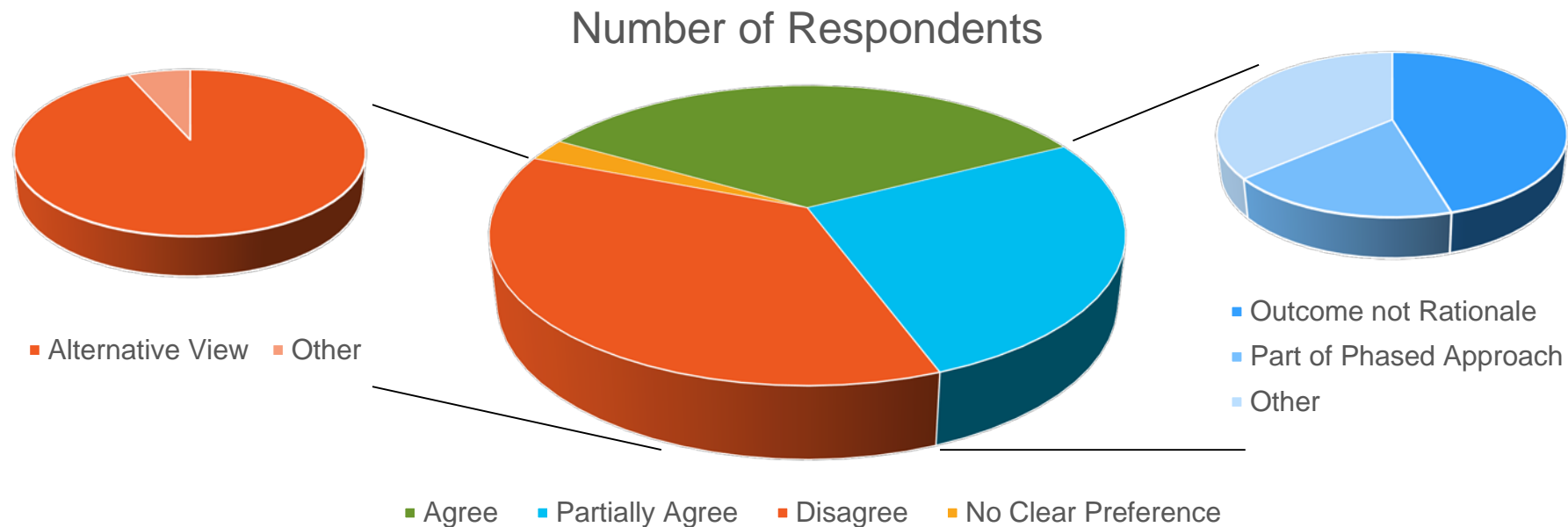
Reporting on the Long Term Sustainability of an Entity's Finances (Agenda Item 7.2.2)

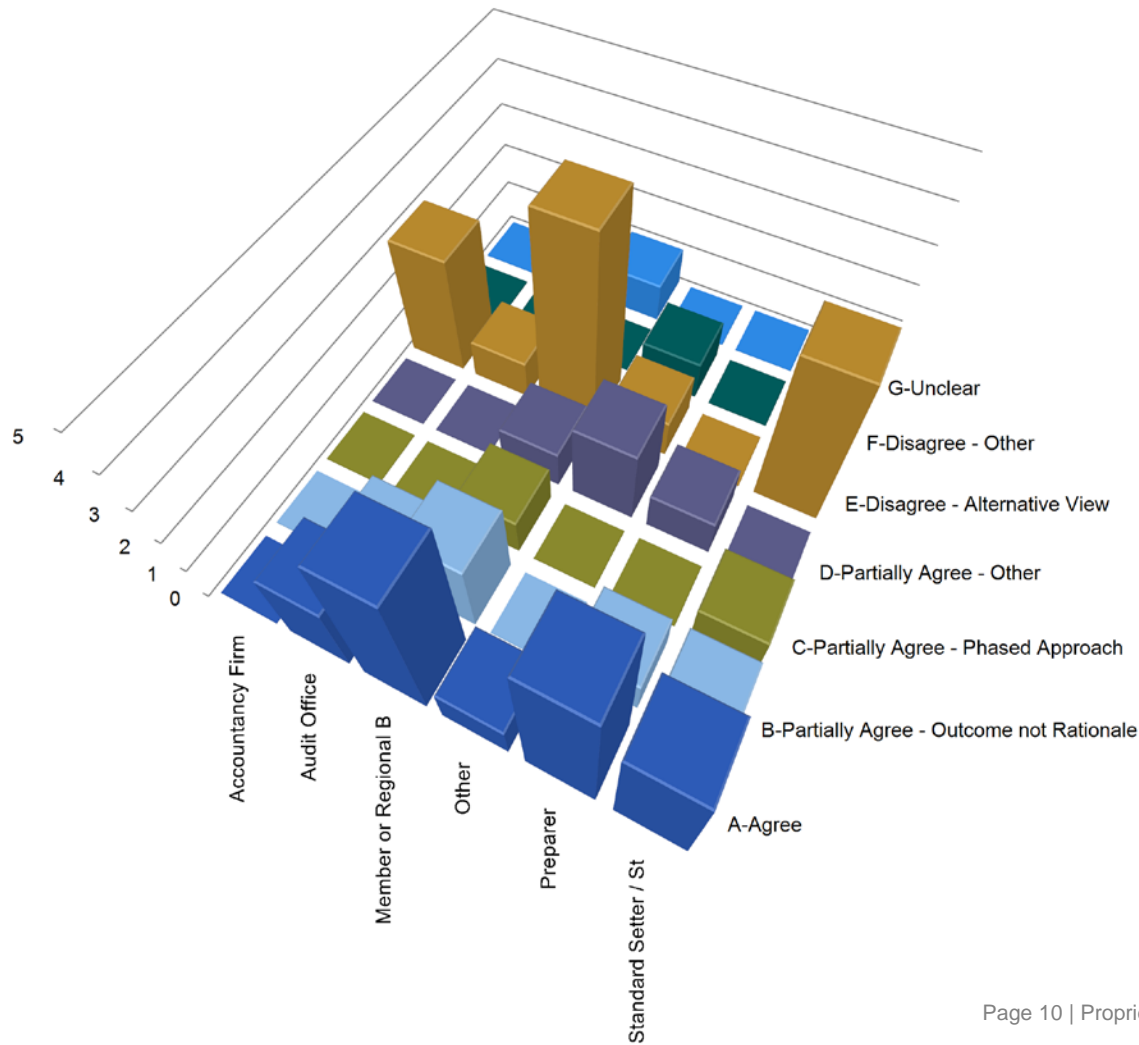
Decisions required

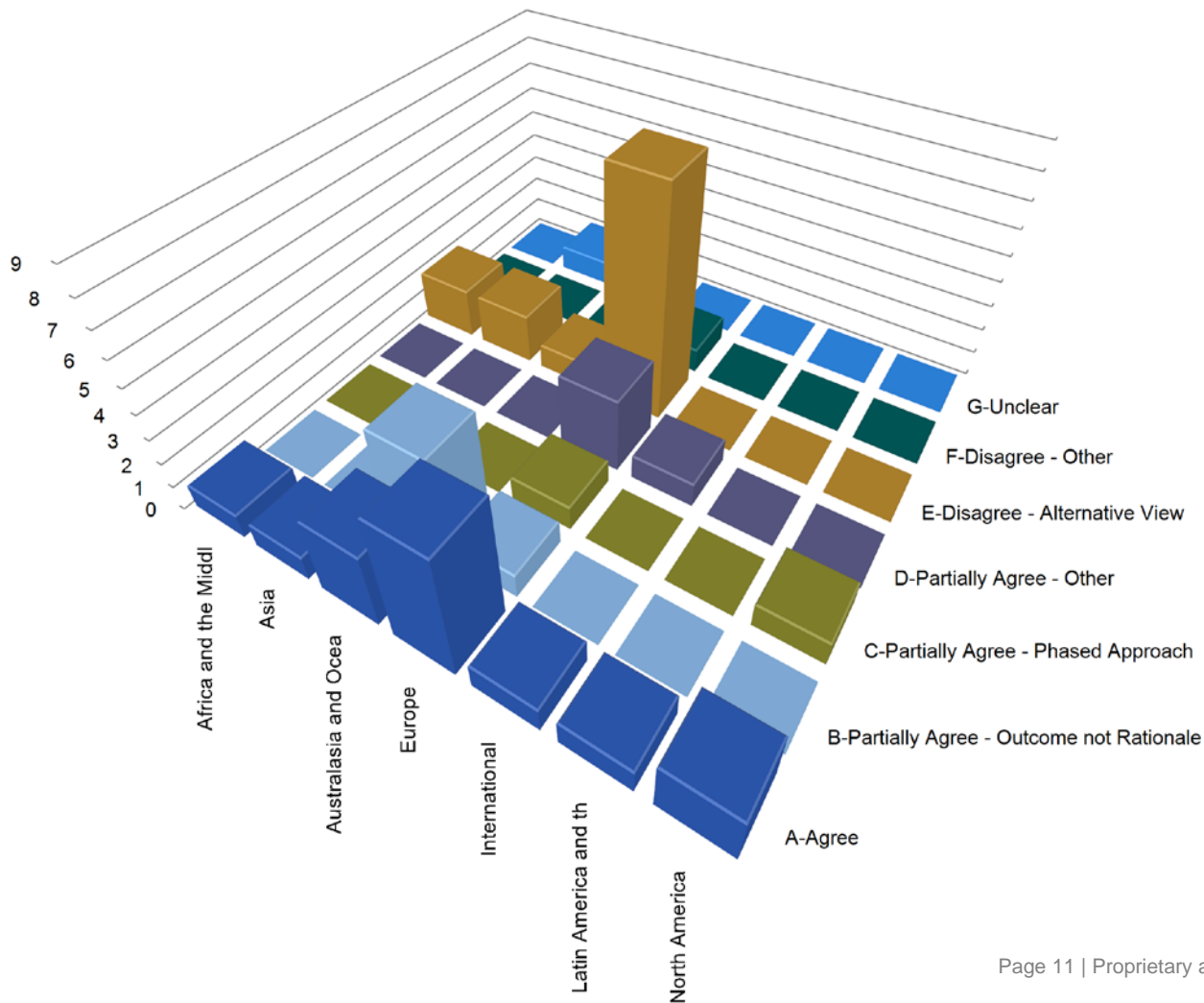
Would it be appropriate to include a review of sustainability reporting as part of a post implementation review?

Are there any topics suggested by respondents where work should be undertaken prior to the post implementation review?

Obligating Event Approach (Agenda Item 7.2.3)







Obligating Event Approach: Key Issues (Agenda Item 7.2.3)

Already Considered

- Being alive
- Present obligation
- Objectives and QCs
- Employee Benefits
- Practicality
- GFS

New Issues

- Actuarial Concerns
- Future Policy Decisions
- Enforceability
- Management
- Disclosure Approach
- Current Liabilities Approach

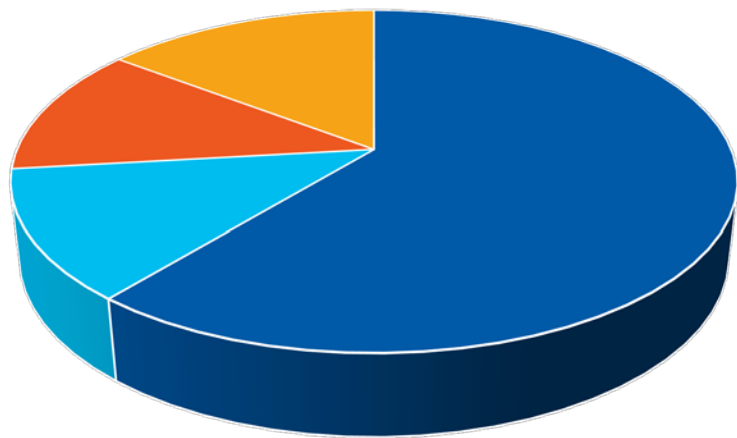
Obligating Event Approach (Agenda Item 7.2.3)

Decisions
Required

- Progress an IPSAS based on ED 63, with a commitment to undertake a **Post Implementation Review** once the new IPSAS has been in effect for a number of years?
- Explore alternative descriptions of the recognition point that make less explicit references to being alive being an eligibility criteria for all benefits?

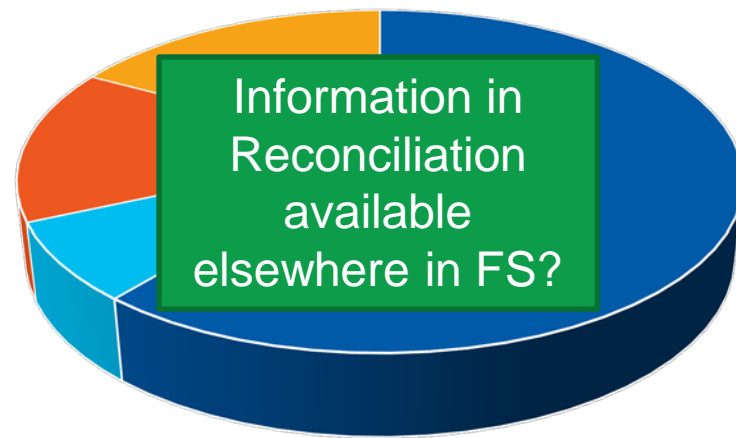
Disclosure Requirements: Obligating Event Approach (Agenda Item 7.2.4)

Characteristics



■ Agree ■ Partially Agree ■ Disagree ■ No Comment

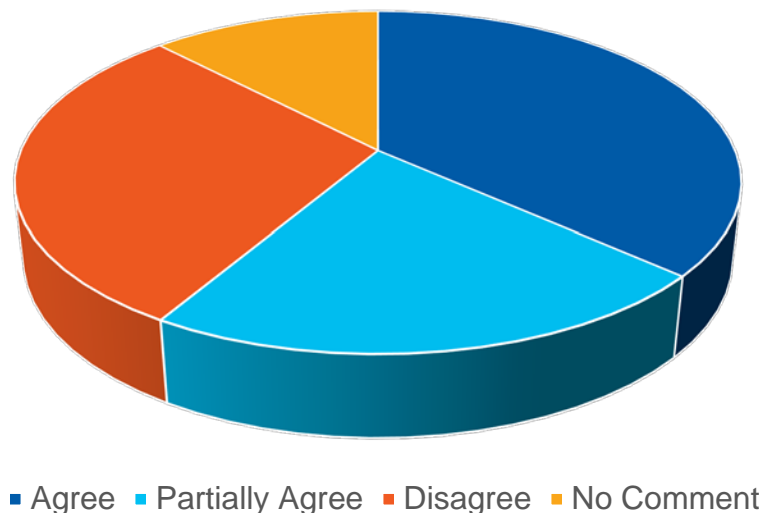
Financial Statements



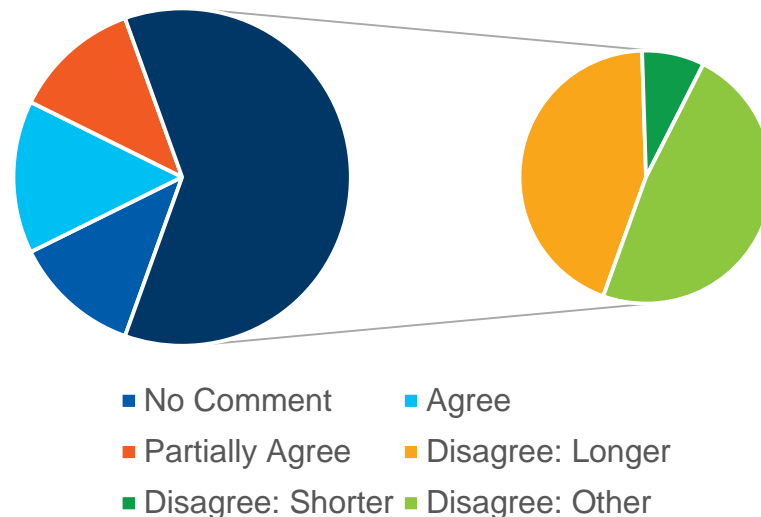
■ Agree ■ Partially Agree ■ Disagree ■ No Comment

Disclosure Requirements: Obligating Event Approach (Agenda Item 7.2.4)

Disclose Future Cash Flows



Five Years Appropriate



Disclosure Requirements: Obligating Event Approach (Agenda Item 7.2.4)

Key Issues – Future Cash Flows

- Not required for other transactions
- Disclosures should be optional
- Future cash flows are not information about current position
- Provide outside financial statements
- Not comprehensive
- Might imply a liability which is inconsistent with obligating event approach
- Do not provide sufficient information
- Difficult to audit

Disclosure Requirements: Obligating Event Approach (Agenda Item 7.2.4)

Key Issues – Five Years

- Five years as minimum
- Separate sustainability reports
- Period should match benefits
- Shorter – three years
- Disclose outside the financial statements
- Disclosures should be optional
- Future cash flows are not information about current position
- Link between notes and financial statements not clearly explained

Disclosure Requirements: Obligating Event Approach (Agenda Item 7.2.4)

Decisions Required

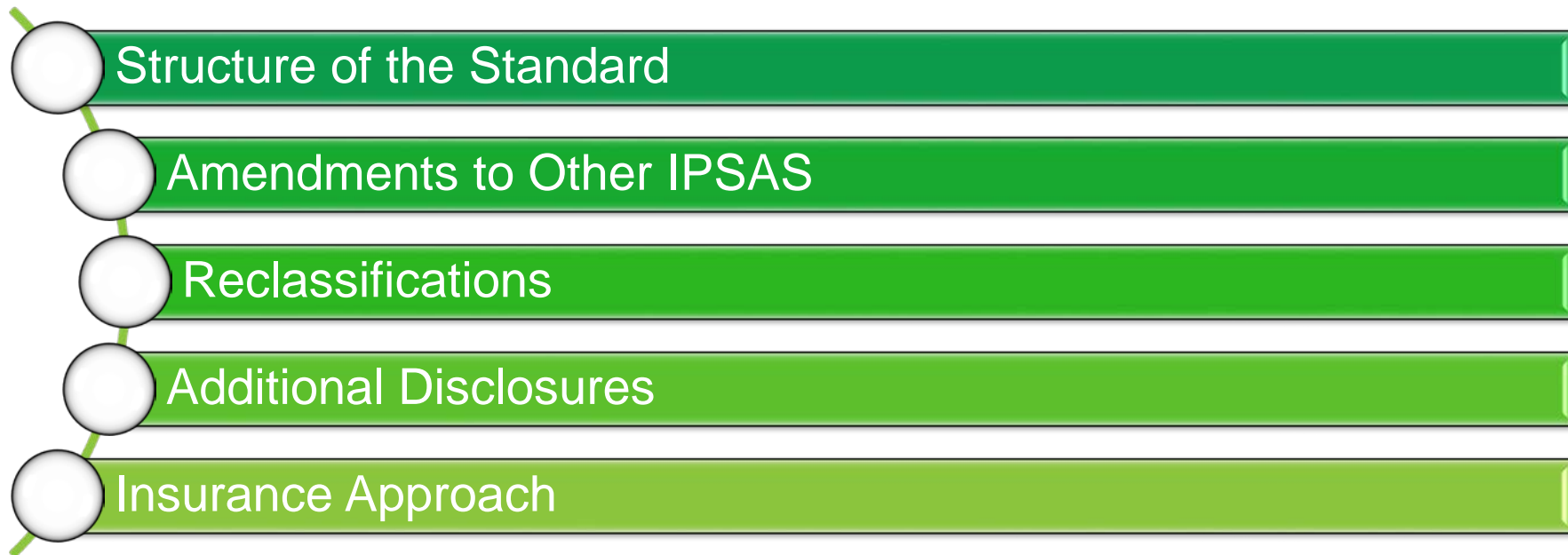
Does the IPSASB agree that the disclosures about the characteristics of an entity's social benefit schemes should be retained?

Does the IPSASB agree that the disclosures of the amounts in the financial statements are not required, assuming that the IPSASB retains the current recognition point?

What, if any, disclosures does the IPSASB wish to include in relation to projected future cash flows?

Other Issues Raised by Respondents

Agenda Item 7.2.5





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