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CONTACTS	Santosh Sahani	ssahani@ifrs.org	+44 (0) 20 7246 6453
	Kathryn Donkersley	kdonkersley@ifrs.org	+44 (0) 20 7246 6970

Purpose and structure of this paper

1. The purpose of this paper is to summarise preparer fieldwork findings on the employee benefit proposals in the Exposure Draft *Disclosure Requirements in IFRS Standards—A Pilot Approach* (Exposure Draft) and ask the IASB whether it has any questions or comments related to those findings.

2. This paper is structured as follows:

   (a) IAS 19 fieldwork participants (paragraphs 3–5);

   (b) Fieldwork findings—overview (paragraphs 6–14);

   (c) Overall disclosure objective for defined benefit plans (paragraphs 15–17);

   (d) Amounts in the primary financial statements relating to defined benefit plans (paragraphs 18–23);

   (e) Nature of, and risks associated with, defined benefit plans (paragraphs 24–29);

   (f) Expected future cash flows relating to defined benefit plans (paragraphs 30–46);

   (g) Future payments to members of defined benefit plans that are closed to new members (paragraphs 47–50);

(h) Measurement uncertainties associated with the defined benefit obligation (paragraphs 51–57);

(i) Reasons for changes in the amounts recognised in the statement of financial position for defined benefit plans (paragraphs 58–61);

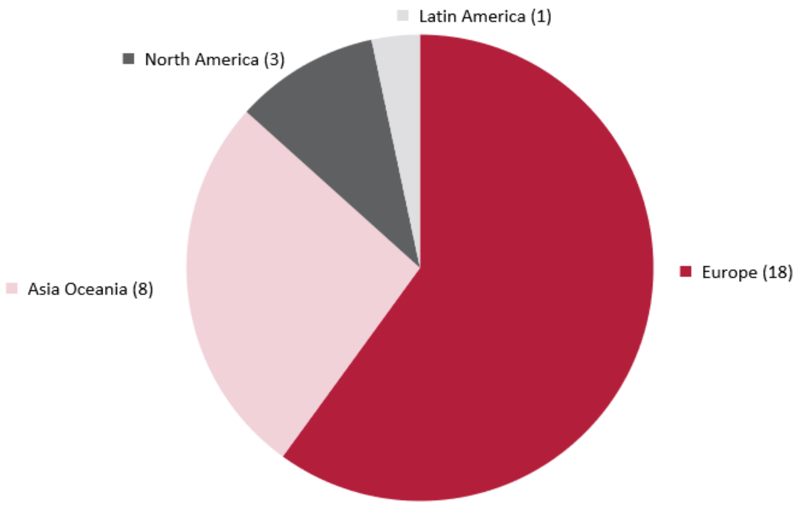
(j) Multi-employer plans and defined benefit plans that share risks between entities under common control (paragraph 62); and

(k) Other types of employee benefit plans (paragraphs 63–66).

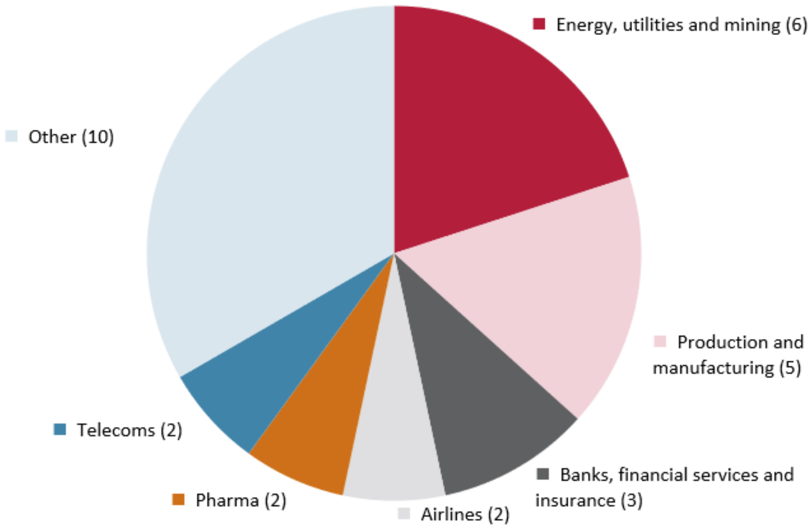
IAS 19 Fieldwork participants

3. 30 of the 50 fieldwork participants applied the proposed disclosure requirements for IAS 19 *Employee Benefits*.

4. The pie chart below summarises IAS 19 fieldwork participants by jurisdiction:



5. The pie chart below summarises IAS 19 fieldwork participants by industry:



Fieldwork findings—overview

6. Most participants found the proposed disclosure objectives for IAS 19 clear and were able to understand the user needs described. However, consistent with the findings in Agenda Paper 11B, the fieldwork participants expressed mixed views on the proposals for IAS 19 overall. In light of the fieldwork, some participants strongly supported the proposals, some strongly disagreed with them, and there were a range of views in between those two extremes. This section summarises feedback:

   (a) from those that supported the proposals, including a summary of changes participants made to their disclosures applying the proposals (paragraphs 8–10);

   (b) from those that did not support the proposals (paragraph 11–12); and

   (c) about the costs of applying the proposals (paragraph 13–14).

7. The sections that follow summarise the fieldwork findings and feedback from participants about each technical aspect of the IAS 19 proposals.

Participants that supported the IAS 19 proposals

8. Participants that supported the IAS 19 proposals said applying the proposals resulted in more useful information about their employee benefits, enabling them

to 'better tell our pension story in a more coherent manner'. Some of these participants used the fieldwork as an opportunity to 'completely rethink' their disclosure note. They said the proposals helped them to consider what is important to users, move away from default disclosures and focus their employee benefit disclosures only on relevant information. This included one small entity with relatively simple defined benefit arrangements.

9. Other participants supported the proposals despite not having made significant changes to their disclosures. These participants said, for example, that the proposals had enabled them to think critically about the structure and content of their note, consider whether it is giving the right information to users, and resulted in 'better tailored and more nuanced' disclosures.

10. Disclosure improvements made by participants included:

    (a) new or improved entity-specific, relevant information. For example, information about:

        (i) the expected future cash flow effects of defined benefit plans (paragraph 33);

        (ii) the risks affecting defined benefit plans, and the strategies in place to manage those risks;

        (iii) how plans are governed and managed;

        (iv) plan-specific arrangements, such as lump sum payments in defined benefit schemes;

        (v) plan assets—for example, greater disaggregation by geography or instrument type, or narrative information about investment strategies, the nature of assets held or valuation methodologies.

    (b) removing or simplifying information that is less useful to users, for example:

        (i) removing or simplifying the sensitivity analysis for reasonably possible changes in assumptions—for example, by removing assumptions for which changes are unlikely to have a material effect, or moving to a scenario-based analysis rather than an input based analysis;

   (ii) removing narrative information that is not entity specific.

(c) improving the communication effectiveness of retained information, for example:

   (i) restructuring the defined benefit note—for example, laying out information by user need, putting the most important information (e.g., about cash flows) near the beginning of the note, presenting previous narrative information in tables or presenting information more concisely;

   (ii) including an executive summary at the beginning of the note, in some cases combining primary financial statement amounts and movements in those amounts into a single table;

   (iii) improving aggregation or disaggregation of information (see paragraph 17);

   (iv) cross-referencing to relevant deferred tax information from elsewhere in the financial statements.

Participants that did not support the IAS 19 proposals

11. Some participants did not support the IAS 19 proposals. This was generally for similar reasons to those described in paragraphs 9–10 of Agenda Paper 11B—i.e., they had concerns about the level of judgement needed to comply with the proposals, and about matters such as comparability and audit.

12. Some added that the items of information in the IAS 19 proposals are similar to the current IAS 19 requirements, and they think their current disclosures satisfy the proposed disclosure objectives. Consequently, they thought the proposals would not result in any meaningful improvement to their disclosures and questioned whether the benefits of the proposals would justify the costs of applying them.

Costs of application

13. Participants provided mixed views about the costs of applying the IAS 19 proposals. As described in paragraph 20 of Agenda Paper 11B, some thought the proposals would be costly to implement because of the need to apply judgement

and demonstrate compliance with objectives-based proposals. Some thought the proposals would result in incremental costs in the first year that would reduce as the approach became more familiar. Others thought the proposals would not be costly to implement because they already apply materiality judgements to their disclosures, or because their disclosures would not change much applying the proposals.

14. With regard to the particular information needed to apply the IAS 19 proposals:

    (a) many participants said the information is readily available. In some cases this was because the information would be similar to their current disclosures. In other cases it was because any additional information needed is already captured or monitored (for example, information about cash flows).

    (b) a few participants said they would incur additional costs to generate the information required by the proposals—in particular, information about expected future cash flows (paragraphs 42–44).

Overall disclosure objective for defined benefit plans

15. Paragraph 147A of the Exposure Draft proposed an overall disclosure objective for defined benefit plans requiring an entity to disclose information that enables users of the financial statements to assess the effect of defined benefit plans on the entity's financial position, financial performance and cash flows and evaluate the risks and uncertainties associated with defined benefits plans. Paragraphs 147B and 147C proposed requirements about the aggregation and disaggregation of defined benefit plan disclosures.

Fieldwork findings

16. Few participants commented specifically on the overall disclosure objective. One participant found the overall disclosure objective useful because it helped them to 'sense check' whether, overall, they are disclosing the right information to users.

17. Other participants that commented on this aspect of the proposals focussed on aggregation and disaggregation of their defined benefit information. A few said

they already provide an appropriate level of disaggregation, with one adding that if particular aspects of defined benefit disclosures need to be further disaggregated then the IASB should specify what those aspects are. A few participants said they would consider providing further disaggregation in light of the proposals—for example, disaggregation by country, by type of funding arrangement in place or a split between amounts relating to active members, deferred members and pensioners. The proposals led one participant to aggregate disclosures for an immaterial defined benefit scheme that had previously been separately disclosed. The participant said users are not interested in details about this scheme, but it had been previously disaggregated at the request of their auditors.

Amounts in the primary financial statements relating to defined benefit plans

18. Paragraph 147D of the Exposure Draft proposed a specific disclosure objective requiring an entity to disclose information that enables users of financial statements to understand the amounts arising from defined benefit plans in the primary financial statements. This is referred to in the Basis for Conclusions on the Exposure Draft—and throughout our discussions with stakeholders—as an upfront 'executive summary'.

19. Paragraph 147E explains that the information required by this specific disclosure objective is intended to help users navigate detailed disclosures about defined benefit plans and reconcile them to the primary financial statements, and identify amounts to include in their analyses. The specific disclosure objective is followed by mandatory requirements to disclose the relevant amounts in each of the primary financial statements, including a requirement to disclose the deferred tax asset or liability arising from defined benefit plans—or a cross-reference to where that information is disclosed elsewhere in the financial statements.

Fieldwork findings

20. Many participants commented on this aspect of the proposals. Some agreed with the need for an upfront executive summary that would enable users to 'assess at a glance' the effect that defined benefit plans have on the primary financial

statements. These participants would add such a summary to their disclosures applying the proposals. A few participants combined this summary with the reconciliation from opening to closing balances of the defined benefit liability or asset (see paragraphs 58–61), to provide one coherent summary of all defined benefit amounts, balances and movements in the reporting period. A few also added a brief narrative explanation to highlight key parts of their defined benefit note—for example, stating how the defined benefit obligation had moved during the reporting period and the main reasons why. Some users participating in a group discussion about preparer fieldwork agreed that executive summaries provided useful information.

21. Some other participants said they already disclose all information necessary to meet the specific disclosure objective. These participants either did not make any changes to their disclosure or added some cross-references within their employee benefit note (for example, cross-referencing to the relevant amounts in the primary financial statements).

22. Some participants commented on the requirement to disclose the deferred tax asset or liability arising from defined benefit plans. They said:

    (a) this disclosure repeats the requirement in paragraph 81(g) of IAS 12 *Income Taxes* and, consequently, encourages duplicate or irrelevant disclosures. Conversely, one participant said the required disclosure would be useful because it would enable a user to isolate the effect of defined benefit schemes on equity;

    (b) it is unclear why the IASB required disclosure of the deferred tax asset or liability arising from defined benefit plans, but not those arising from all other employee benefits.

23. Other feedback on this specific disclosure objective included:

    (a) one participant was concerned about the explanation in paragraph 147E(b), which says information required by the specific disclosure objective is intended to help users to identify amounts to include in their analyses. They said this explanation is not helpful to entities, because they cannot determine the analyses that each user wants to perform.

(b) one participant was concerned about the requirement to disclose the amounts in the statement of cash flows, including contributions by the entity into defined benefit plans. The participant questioned how such information would help to achieve the overall disclosure objective for defined benefit plans (paragraph 15). Specifically, they questioned how information about contributions already paid by an entity would help users to evaluate the risk and uncertainties associated with defined benefit plans. They also recommended that the IASB explicitly permit entities to satisfy this requirement by way of cross reference to the statement of cash flows.

Nature of, and risks associated with, defined benefit plans

24. Paragraph 147G of the Exposure Draft proposed a specific disclosure objective requiring an entity to disclose information that enables users of the financial statements to understand the:

(a) nature of the benefits provided by the defined benefit plans;

(b) nature and extent of the risks, in particular the investment risks, to which the defined benefit plans expose the entity; and

(c) strategies that the entity has in place to manage the defined benefit plans and the identified risks.

25. Paragraph 147H explains that the information required by this specific disclosure objective is intended to help users assess how an entity intends to deliver the benefits promised to members and evaluate how the risks associated with the plans may affect the entity's ability to deliver those benefits in future. The specific disclosure objective is followed by a list of non-mandatory items of information that may enable an entity to meet the objective.

Fieldwork findings

26. Some participants said they would not change their disclosures when applying this specific disclosure objective. A few explained that this is because most items of information in the proposals are similar to the current IAS 19 disclosure requirements. However, some other participants said they would add new

information to their defined benefit plan disclosures applying this specific disclosure objective. Examples included:

(a) the specific risks affecting the plans;

(b) risk management strategies—including investment strategies and details about the instruments held;

(c) how the plans are governed and managed; and

(d) valuation methodologies for illiquid assets.

27. A few of these participants said they would incur costs to obtain the additional information because they would need input from external parties such as actuaries and asset managers.

28. A few participants said this specific disclosure objective created some confusion about the distinction between mandatory and non-mandatory items of information. These participants noted that the disclosure objective *requires* an entity to disclose 'information that enables users to understand the… nature of the benefits provided' by defined benefit plans, while the non-mandatory items of information include 'a description of the nature of the benefits provided' by the plans. Consequently, participants said it was unclear to them whether this item of information is a mandatory requirement.

29. Other feedback provided by one or a few participants included:

(a) a request for the IASB to clarify what it means by 'risks associated with the defined benefit plans'—specifically, whether this refers to investment risks for the plan assets or liquidity risks related to funding.

(b) a concern about 'the expected return on the plan assets' being included as an item of information in the proposals. Participants said this information is subject to judgement and, consequently, would be costly to obtain and of limited use to users.

(c) a concern about the need to disclose confidential information. Participants identified information about transferable financial instruments included in plan assets and information about plan amendments and curtailments as examples.

(d) a concern that it might be difficult to obtain all of the necessary information for entities that make contributions to independently managed defined benefit plans.

Expected future cash flows relating to defined benefit plans

30. Paragraph 147J of the Exposure Draft proposed a specific disclosure objective requiring an entity to disclose information that enables users to understand the expected effects of the defined benefit obligation on the entity's future cash flows and the nature of those effects. Paragraph 147K explains that the information required by this specific disclosure objective is intended to help users assess the effect of the defined benefit obligation on the entity's future cash flows and evaluate how the defined benefit obligation may affect the entity's economic resources, for example, its ability to pay dividends.

31. The IASB included this specific disclosure objective in response to user feedback that information about the likely cash flow effects is the most important information they could get about defined benefit plans and that they do not get sufficient information on this today. The specific disclosure objective is followed by a list of non-mandatory items of information that may enable an entity to meet the objective, application guidance to help entities determine which information is relevant in different circumstances and three illustrative examples.

Fieldwork findings

32. Many fieldwork participants commented on this aspect of the proposals. We have summarised the feedback as follows:

    (a) how participants would apply the specific disclosure objective (paragraphs 33–36);

    (b) usefulness of information (paragraphs 37–40);

    (c) costs (paragraphs 41–44); and

    (d) clarity of the requirements (paragraph 45–46).

How participants would apply the specific disclosure objective

33. Many participants disclosed new information applying this specific disclosure objective. For example:

    (a) a table of future payments, agreed with plan trustees, to reduce a scheme deficit. This disclosure was most common amongst UK fieldwork participants;

    (b) narrative explanation about how management anticipate payments into defined benefit plans will change in future (for example *'we expect payments to be CUX in the next reporting period and do not anticipate any material changes over the next X years'*);

    (c) narrative information about the plan or regulatory rules determining future cash payments from the entity into the scheme, along with management's expectations about how the payments required may change in future; and

    (d) narrative explanation about how investment management strategies are used to match future required payments to plan beneficiaries—thus minimising the risk that the entity will have to make deficit reduction payments.

34. A few participants also restructured their defined benefit note—for example, to present information about cash flow effects at the beginning. These participants agreed that cash flow information is the most useful information for users and thought it should be prominent within their disclosures. This was most common among UK participants. One explained that the focus in the proposals on useful information for users enabled them to consider how to better communicate scheme funding arrangements.

35. Some participants who said they would need to disclose new information to comply with this specific disclosure objective had not prepared that information as part of the fieldwork. In some cases, this was because preparing the information would be costly or practically difficult (see paragraphs 41–44).

36. Some participants thought they could satisfy the specific disclosure objective by disclosing:

(a) information about future payments from the defined benefit plan to beneficiaries (rather than payments from the entity into the plan); or

(b) expected contributions to the plan for the next annual reporting period (as already required by IAS 19).

Usefulness of information

37. Some participants explicitly agreed that disclosure of information about the expected future cash flows relating to defined benefit plans would be useful to users. This was consistent with feedback from users participating in a group discussion about preparer fieldwork who said that cash information was useful (see Agenda Paper 11E).

38. However, a few other participants did not think such information would be the most useful. This was particularly common among French participants who said that, in France, users and other stakeholders are more interested in how an entity will deal with the gross defined benefit obligation than the net deficit or surplus. They view the gross obligation as a social responsibility that an entity holds towards its employees and want to know how that overall responsibility will be discharged.

39. Consider, for example, an entity that has a gross defined benefit obligation of CU1,000 and a net deficit of CU200. The proposed specific disclosure objective is based on the premise that users want to know how the net deficit of CU200 will ultimately be met by the entity—i.e. when and how they will put cash into the plan to address that deficit. However, in France, users would be more interested in how the entity will meet the whole CU1,000 obligation towards its employees. Consequently, they would consider it reasonable to disclose that CU800 of the obligation is funded by the current value of scheme assets. They would view management of the remaining CU200 (for example, managing future scheme assets to meet payments to pensioners as they become due) as a normal part of the entity’s promises to its employees. They also noted that using cash elsewhere in the business rather than using it to address a plan deficit will be a sensible management decision in some cases. Consequently, participants said that in jurisdictions such as France, disclosures about scheme assets and asset management strategies are more important to users than information about

expected future cash flows. Most French participants added that they have never had any questions from users about the cash flow effects of their defined benefit plans.

40. Other participants said information about future cash flows would not be useful to users because of the uncertainty associated with these amounts. One said the information would change every year as new employees or other changes are made to defined benefit plans. Another said the information would be open to manipulation because it depends on future asset returns.

Costs

41. Some participants said the information needed to meet this specific disclosure objective is readily available. Some added that they already monitor (or in a few cases, already disclose) such information because it is useful both to users and in managing the scheme.

42. A few participants said preparing information about expected future cash flows would be costly or practically difficult—particularly when future contributions have not been formally agreed with trustees or specified by law or regulation.

43. A few participants explained that the actuarial or funding valuations that are typically used to determine future contributions are different to the IAS 19 valuation. Participants said they would need to reconcile these different valuations to satisfy the specific disclosure objective and that this would be costly. One added that they thought the proposals should have included guidance for entities on how to address the disconnect between funding and IAS 19 valuations when applying the specific disclosure objective.

44. A few participants said they do not monitor information about future cash flows relating to defined benefit plans beyond one year. Consequently, to comply with this objective they would incur costs creating information only for disclosure purposes—i.e., they do not think the information is useful for managing their defined benefit plans.

Clarity of the requirements

45. Some participants said they understood the intent of the proposed specific disclosure objective only after discussion with the IASB staff—they did not

understand it from the proposals in the Exposure Draft. This included some participants who thought they could satisfy the specific disclosure objective by disclosing information about future payments from the defined benefit plan to beneficiaries or expected future contributions for the next annual reporting period (see paragraph 36).

46. A few participants expressed concerns about the clarity of the specific disclosure objective. They said:

    (a) it is not clear what the IASB means by ‘nature’ of cash flow effects in the specific disclosure objective;

    (b) the period over which future cash flows need to be disclosed, along with the required time bands (e.g., within one year, two to five years etc) should be specified in the proposals;

    (c) the explanation of how users would use the information (‘to evaluate how the defined benefit obligation may affect the entity’s economic resources, for example, its ability to pay dividends’) is broader than the requirement in the specific disclosure objective itself;

    (d) the explanation in paragraph 147M—that an entity may satisfy the specific disclosure objective by disclosing information about the cash flow effects for the defined benefit plan as a whole—is confusing.

Future payments to members of defined benefit plans that are closed to new members

47. Paragraph 147N of the Exposure Draft proposed a specific disclosure objective requiring an entity to disclose information that enables users of the financial statements to understand the period over which payments will continue to be made to members of defined benefit plans that are closed to new members (closed plans).

48. Paragraph 147O explains that the information required by this specific disclosure objective is intended to help users understand the length of time over which the defined benefit obligation associated with closed plans will continue to affect the entity’s financial statements. Unlike for open plans, the period over which an

entity will continue to make payments for a closed plan is unlikely to change significantly and therefore provides meaningful information to users. The specific disclosure objective is followed by a list of non-mandatory items of information that may enable an entity to meet the objective.

Fieldwork findings

49. A few participants would make changes to their disclosures applying this specific disclosure objective, for example by disaggregating information between open and closed plans or adding new information about benefit payments for closed plans.

50. However, a few other participants thought information about closed plans would not be useful to users and questioned why these plans are singled out. They said amounts relating to these plans will gradually reduce and will be insignificant in the plans' final years. One added that the information would be costly and difficult to estimate because the length of time closed plans would continue to affect the financial statements varies with mortality rate. A few participants said their closed plans were immaterial or 'not a big issue', with one adding that closed defined benefit plans are common in some jurisdictions—such as the UK—but not common in other jurisdictions.

Measurement uncertainties associated with the defined benefit obligation

51. Paragraph 147Q of the Exposure Draft proposed a specific disclosure objective requiring an entity to disclose information that enables users of financial statements to understand the significant actuarial assumptions used in determining the defined benefit obligation. Paragraph 147R explains that the information required by this specific disclosure objective is intended to help users assess the sources of measurement uncertainties in the determination of the defined benefit obligations. The specific disclosure objective is followed by a list of non-mandatory items of information that may enable an entity to meet the objective.

52. IAS 19 currently requires disclosure of a sensitivity analysis for each significant actuarial assumption as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes in the relevant

actuarial assumption that were reasonably possible at that date (sensitivity analysis). Such a sensitivity analysis is not named in the non-mandatory items of information included in the proposals. This was in response to feedback from users that detailed line-by-line sensitivity analyses can be overly complex and that there may be simpler ways to meet users' needs around understanding measurement uncertainty.

Fieldwork findings

53. Some participants changed their disclosures applying this specific disclosure objective. They generally considered whether the assumptions and sensitivity ranges previously disclosed were the most relevant ones to investors and amended their disclosures accordingly. A few of these participants said they appreciated the flexibility in the proposals because it enabled them to focus on more relevant information for users. For example, participants:

    (a) simplified their disclosures by removing sensitivity analyses on assumptions for which reasonably possible changes were unlikely to have a material effect on their defined benefit obligation;

    (b) changed how they disclosed the effects of reasonably possible changes in assumptions—for example, disclosing the effects of those changes on the net surplus or deficit rather than only on the defined benefit obligation;

    (c) significantly reduced their sensitivity analysis—for example, identifying discount rate as the most significant assumption and focussing on that—or removing the sensitivity analysis altogether; or

    (d) added narrative disclosures about the reasons behind their assumptions.

54. Many other participants did not make any changes to their disclosures applying this specific disclosure objective. These participants said their current sensitivity analyses satisfied the objective, with some adding that those disclosures were useful to users. One participant said they chose to disclose a detailed sensitivity analysis before it was required by IFRS Standards because the information is useful to users. Another said sensitivity analyses help them to compare their defined benefit position to their peers.

55. A few participants said complying with this specific disclosure objective could be costly. They interpreted the objective to mean they were required to perform a scenario analysis—developing scenarios for different combinations of reasonably possible alternative inputs. They said this would be costly to do and require additional input from actuaries. One participant said that information about alternative actuarial assumptions is not useful because it is subject to judgement.

56. Some participants said some of the proposed items of information were unclear. They said further clarification is needed in the proposals to understand the following items:

(a) the entity's approach to determining the actuarial assumptions used (paragraph 147S(b)). Participants said this disclosure would contain only boilerplate information about actuarial practice.

(b) alternative actuarial assumptions reasonably possible at the end of the reporting period that could have significantly changed the defined benefit obligation (paragraph 147(d)). Participants said it is unclear what the IASB expects entities to disclose, or that this disclosure would contain only boilerplate information about actuarial practice.

(c) a description of how measurement uncertainty affected measurement of the defined benefit obligation (paragraph 147(e)). Participants said this item was difficult to understand and it was unclear what the IASB expects entities to disclose.

57. Furthermore, one participant said the proposed non-mandatory items of information are broader in scope than the requirement in the specific disclosure objective. Consequently, they said it is unclear what users want to understand about the significant actuarial assumptions used by an entity.

Reasons for changes in the amounts recognised in the statement of financial position for defined benefit plans

58. Paragraph 147T of the Exposure Draft proposed a specific disclosure objective requiring an entity to disclose information that enables users of financial

statements to understand the significant reasons for changes in the amounts recognised in the statement of financial position relating to defined benefit plans.

59. Paragraph 147U explains that the information required by this specific disclosure objective is intended to help users evaluate how transactions and other events during the reporting period that relate to defined benefit plans have affected financial position and performance, and therefore identify amounts to include in their analyses. The specific disclosure objective is followed by a mandatory requirement to disclose a tabular reconciliation from opening to closing balances of the net defined benefit liability or asset (reconciliation) and some further non-mandatory information that may enable an entity to meet the objective.

Fieldwork findings

60. Most participants would not change their disclosures applying this specific disclosure objective. This is because IAS 19 already contains a reconciliation requirement. A few participants said they would include the required reconciliation within their executive summary (paragraph 20). A few participants would reconsider the level of aggregation in their reconciliation as a result of applying the proposals.

61. Other feedback provided by one or a few participants included:

  (a) agreement that a reconciliation provides useful information to users and should be required.

  (b) agreement that one reconciliation of the net defined benefit liability or asset should be sufficient and would avoid users having to ‘pick through loads of tables to piece everything together’. However, one participant who had discussed the fieldwork with their auditor reported that their auditor would prefer them to disclose separate reconciliations for plan assets and obligations.

  (c) one participant was concerned about the explanation in paragraph 147U, which says information required by the specific disclosure objective is intended to help users identify amounts to include in their analyses. They said this explanation is not helpful to entities because they cannot determine the analyses that each users wants to perform.

Multi-employer plans and defined benefit plans that share risks between entities under common control

62. Only a few fieldwork participants had these types of plans. Of the participants that did have plans of this type, most reported no significant changes to their disclosures. A few noted that they already disclose all or most of the information named in the proposals.

Other types of employee benefit plans

63. Paragraphs 25A, 54A, 158A and 171A of the Exposure Draft proposed overall disclosure objectives requiring an entity to disclose information that enables users of the financial statements to understand:

    (a) the effect of short-term employee benefits and defined contribution plans on the entity's financial performance and cash flows; and

    (b) the nature of other long-term employee benefits and termination benefits and the effect of those benefits on the entity's financial position, financial performance, and cash flows.

64. The proposals did not include any specific disclosure objectives for these types of employee benefit. This was in response to user feedback that these employee benefits are easy to understand and unlikely to affect their analysis. When these benefits are material to an entity, users want to understand the effect they have on the primary financial statements. The IASB concluded that this user need is captured by the overall disclosure objectives.

Fieldwork findings

65. Few participants commented on other types of employee benefit plans. Those that did described the proposed overall disclosure objectives as generic or boilerplate and a few thought the IASB should also develop specific disclosure objectives for these types of employee benefit. We asked these participants to identify information that they thought should be disclosed that was not captured by the proposed overall disclosure objectives. However, they identified few such examples.

66. Other feedback provided by one or a few participants included:

(a) it is unclear whether and how the IASB expects disclosures about other employee benefits to change compared to today;

(b) it would be helpful to understand what information the IASB think should be disclosed about uncertainties arising from long-term employee benefits and termination benefits and lump sum payments to employees;

(c) it should be relatively easy to develop the cash flow information required to meet the overall disclosure objectives in paragraph 63.

Question for the IASB
Does the IASB have any questions or comments about the fieldwork findings on IAS 19?