Agenda Item 10: Social Benefits

Paul Mason, Principal

IPSASB Meeting
New York, USA
March 8-11, 2016
Social Benefits

Where did the respondents come from? (Issues Paper: Paragraph 13)

Key

- Accountancy Firm
- Audit Office
- Member or Regional Body
- Preparer
- Standard Setter or Standards Advisory Board
- Other

North America: 4
Europe: 14
Asia: 2
Africa & Middle East: 5
Latin America and the Caribbean: 1

International Organizations

Europe:

Africa & Middle East:

Asia:

North America:

Latin America and the Caribbean:

International Organizations

Australasia and Oceania: 3
Social Benefits

Scope of Project
(Issues Paper: Paragraphs 14-49)

Aligned with Government Finance Statistics

Concept of “Social Risks”

Excludes

• Collective Goods and Services
• Other Transfers in Kind

Do you agree with the proposed scope?

- Agree, 18
- Partially Agree, 6
- Disagree, 9
- Did not Comment, 3
- Partially Agree, 6
Social Benefits

Scope of Project: Reasons Given (Issues Paper: Paragraphs 14-49)

Support Scope

- Support alignment with GFS
- Support exclusion of collective goods and services

Raised Concerns

- Concerns with GFS boundary and social risks
- Risk of different accounting treatments for transactions with same economic substance
- Exchange transactions
- Recognition of liabilities not appropriate for non-cash social benefits
• The IPSASB is asked to agree to retain the scope of the project proposed in the CP; or alternatively to agree an alternative scope.
Social Benefits

Definitions
(Issues Paper: Paragraphs 50-86)

Social Benefits are benefits provided to individuals and households, in cash or in kind, to mitigate the effect of social risks.

Social risks are events or circumstances that may adversely affect the welfare of individuals and households either by imposing additional demands on their resources or by reducing their income.

Do you agree with the definitions?

- Agree, 14
- Partially Agree, 10
- Disagree, 9
- Did not Comment, 3
Social Benefits

Definitions: Generic Issues
(Issues Paper: Paragraphs 56-64)

- Distinction between other transfers in kind and collective goods and services
- No link between the proposed definitions and the approaches to account for social benefits
- Exchange transactions
- Definitions referring to employer-employee relationship
- Classification of benefits when paid by an agent
### Social Benefits

#### Specific Definitions
(Issues Paper: Paragraphs 65-83)

<table>
<thead>
<tr>
<th>Current Definitions</th>
<th>Proposed Additions</th>
<th>Proposed Deletions</th>
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<tbody>
<tr>
<td>Social benefits</td>
<td>Pension and other retirement benefits and non-pension social benefits</td>
<td>Social assistance</td>
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<td>Social risks</td>
<td>Employment-related social insurance</td>
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<td>Social benefits in cash and social benefits in kind</td>
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• The IPSASB is asked to:
  – **Agree to retain** the existing definitions of social benefits and social risks;
  – **Agree to defer** decisions on the remaining definitions until decisions on recognition and measurement have been made; and
  – **Give a preliminary indication** of any suggestions the IPSASB is minded to support.
## Social Benefits

### Next Steps

(Issues Paper: Paragraphs 87-89)

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- **IPSAS via 2 options**
- **IPSAS via 1 option**

**Calendar**

- **September 2018**
- **September 2019**
- **September 2020**