

PROJECT HISTORY

Contact: Paul Mason (paulmason@ipsasb.org)

Staff presented a draft IPSAS on social benefits, along with Issues Papers summarizing the decisions the IPSASB needed to take in finalizing the project.

Scope and Definitions

The IPSASB agreed that the definition of social benefits should be defined as:

Social benefits are cash transfers provided 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.*

The IPSASB agreed to provide additional application guidance on cash equivalents, and agreed that the Exposure Draft on *Collective and Individual Services and Emergency Relief* should propose an amendment to the social benefits IPSAS to provide a link to where guidance on transactions outside the scope of the social benefits IPSAS could be found.

Obligating Event Approach: Recognition and Measurement

The IPSASB noted that some respondents to ED 63, *Social Benefits*, especially those who had supported the Alternative View, had concerns that the term “obligating event approach” could be misleading. The IPSASB therefore agreed to rename the approach the “general approach.”

The IPSASB agreed to simplify the measurement requirements by referring to cash payments except where there was a requirement to apply discounting.

Obligating Event Approach: Disclosure Requirements

The IPSASB considered detailed disclosure requirements in respect of the demographic and economic factors that influence the expenditure on a scheme, and additional detailed information to be disclosed when an entity elected not to use the insurance approach. The IPSASB agreed not to include such requirements, instead including a requirement to disclose the expenditure on material social benefit schemes; narrative about whether scheme meets insurance criteria and a description of the demographic and economic factors that influence the expenditure on a scheme.

Amendments to Other IPSAS

The IPSASB agreed to provide additional guidance in IPSAS 24, *Presentation of Budget Information in Financial Statements*, regarding the differences between draft IPSAS 42 and the GFS treatment of social benefits.

The IPSASB also agreed to make minor amendments to IPSAS 1, *Presentation of Financial Statements*, and IPSAS 2, *Cash Flow Statements* to accommodate a new IPSAS on social benefits.