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**International  
Accounting Standards  
Board**

*This observer note is provided as a convenience to observers at IFRIC meetings, to assist them in following the IFRIC's discussion. Views expressed in this document are identified by the staff as a basis for the discussion at the IFRIC meeting. This document does not represent an official position of the IFRIC. Decisions of the IFRIC are determined only after extensive deliberation and due process. IFRIC positions are set out in Interpretations.*

*Note: The observer note is based on the staff paper prepared for the IFRIC. Paragraph numbers correspond to paragraph numbers used in the IFRIC paper. However, because the observer note is less detailed, some paragraph numbers are not used.*

### **INFORMATION FOR OBSERVERS**

**IFRIC meeting: May 2008, London**  
**Project: IAS19 Settlements (Agenda Paper 5B)**

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1. In March 2008, the IFRIC published the following tentative agenda decision on whether some payments of benefits under a defined benefit plan are settlements as defined in IAS 19.

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.

The IFRIC received one comment letter. The letter supported the IFRIC's decision not to add the issue to its agenda. **The staff asks the IFRIC to confirm its decision.**