

IAS 19 *Employee Benefits* (January 2008)

Definition of plan assets

The IFRIC received a request for guidance on the accounting for investment or insurance policies that are issued by an entity to a pension plan covering its own employees (or the employees of an entity that is consolidated in the same group as the entity issuing the policy). The request asked for guidance on whether such policies would be part of plan assets in the consolidated and separate financial statements of the sponsor.

The IFRIC noted the definitions of plan assets, assets held by a long-term employee benefit fund and a qualifying insurance policy in IAS 19 paragraph 7. The IFRIC noted that, if a policy was issued by a group company to the employee benefit fund then the treatment would depend upon whether the policy was a 'non-transferable financial instrument issued by the reporting entity'. Since the policy was issued by a related party, it could not meet the definition of a qualifying insurance policy.

The IFRIC considered that the issue was too narrow in scope to develop an Interpretation and decided not to add the issue to its agenda.