

PROJECT HISTORY

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Staff presented issues papers on social benefits.

Obligating Event Approach

Staff presented the obligating event approach, outlining the Task Based Group view that a liability only arises when the eligibility criteria for the next benefit have been satisfied; the alternative view that for some benefits, a liability can arise when threshold eligibility criteria have been satisfied; and a third, hybrid view. This hybrid view starts with the alternative view, but permits respondents to rebut the presumption that the valid expectation will always match the legislation. The IPSASB discussed the obligating event approach. There was support for all three views, and no consensus emerged. Consequently, the IPSASB decided that, as a handling approach, the ED should be based on the eligibility criteria for the next benefit have been satisfied as the sole recognition point.

The IPSASB will ensure that the reasons for this approach, and the relationships between accrual IPSAS-based reporting on social benefits, fiscal sustainability reporting and accrual IPSAS-based reporting on non-exchange expenses are fully explained to stakeholders.

Consistency with the Non-Exchange Expenses Project

Staff presented their view that the draft social benefits ED was consistent with the non-exchange expenses project in terms of both scope and recognition and measurement. The IPSASB concurred with this view.

Presentation

The IPSASB agreed that some disclosure of commitments or future cash flows would be required to meet users' needs. Staff will develop options for the IPSASB to consider at the September meeting. These will be kept to a high level, in recognition of the wide variety of social benefit schemes that exist, and will include examples.

The IPSASB agreed to include a Specific Matter for Comment seeking stakeholders' views as to whether RPG 1, *Reporting on the Long-Term Sustainability of an Entity's Finances*, should be made mandatory.

Review of Draft ED

The IPSASB decided not to amend the definition of social benefits and not to include a definition of social benefit schemes. The definitions of social benefits in cash; social benefits in kind; reimbursements; social insurance; social security; and social assistance will be removed as these are not used in the ED. However, guidance that explains the relationship between the scope of social benefits in GFS and in the ED will be added.