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Project	<b>Post-employment benefits</b>
Topic	<b>Proposed project timetable</b>

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## Objective of this paper

1. This paper proposes a project plan to develop the proposals in the exposure draft *Defined Benefit Plans* (the ED) into a final amendment.
2. This paper sets out:
  - (a) the background to the project,
  - (b) the considerations in setting the project timetable;
  - (c) the proposed timetable; and
  - (d) a diagrammatic representation of the critical path for this project.
3. There are no staff recommendations and no decisions are required from the Board at this meeting.

## Background

4. In April 2010, the Board published an ED proposing amendments to IAS 19 to improve the requirements relating to:
  - (a) Recognition of defined benefit plans.
  - (b) Presentation of changes in the net defined benefit asset or liability.
  - (c) Disclosures for defined benefit plans.
5. In addition, the ED proposed to amend IAS 19 to resolve some issues identified in the responses to the discussion paper that preceded the ED. Those proposed

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This paper has been prepared by the technical staff of the IFRS Foundation for discussion at a public meeting of the IASB.

The views expressed in this paper are those of the staff preparing the paper. They do not purport to represent the views of any individual members of the IASB.

Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS—only the IFRS Interpretations Committee or the IASB can make such a determination.

The tentative decisions made by the IASB at its public meetings are reported in *IASB Update*. Official pronouncements of the IASB, including Discussion Papers, Exposure Drafts, IFRSs and Interpretations are published only after it has completed its full due process, including appropriate public consultation and formal voting procedures.

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amendments (the ‘other issues’) were proposed on the basis that they would lead to a worthwhile improvement in the reporting of defined benefit plans, could be made without a fundamental review of defined benefit obligation measurement, and could be done expeditiously.

## Considerations in setting the project timetable

### *Relationship to tech plan*

6. The current work plan envisages the Board finalizing an amendment to IAS 19 in the first quarter of 2011. To meet this objective, we intend that the Board should finish re-deliberations by the end of 2010.
7. In April 2010, the Board directed the staff to publish amendments to IAS 19 relating to termination benefits. The Board had exposed those amendments in June 2005 as part of the project to amend IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the Board discussed them during 2009 and decided then that their finalisation need not await the final amendments to IAS 37. However, due to resource constraints, we have not yet finalised the drafting of those amendments. We propose to publish the termination benefit amendments at the same time as the amendments arising from *Defined Benefit Plans*.

### *Required due process steps*

8. The *IASB Due Process Handbook* set out the due process steps that are mandatory and non-mandatory.
9. The non-mandatory steps identified in paragraph 113 are:
  - (a) publishing a discussion document (eg a discussion paper)
  - (b) establishing working groups or other types of specialist advisory groups
  - (c) holding public hearings (including round-tables), and
  - (d) undertaking field tests.

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10. Paragraph 114 requires that if the Board decides not to undertake those non-mandatory steps defined by the Constitution, it will state its reasons.
11. The discussion paper *Preliminary Views on Amendments to IAS 19* was published in March 2008 and the Board has established the Employee Benefits Working Group.
12. We do not plan to hold a public hearing or to conduct field tests because we believe there will be little additional benefit from doing so due to:
  - (a) the limited scope of the project,
  - (b) the gathering of a wide range of views through our outreach activities during the comment period (see agenda paper 11C),
  - (c) the further discussion of views within the Employee Benefits Working Group (see paragraphs 14 and 15); and
  - (d) the already well developed arguments for and against the amendments.
13. We will continue to conduct various outreach activities during the Board's discussions and if necessary review the conclusion that public hearings and field tests are unnecessary.

**Employee Benefits Working Group**

14. We have scheduled a meeting of the Employee Benefits Working Group on 27 September 2010. The main objective of the meeting is to develop the staff's and Board's understanding of views expressed in responses to the ED.
15. We intend discuss the following items at the meeting (subject to change):
  - (a) A general update, including a proposed timetable for completion of the amendment to IAS 19
  - (b) A summary of outreach activities and, if possible, a preliminary comment letter summary
  - (c) Presentation – response to proposals on the net interest approach
  - (d) Disclosures – response to proposals on defined benefit plan disclosure

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- (e) ED: Measurement uncertainty analysis disclosure for fair value –  
Overview of proposals and responses
- (f) Looking ahead: Update on the post-2011 agenda setting process and  
developing the case for pensions

***Technical considerations***

16. Agenda paper 11C sets out the outreach messages received about each of the ED's proposals. Based on those messages and from an initial reading of the comment letters, we set out below our expectations for the time required for the Board to reach conclusions for the final amendment.

*Recognition*

17. We envisage that the Board will need one meeting to discuss the recognition proposals. The arguments for and against the proposals are well developed and we will not be presenting further alternatives for the Board's consideration.

*Presentation*

18. We envisage that the Board will need one to two meetings to discuss the presentation proposals. If the discussion during the first meeting indicates that a single view on presentation may not gain sufficient support in a reasonable time, then we will discuss at the next meeting whether it is an appropriate use of resources to continue discussions and, if not, what options are available to the Board.

*Disclosure*

19. We envisage that the Board will need one meeting to discuss the disclosure proposals. The papers for that meeting will analyse the proposed requirements on an exceptions basis and consider some disclosure alternatives, where necessary. However we believe that those alternatives will focus on specific proposed requirements and it will not be necessary to reconsider the disclosures in detail.

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*Other proposals*

20. The remaining proposals comprise the other issues the Board chose to address in the exposure draft. Given that the Board intends to address the other issues only if it can do so expeditiously, we envisage that the Board will need one meeting to discuss the remaining proposals.

*Issues identified in the comment letters*

21. Some issues for Board discussion have been identified in the outreach and more may be identified in the comment letters. We propose to summarise all such issues in the comment letter analysis and would expect to address any issues that require discussion with the Board in one or two meetings. We note that, within the proposed timetable, the Board could address new issues only if they can be resolved expeditiously and do not require re-exposure.

**Proposed timetable**

22. The timetable in Appendix A sets out the issues and expected timing of papers we propose to bring to the Board in order to finalise an amendment to IAS 19 by March 2010. While this timetable depends on the Board's decision next month regarding the scope of the project, we have assumed that the Board will not expand the scope to address other areas of IAS 19.

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Appendix A – Proposed timetable

Dates	Proposed Actions
<b>September 6</b>	Comment period ends, staff begin analysis
<b>September 13 – 17 (this meeting)</b>	Board meeting: <ul style="list-style-type: none"> <li>- Proposed project timetable</li> <li>- Overview of outreach activities</li> </ul>
<b>September 27</b>	EBWG meeting
<b>October 18 – 22</b>	Board meeting: <ul style="list-style-type: none"> <li>- Comment letter analysis</li> <li>- <b>Board decision</b> -&gt; Project scope</li> <li>- <b>Board decision</b> -&gt; Recognition               <ul style="list-style-type: none"> <li>o Including unvested past service costs</li> </ul> </li> <li>- <b>Board decision</b> -&gt; Disaggregation and presentation</li> </ul>
<b>November 15 – 19</b>	Board meeting: <ul style="list-style-type: none"> <li>- <b>Board decision</b> -&gt; Disaggregation and presentation (if necessary)</li> <li>- <b>Board decision</b> -&gt; Settlements, curtailments and the asset ceiling</li> <li>- <b>Board decision</b> -&gt; Disclosures about defined benefit plans and multi-employer plans.</li> <li>- <b>Board decision</b> -&gt; Definitions               <ul style="list-style-type: none"> <li>o short and long term employee benefits</li> <li>o whether to group post-employment and long term benefits.</li> </ul> </li> <li>- <b>Board decision</b> -&gt; Risk-sharing</li> </ul>
<b>December 13 - 17</b>	Board meeting: <ul style="list-style-type: none"> <li>- <b>Board decision</b> -&gt; Tax and admin costs</li> <li>- <b>Board decision</b> -&gt; Attribution</li> <li>- <b>Board decision</b> -&gt; Multi-employer plans</li> <li>- <b>Board decision</b> -&gt; Transition</li> <li>- <b>Board decision</b> -&gt; Any other issues identified in the comment letters, if necessary</li> <li>- Sweep issues, if necessary</li> </ul>
<b>December – February</b>	Drafting and balloting <ul style="list-style-type: none"> <li>- <b>Board decision</b> -&gt; Ballot</li> </ul>
<b>March</b>	<b>Issue final standard</b>

Appendix B – Decision map

