

## **IAS 19 *Employee Benefits*** (September 2012)

### **Accounting for contribution-based promises: impact of the 2011 amendments to IAS 19**

The Interpretations Committee received a request for clarification about the accounting in accordance with IAS 19 (2011) for contribution-based promises. An underlying concern in the submission was whether the revisions to IAS 19 in 2011 that, for example, clarified the treatment of risk-sharing features related to defined benefit obligations, affect the accounting for contribution-based promises.

The Interpretations Committee noted that the 2011 amendments to IAS 19 clarified the treatment of risk-sharing features (described in paragraph BC144 as features that share the benefit of a surplus or the cost of a deficit between the employer and the plan participants or benefit plans that provide benefits that are conditional to some extent on whether there are sufficient assets in the plan to fund them). The Interpretations Committee noted that the IASB did not intend to address elements specific to contribution-based promises in the amendments. Accordingly, the Interpretations Committee does not expect the 2011 amendments to cause changes to the accounting for contribution-based promises unless such promises also include elements of risk-sharing arrangements between employees and employers. Finally, the Interpretations Committee noted that the IASB expressed, in paragraph BC148 of the revised Standard, that addressing concerns about the measurement of contribution-based promises and similar promises was beyond the scope of the 2011 amendments.

On the basis of the analysis described above, the Interpretations Committee decided not to add the issue to its agenda. It is, however, working towards proposals to address the accounting for contribution-based promises (see the Interpretations Committee's current agenda).