

Employee benefit plans with a guaranteed return on contributions or notional contributions (IAS 19 *Employee Benefits*)—May 2014

The Interpretations Committee observed that the accounting for the plans that fall within the scope of the project is an important issue. These plans are part of a growing range of plan designs that incorporate features that were not envisaged when IAS 19 was first developed. The accounting for these plans in accordance with IAS 19 is problematic and has resulted in diversity in practice.

The Interpretations Committee attempted to develop a solution to improve the financial reporting for such plans. However, it was unable to reach a consensus in identifying a suitable scope for an amendment that would both:

- (a) improve the accounting for a sufficient population of plans such that the benefits would exceed the costs; and
- (b) limit any unintended consequences that would arise from making an arbitrary distinction between otherwise similar plans.

In the Interpretations Committee's view, developing accounting requirements for these plans would be better addressed by a broader consideration of accounting for employee benefits, potentially through the research agenda of the IASB. The Interpretations Committee acknowledged that reducing diversity in practice in the short term would be beneficial. However, because of the difficulties encountered in progressing the issues, the Interpretations Committee decided to remove the project from its agenda. The Interpretations Committee notes the importance of this issue because of the increasing use of these plans. Consequently, the Interpretations Committee would welcome progress on the IASB's research project on post-employment benefits.