

Our ref: Tech4/SC0097

International Accounting Standards Board  
30 Cannon Street,  
London EC4M 6XH  
Submitted electronically to [www.iasb.org](http://www.iasb.org)  
26 September 2008

Dear Sir or Madam

## **DISCUSSION PAPER**

### **Preliminary Views on Amendments to IAS 19 Employee Benefits**

We are pleased to present our comments on the above discussion paper, which has been reviewed by CIPFA's Accounting and Auditing Standards Panel.

CIPFA supports the Board's objective of improving the reporting on post-employment benefits in the short term and long term. However, we are concerned that some of the proposals in this Discussion Paper appear to involve a significant reconsideration of current IAS 19 'Employee Benefits' reporting, which go beyond the scope of a short term project. This is particularly relevant to the proposed distinction between contribution-based promises and defined benefit promises, the introduction of fair value measurement for contribution-based promises, and the consequent changes to financial statement presentation.

We appreciate the Board's efforts to address types of plans that give rise to reporting difficulties, such as cash balance plans. However, the proposed definition of 'contribution-based promise' is much wider and would result in many plans being reclassified and subject to very different financial reporting. In our view it would be better if the Board addressed these matters in the long term portion of the improvement project

On the matters covered within the discussion of defined benefit promises, CIPFA supports the removal of the 'corridor' option from IAS 19, and we support the inclusion of this in the short term project.

We also agree that in the long term it would be better if 'expected return' were not presented in primary financial statements, although we do consider that this can be useful information which should be included in management commentary or other explanatory material. It might be possible to improve presentation in this area in the short term, although it would be helpful if this were done with regard to the other work which the Board is carrying out on financial statements presentation.

I hope these comments are a helpful contribution to the development of improved standards.

Yours faithfully  
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