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**International
Accounting Standards
Board**

This document is provided as a convenience to observers at IASB 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.

These notes are based on the staff papers prepared for the IASB. Paragraph numbers correspond to paragraph numbers used in the IASB papers. However, because these notes are less detailed, some paragraph numbers are not used.

INFORMATION FOR OBSERVERS

Board Meeting: **March 2009, London**

Project: **Post-employment Benefits**

Subject: **Cover note (Agenda paper 8)**

Purpose of this paper

1. This paper provides an overview of the papers for this meeting and describes administrative and timetable matters.

Papers for this meeting

2. At this meeting the staff presents the following papers:

Agenda paper 8A	Presenting the remeasurement component
Agenda paper 8B	Presenting the remeasurement component in the income statement – how it might look using FSP proposals
Agenda paper 8C	Classification of the effects of settlements, curtailments and the effect of the asset ceiling
Agenda paper 8D	Additional guidance on the discount rate
Agenda paper 8E	Multi-employer exemption
Agenda paper 8F	Attribution to periods of service
Agenda paper 8G	Plans with risk sharing
Agenda paper 8H	Definition of short and long term

Agenda paper 8I Tax relating to pension costs

3. A summary of all the staff recommendations is provided in the appendix.

Relationship to tech plan

4. The papers presented for this meeting are in accordance with the January tech plan.

Next steps if the Board does not reach agreement in this meeting

Presentation of the remeasurement component

5. If the discussion of agenda papers 8A and 8B suggests that a single view may not gain sufficient support in a reasonable time, then we will discuss at the next meeting:
 - a. whether it is an appropriate use of resources to continue to try to develop presentation proposals; and
 - b. if not, what options are available to the Board.

Presentation of the effects of settlements, curtailments and the effect of the asset ceiling

6. We do not expect that there will be difficulty in obtaining Board decisions for the matters described in agenda paper 8C.

Issues to be addressed expeditiously

7. Agenda papers 8D-8I address those issues identified by staff as issues that could be addressed expeditiously.
8. At the January meeting, the staff noted that some of these issues, if not addressed in this project, would be considered by IFRIC or by the Board in the Annual Improvements project.
9. We note that the next exposure draft for annual improvements is expected in August 2009, and that we expect the pensions exposure draft to be published in November 2009. Therefore, it may be quicker to deal with some of these issues through the Annual Improvements project rather than this project. However, we have not revised our conclusion that resolving these issues in this project would make IAS 19 significantly easier for preparers to use and result in better information. We will continue to keep under review whether this project, the Annual Improvements project, or the IFRIC would be the best place to resolve any issues.

10. If discussion at this meeting suggests that any of the issues in agenda papers 8D-8I cannot be dealt with expeditiously, then we will remove the issue in question from the scope of the project. This is because the issues outlined in those were included in the scope of the project on the understanding that they would be resolved in one or two meetings. Continuing to deliberate these issues in the current project may place the existing timetable at risk.
11. Accordingly, if the Board is unable to reach a decision on any of the issues in agenda papers 8D-8I, we recommend that re-deliberation of these issues is deferred until either the next Annual Improvements project cycle or the comprehensive review.

Appendix

This appendix summarises the staff recommendations in agenda papers 8A-8I.

AP	Issue	Recommendation
8A	Presenting the remeasurement component	<p>Allow entities to either:</p> <ul style="list-style-type: none"> • present the remeasurement component as one line item • disaggregate the remeasurement component and present the disaggregated components in separate line items on the face of the income statement <p>Prohibit entities from disaggregating the actual return on plan assets on the face of the income statement.</p> <p>Amend IAS 1 to enable entities to present a subtotal that represents profit from continuing operations excluding tax and specified components of pension remeasurements</p>
8B	Presenting the remeasurement component in the income statement – how it might look using FSP proposals	No recommendations
8C	Classification of the effects of settlements, curtailments and the effect of the asset ceiling	<p>The gain or loss on settlement is classified in the remeasurement component.</p> <p>The gain or loss on curtailment is classified in the employment component</p> <p>The effect of the asset ceiling is classified in the remeasurement component</p>
8D	Additional guidance on the discount rate	<p>Do not investigate changing the required discount rate from high quality corporate bonds or government bonds</p> <p>Do not amend IAS 19 to allow the use of an unobservable rate.</p> <p>Amend IAS 19 to include guidance on how to</p>

		determine whether a deep market exists Do not include guidance on determining whether a corporate bond index is high quality.
8E	Multi-employer exemption	A blanket exemption from the defined benefit accounting requirements is introduced for entities that participate in multi-employer plans and that additional disclosures are developed.
8F	Attribution to periods of service	Amend IAS 19 to clarify that expected future salary increases should be included in the assessment of whether a benefit formula attributes a materially higher level of benefit to future years.
8G	Plans with risk sharing	Amend IAS 19 to clarify that conditional indexation and risk sharing features in a plan should be reflected in the measurement of the obligation.
8H	Definition of short and long term	Amend paragraph BC4C of the Basis for Conclusions to IAS 19 to delete the reference to the consistency with IAS 1 which is causing the confusion and adds a sentence to BC4B to explain that ‘due to be settled’ means when the entity expects the benefit to become due to be settled.
8I	Tax relating to pension costs	Amend the definition of return on plan assets so that includes any tax payable that has not been included in the actuarial assumptions used to measure the defined benefit obligation.