



Social Benefits

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Scope and definitions (Agenda Item 8.2.1)

- 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 in the Application Guidance section of the ED, as shown in the draft ED (Agenda Item 8.3)?
- If the IPSASB supports the definitions and guidance, should the following paragraphs be retained or deleted:
 - The penultimate paragraph in the guidance on social benefits; and
 - The final paragraph in the guidance on social risks?

Obligating Event (Agenda Item 8.2.2)

Issues considered:



- ☐ Key participatory event obligating event – analogy with insurance contract
- ☐ Key participatory event obligating event – comparison with Conceptual Framework
- ☐ Liability accumulates over time – comparison with Conceptual Framework

Key Participatory Event – Insurance Analogy (Agenda Item 8.2.2)

Reasons why analogy cannot be sustained:

- Exchange versus non-exchange transactions
- Non-exchange nature may involve separate funding transactions
- Often no clear “coverage period” equivalent
- Only similar if contributory
 - IPSASB decision that the contributory nature of a social benefit does not affect the obligating event for that social benefit
- Might result in inconsistent accounting

Key Participatory Event – Conceptual Framework (Agenda Item 8.2.2)

Does not
meet the
requirements
for
recognition
as a liability:

Key participatory events do not give rise to legal obligations

Key participatory events do not give rise to a valid expectation that the entity has a present obligation

For social benefits, the past event should be the satisfaction of eligibility criteria, not a key participatory event

Not all social benefits could be measured in a way that achieves the QCs if a liability were to be recognized when a key participatory event occurred

Liability accumulates over time – Conceptual Framework (Agenda Item 8.2.2)

Does not
satisfy the
requirements
for
recognition
as a liability:

- The liability accumulates over time obligating event does not give rise to legal obligations
- The liability accumulates over time obligating event does not give rise to a valid expectation that the entity has a present obligation
- Staff has not identified any past event that gives rise to an accumulating present obligation
- Although retirement benefits could be measured in a way that achieves the QCs if an accumulating liability were to be recognized, this is unlikely to be the case for other benefits

Obligating Event (Agenda Item 8.2.2)

- Does the IPSASB support the staff and TBG proposals that:
 - The key participatory event obligating event; and
 - The liability accumulates over time obligating eventShould not be included in the ED?
- If the IPSASB does not support the staff and TBG proposals above, the IPSASB is asked to identify the elements of the analysis in Appendix B with which it disagrees.
- Does the IPSASB support the staff proposal that the ED should not align the recognition and measurement of social benefits with GFS?

Presentation and Disclosure (Agenda Item 8.2.3)

- The IPSASB is asked to consider whether it supports staff's recommendations that:
 - The draft disclosures under the obligating event approach that are included in the draft ED are appropriate.
 - All social benefit schemes that are accounted for under the obligating event approach should adopt the gross presentation.
 - It would be appropriate to include a disclosure of liabilities for social benefits that cannot be measured in a way that meets the QCs in exceptional cases; and if so, that this should form part of the transitional provisions.

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Presentation and Disclosure (Agenda Item 8.2.3)

- The IPSASB is asked to consider whether it supports staff's recommendations that:

(continued)

- Information that goes beyond the amounts recognized in the financial statements should not be provided in the notes to the financial statements, but in a separate GPFR, produced in accordance with RPG 1; if so, the IPSASB is asked whether this GPFR should be:
 - Mandatory or discretionary; and
 - Best produced at the reporting entity or the whole of government level.

Amendments to other IPSASs (Agenda Item 8.2.4)

- The IPSASB is asked to:
 - Confirm that the amendments to IPSAS 19 and IPSAS 28, and the partial amendments to IPSAS 33, included in the draft ED are appropriate;
 - Confirm that no amendments are required to the Conceptual Framework, IPSAS 22, IPSAS 25, or RPG 1; and
 - Confirm that no further amendments to IPSASs are required; or alternatively, identify other IPSASs that require amendment.



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