

PROJECT HISTORY

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Staff presented issues papers on social benefits

Scope and definitions

The IPSASB agreed to include the following definition of social benefits in the ED:

“Social benefits are 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; but
- (d) Are not universally accessible services.”

The IPSASB also agreed to reflect the exclusion of “universally accessible services” in the scope section of the ED as well as in the definition of social benefits.

Insurance approach

The IPSASB agreed that the insurance approach could be applied to some social benefit schemes. Entities will be able to apply the approach to schemes:

- (a) That are intended to be fully funded from contributions; and
- (b) Where there is evidence that public sector entity manages the scheme in same way as issuer of insurance contract.

The IPSASB instructed staff to undertake further work on the indicators of when a scheme is being managed in the same way as an insurance contract.

The approach will be optional, not a requirement. Where an entity elects to use the insurance approach, the entity will apply the forthcoming IFRS 17, *Insurance Contracts*, by analogy, with no modifications.

Obligating event

The IPSASB agreed not to include the “key participatory event” obligating event or the “liability accumulates over time” approach in the ED.

There was significant debate about whether “staying alive” should be considered as an implicit eligibility criterion that affects recognition, or whether “staying alive” only affects measurement. The IPSASB did not reach any conclusions on this issue. Consequently, the IPSASB did not decide when each of the two obligating events to be included in the ED – “threshold eligibility criteria” and “eligibility criteria for the next benefit” should be used.

The IPSASB instructed staff to undertake further analysis to consider whether the recognition approaches for non-exchange expenses being considered in that project would be helpful in determining when to recognize an expense and liability related to a social benefit.