

Item 6: Social Benefits

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IPSASB Consultative Advisory Group Meeting

Toronto, Canada

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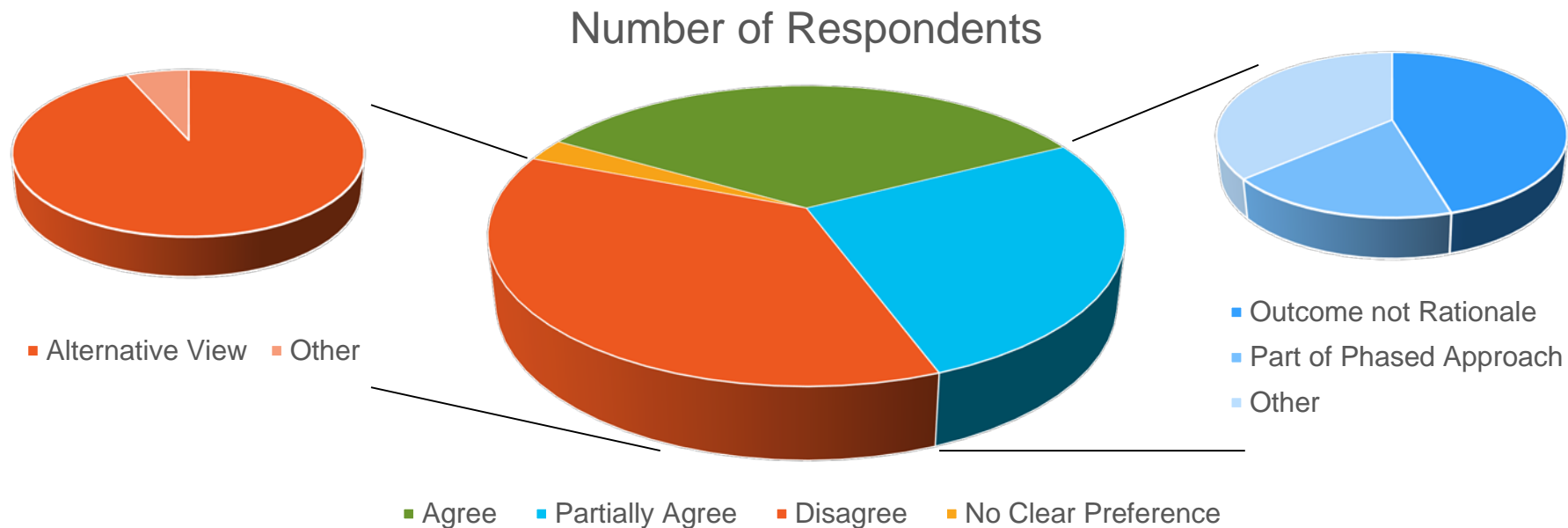
Obligating Event Approach (Agenda Item 6.1)

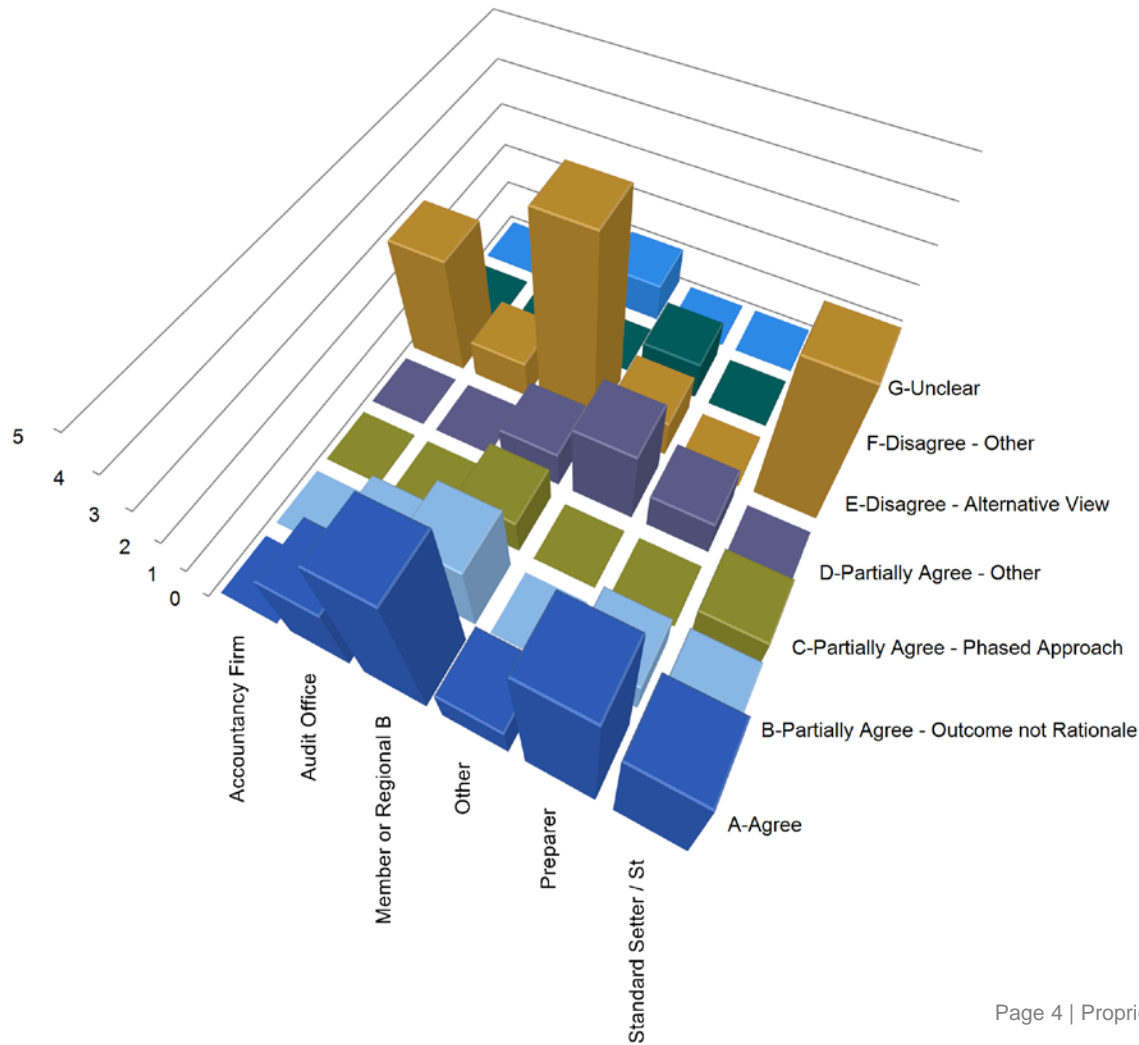
Specific Matter for Comment 4:

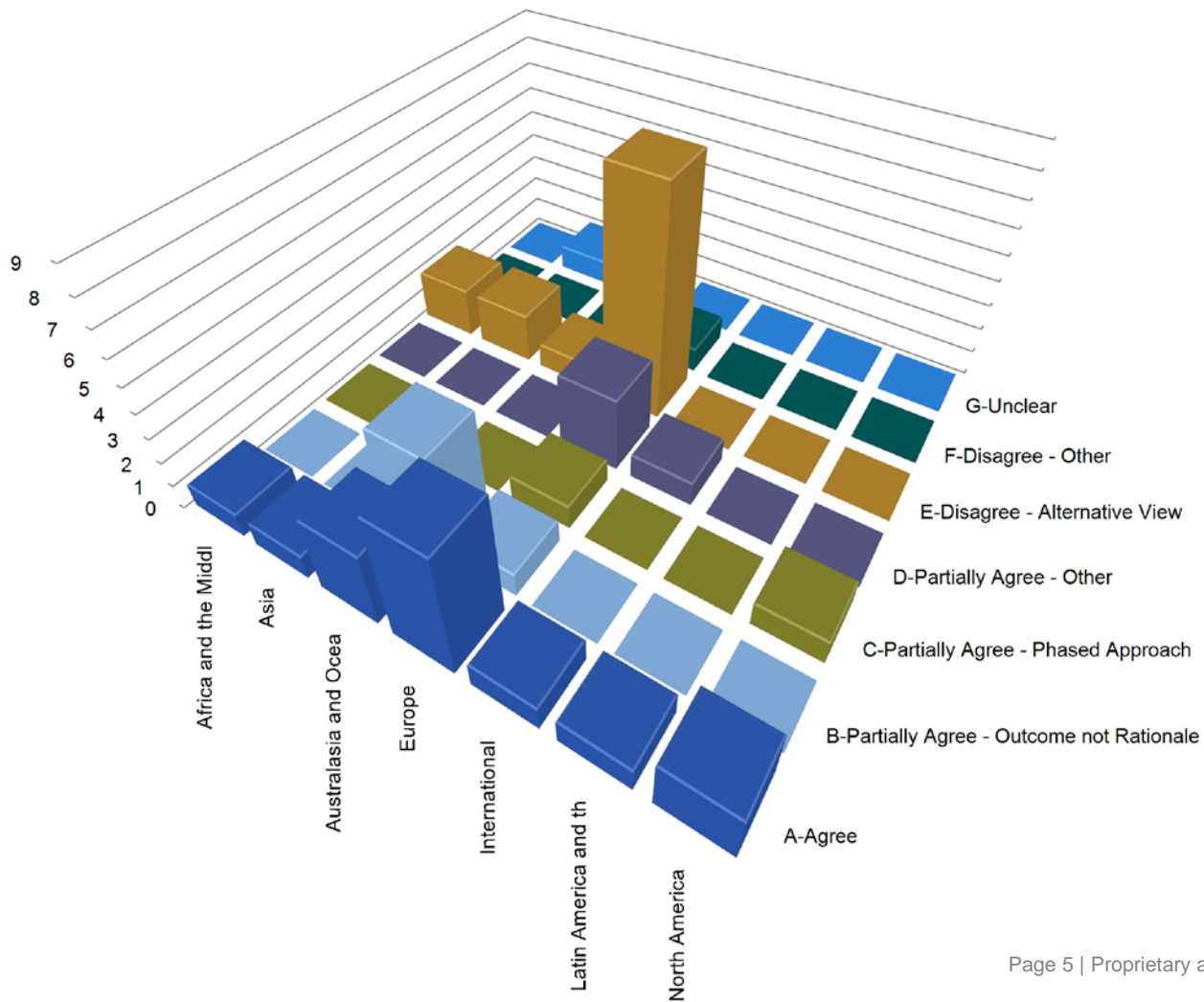
Do you agree that, under the obligating event approach, the past event that gives rise to a liability for a social benefit scheme is the satisfaction by the beneficiary of all eligibility criteria for the next benefit, which includes being alive (whether this is explicitly stated or implicit in the scheme provisions)?

If not, what past event should give rise to a liability for a social benefit?

Obligating Event Approach (Agenda Item 6.1)







Obligating Event Approach: Staff Analysis (Agenda Item 6.1)

Most issues raised already debated by the IPSASB

No new issues raised are significant enough to lead to a modification of the proposals in ED 63

Respondents emphasized the importance of IPSASB issuing a pronouncement on social benefits as soon as possible

Some support for transitional approach

Obligating Event Approach: Post Implementation Review (Agenda Item 6.1)

Advantages	Disadvantages
<p>Issuing an IPSAS based on ED 63 addresses the key issue of social benefits. This is a major gap in the IPSASB literature.</p>	<p>Issuing an IPSAS based on ED 63 would require the IPSASB to issue a standard which would not have the support of a significant proportion of its stakeholders.</p>
<p>Issuing an IPSAS based on ED 63, followed by a post implementation review, will enable users' and preparers' experiences of reporting social benefits to be considered.</p>	<p>These stakeholders did not consider that the proposed requirements in ED 63 would provide users with the full picture regarding social benefits.</p>
<p>Not issuing an IPSAS based on ED 63 would require the project to be restarted, and given the history of the project, there is no guarantee that a new project would reach consensus.</p>	

Obligating Event Approach (Agenda Item 6.1)

Questions to the CAG

Do you agree that it is in the public interest for the IPSASB to approve a standard based on ED 63, as this responds to constituents' needs at this time?

If so, should the IPSASB commit to undertake a post implementation review once the new standard has been in effect for a number of years?

Disclosure of Forward Looking Information (Agenda Item 6.2)

Specific Matter for Comment 5:

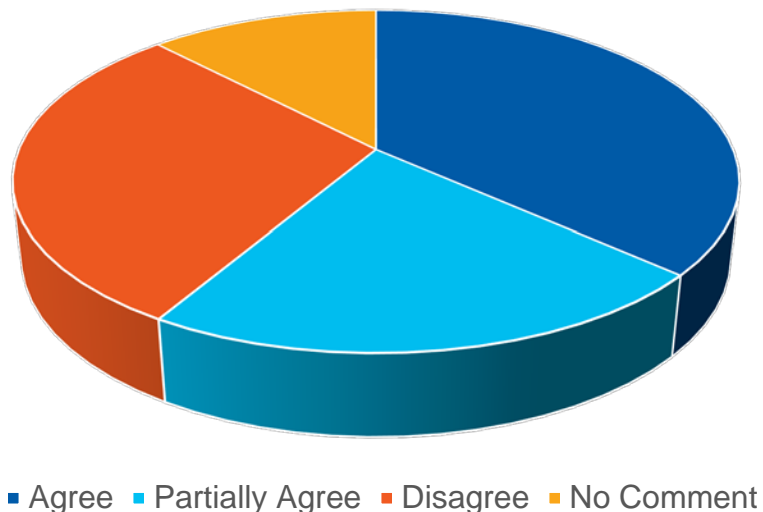
Regarding the disclosure requirements for the obligating event approach, do you agree that:

...

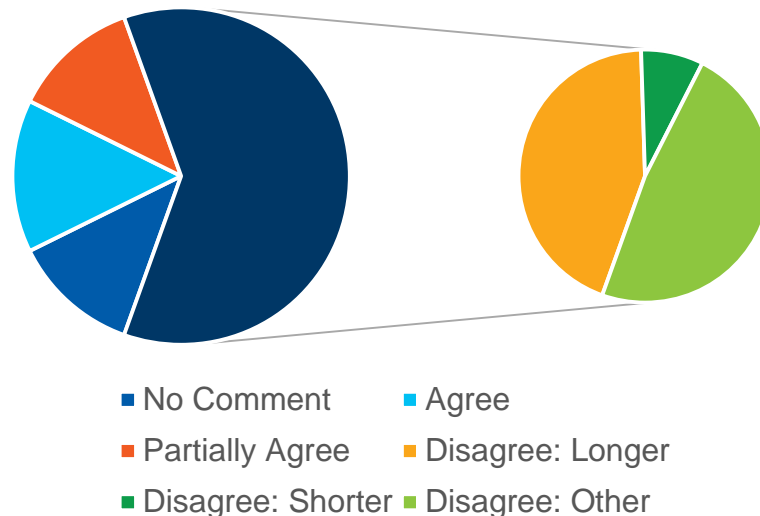
- (c) For the future cash flows related to from an entity's social benefit schemes (see paragraph 34):
 - (i) It is appropriate to disclose the projected future cash flows; and
 - (ii) Five years is the appropriate period over which to disclose those future cash flows.

Disclosure of Forward Looking Information (Agenda Item 6.2)

Disclose Future Cash Flows



Five Years Appropriate



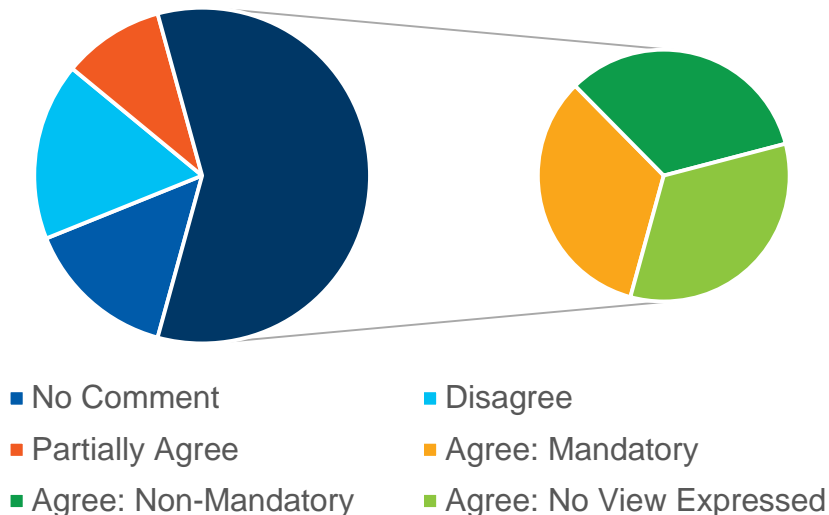
Disclosure of Forward Looking Information (Agenda Item 6.2)

Specific Matter for Comment 6:

Do you think the IPSASB should undertake further work on reporting on long-term fiscal sustainability, and if so, how?

If you think the IPSASB should undertake further work on reporting on long-term fiscal sustainability, what additional new developments or perspectives, if any, have emerged in your environment which you believe would be relevant to the IPSASB's assessment of what work is required?

Number of Respondents



Disclosure of Forward Looking Information: Staff Analysis (Agenda Item 6.2)

No consensus on whether future cash flows should be disclosed, and if so, how

Few jurisdictions have currently produced financial sustainability reports

Staff is recommending a post-implementation review – to include disclosure

Including some disclosures in the final pronouncement will be necessary to provide a benchmark for a post implementation review

Disclosure of Forward Looking Information (Agenda Item 6.2)

Question to the CAG

Given the wide variety of views expressed by respondents, staff is recommending that the IPSASB incorporate a review of disclosures and sustainability reporting into its post implementation review of an IPSAS based on ED 63. Do CAG members consider this approach would be in the public interest, and do they agree that the IPSASB take into account how such disclosures could inform the post-implementation review?



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