

IAS 19 *Employee Benefits* (May 2008)

Settlements

The IFRIC received a request to clarify whether some payments of benefits under a defined benefit plan are settlements as defined in IAS 19. The payments in question arise when an existing plan gives plan members the option to choose to receive a lump sum payment at retirement instead of ongoing payments.

The IFRIC noted that events that are covered by the actuarial assumptions underlying the measurement of the defined benefit obligation are not treated as settlements under IAS 19. The IFRIC decided not to add the issue to its agenda because there was little diversity in practice.