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**International
Accounting Standards
Board**

This document is provided as a convenience to observers at Employee Benefits Working Group meetings, to assist them in following the Board's discussion. It does not represent an official position of the IASB. Board positions are set out in Standards.

Note: These notes are based on the staff paper prepared for the Employee Benefits Working Group Meetings. Paragraph numbers correspond to paragraph numbers used in the Employee Benefits paper. However, because these notes are less detailed, some paragraph numbers are not used.

INFORMATION FOR OBSERVERS

Meeting date: 27 June 2008, London

Meeting: Employee Benefits Working Group

Paper: Review of the Discussion Paper Preliminary Views on Amendments to IAS 19 *Employee Benefits* (Cover note)

Introduction

1. The Employee Benefits Working Group was set up in 2006 to provide views and practical advice on the concepts, ideas and proposals developed by the IASB and its staff on the Employee Benefits project.
2. That project was added to the Board's agenda in July 2006 in response to significant concerns that analysts, preparers and other users of financial statements have voiced about the IAS 19 accounting model including:
 - there are too many conceptual compromises;
 - inconsistency with the Framework;
 - the number of options for recognising gains and losses leading to lack of comparability; and
 - the lack of clarity in the definitions of benefit promises.

3. The project aims to make limited scope improvements to IAS 19 *Employee Benefits* in a reasonably short time frame. The main improvements the Board is considering are:
 - a. the removal of the options for deferred recognition of gains and losses in defined benefit plans and the presentation of the cost of defined benefit promises
 - b. a new classification of benefit promises into contribution-based promises and defined benefit promises, with a new measurement attribute for contribution-based promises.
4. The Discussion Paper setting out the Board's preliminary views on the key issues was published on 27 March 2008 with a six month comment period.
5. The Employee Benefits Working Group first discussed the Board's proposals at its meeting in June 2007. Since then, the IASB finalised and published the Discussion Paper.
6. At this meeting, the staff aims to give the Working Group a brief summary of the feedback received to date on each of the 15 questions set out in the Invitation to Comment and allow members of the Working Group to share any practical insights, further information or alternatives for moving forward not yet considered. This is an interim discussion only. The Board and staff hope to host a third EBWG meeting early in 2009 after the Board has considered the comment letters arising from the Discussion Paper.
7. The Agenda for this meeting follows the questions in the Invitation to Comment as a guide. For ease of reference, the Invitation to Comment is attached as an appendix to this cover note.
8. Members of the Working Group are encouraged to continue to be willing to consider ideas beyond their existing practices in favour of working towards improved financial reporting.
9. The staff also seeks the Working Group's views on any ways in which the Group could work more effectively with the Board and staff and any other business that members of the Group may like to raise.
10. The staff will provide feedback to the IASB on the meeting at the next Board meeting at which the Employee Benefits project is discussed.