



## Agenda Item 5: Social Benefits

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IPSASB Meeting

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## Scope and Definitions (Agenda Item 5.2.1)

**Social benefits** are cash transfers provided directly to:

- (a) Specific individuals and/or households who meet eligibility criteria;
- (b) Mitigate the effect of social risks; and
- (c) Address the needs of society as a whole.

**Social risks** are events or circumstances that:

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

# Scope and Definitions – Decisions Required (Agenda Item 5.2.1)

Agree the definition of social benefits;



Agree the definition of social risks;



Provide directions to staff on any changes to the Application Guidance on the scope and definitions that are required; and



Provide directions to staff on any changes to the Bases for Conclusions on the scope and definitions that are required.

# Obligating Event Approach: Being Alive (Agenda Item 5.2.2)




## Respondents Concerns:

- Prominence
- Not always an eligibility criterion



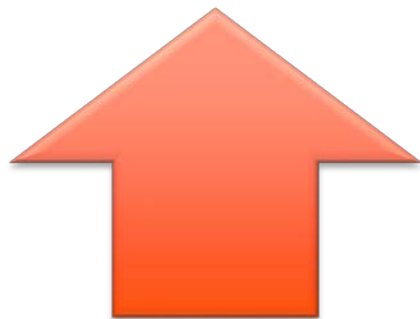
## Amendments

- Remove references in core text
- Additional guidance on being alive
- Guidance on satisfying eligibility criteria



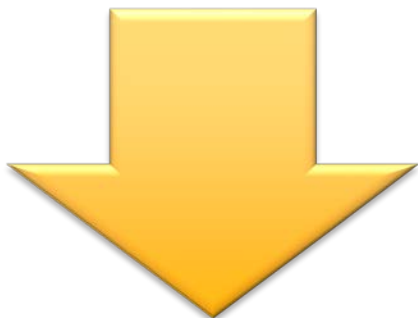
IPSASB asked to review drafting and provide directions

# Obligating Event Approach: Basis for Conclusions (Agenda Item 5.2.2)



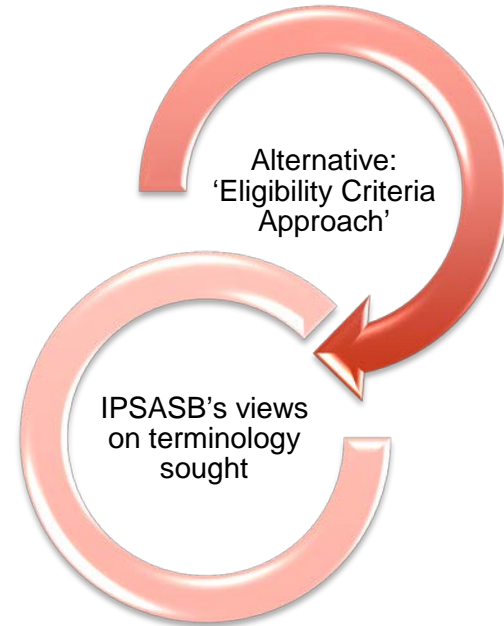
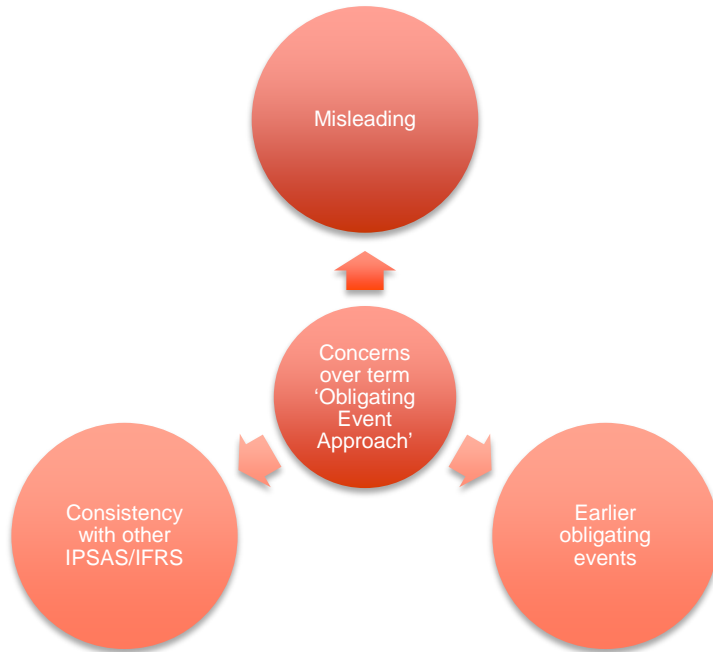
## Revisions to Basis for Conclusions

- Incorporate Alternative View
- Discussion of responses to ED 63
- Explain proposed amendments in respect of being alive



IPSASB asked to review drafting and provide directions

# Obligating Event Approach: Terminology (Agenda Item 5.2.2)



# Obligating Event Approach: Disclosure (Agenda Item 5.2.3)

## Characteristics of Social Benefit Schemes

Disclose expenditure & revenue by scheme?

Staff concerns over revenue

~~Amounts in the Financial Statements~~

Demographic and Economic Factors

IPSASB's views sought

~~Future Cash Flows~~

Implications where not using Insurance Approach

Disclose amounts, not narrative?  
Staff concerns

# Obligating Event Approach: Disclosure –Decisions Required (Agenda Item 5.2.3)

## Does the IPSASB support the staff proposals:

For the disclosure of the characteristics of a social benefit scheme, or wish to incorporate some or all of the changes proposed by the small group of members?

For the disclosure of the demographic and economic factors?

For the disclosure of the election not to use the insurance approach, or wish to incorporate the changes proposed by the small group of members?

That illustrative examples should not be developed?



## Insurance Approach (Agenda Item 5.2.4)

### IPSASB Decisions Reflected:

- Insurance approach remains optional
- Criteria remains fully funded
- No change to application of IFRS 17

### IPSASB Instruction: Relocation of Text

- Insurance approach appears after obligating event approach

### IPSASB Instruction: Additional Guidance

- Contributions by government on behalf of individuals and/or households
- Substance over form in relation to “fully funded”

The IPSASB is asked review the drafting of the insurance approach, and to provide directions to staff

## Other Issues (Agenda Item 5.2.5)

### IPSAS 22 – Information about General Government Sector

- Support staff conclusion that no amendment required?

### IPSAS 24 – Budget Information

- Wish to include additional guidance in IPSAS 24?  
*“For example, social benefits as defined in IPSAS 42 are limited to cash transfers. The GFS classification of social benefits is wider, and includes some individual services provided by governments.”*

### IPSAS 1 – Presentation of Financial Statements

- Support proposed amendments for IPSAS 1
- Support additional proposed amendments to IPSAS 2 Cash Flow Statements



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