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*This document is provided as a convenience to observers at the Analyst Representative Group meeting, to assist them in following the discussions. 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 papers prepared for the ARG meeting. Paragraph numbers correspond to paragraph numbers used in the ARG agenda paper.*

## **INFORMATION FOR OBSERVERS**

**ARG Meeting: February 2009, London**

**Project: Post-employment Benefits Disclosures**  
*(Agenda paper 2)*

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## **Objective**

1. The objective of this paper is to obtain feedback from the ARG on the appropriate disclosures for:
  - a. defined benefit pension plans
  - b. other defined benefit plans
  - c. defined contribution plans (time permitting)
  - d. multi-employer benefits (time permitting).
2. Questions for the ARG are set out in the Appendix.
3. To assist the ARG discussions, the following is provided:

- a. Relevant employee benefit disclosures from the Invesys plc Annual Report for the year ended 31 March 2008 (see agenda paper 2A).
- b. Relevant employee benefit disclosures from the Generico annual report for the year ended 31 December 2007 produced by Report Leadership (see agenda paper 2B).
- c. A summary of post-employee benefit disclosures recommended in the Pro-active Accounting Activities in Europe (PAAinE) discussion paper *The Financial Reporting of Pensions* (see agenda paper 2C).

## **Background**

4. At its January 2009, the Board tentatively decided to develop the proposals in the discussion paper *Preliminary Views on Amendments to IAS 19 Employee Benefits* in two parts, with separate exposure drafts, as follows:
  - Part 1 Recognition and presentation of changes in the defined benefit obligation and in plan assets, disclosures, and any other issues raised in the comment letters that can be addressed expeditiously.
  - Part 2 Contribution-based promises, potentially as part of a comprehensive review of pension accounting.
5. The staff estimates that an exposure draft for part 1 will be published for comment in the last quarter of 2009.
6. Feedback from the ARG will assist staff in developing disclosure proposals for the exposure draft for part 1.

## **Appendix: Questions for the ARG**

### **Question 1 Objective of post-employment benefits disclosures**

What are the objectives of post-employment benefits disclosures?

### **Question 2 Defined benefit pension plans**

Which IAS 19 disclosures are useful? Why?

Which IAS 19 disclosures are not useful? Why?

Are there circumstances which make certain disclosures more useful? If so, what circumstances and which disclosures?

What additional disclosures to IAS 19 would you recommend? If so, to whom should these disclosures apply?

### **Question 3 Other defined benefit plans**

Which IAS 19 disclosures are useful? Why?

Which IAS 19 disclosures are not useful? Why?

Are there circumstances which make certain disclosures more useful? If so, what circumstances and which disclosures?

What additional disclosures to IAS 19 would you recommend? If so, to whom should these disclosures apply?

**Additional questions (time permitting)**

**Question 4 Defined contribution plans**

IAS 19 requires only the disclosure of the amount recognised as an expense for defined contribution plans.

Is this disclosure useful? Why? Why not?

What additional disclosures would you like to see disclosed? If so, to whom should these disclosures apply?

PAAinE discussion paper's preliminary view is that defined contribution plans should be subject to the same disclosures, where applicable, as defined benefit plans. The PAAinE's discussion paper approach is to **not** draw a distinction between defined benefit and defined contribution schemes and considers principles applicable to both schemes. The only net asset or liability arising from defined contributions plans will be unpaid contributions, as under IAS 19. However, the disclosures would be considerably more extensive.

Do you agree that the same disclosures should apply to defined contribution plans as defined benefit plans? Please explain your reasoning.

**Question 5 Multi-employer plans**

IAS 19 requires the same disclosure for multi-employer plans as single-employer plans according to whether the multi-employer plans are classified as defined benefit or defined contributions, when the entity is able to obtain the required information.

Would you recommend any additional disclosures? Please give your reasons.

### **Question 6 Level of disaggregation**

When an entity has more than one defined benefit plan, IAS 19 currently permits disclosures to be presented using the following options:

- a) aggregated as a total
- b) separately for each plan
- c) disaggregated in groupings (eg by geographical location, by risk profiles).

When an entity has more than one defined benefit plan,

- a) What level of aggregation/disaggregation would be useful for pension information?  
Are there circumstances which would influence your answer to this question?
- b) What types of information would be useful to be presented in aggregation or disaggregation?