

Exposure Draft 59  
*Amendments to IPSAS 25, Employee Benefits*

# **response to exposure draft**

27 April 2016

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

As the world's only professional accountancy body to specialise in public services, CIPFA's portfolio of qualifications are the foundation for a career in public finance. They include the benchmark professional qualification for public sector accountants as well as a postgraduate diploma for people already working in leadership positions. They are taught by our in-house CIPFA Education and Training Centre as well as other places of learning around the world.

We also champion high performance in public services, translating our experience and insight into clear advice and practical services. They include information and guidance, courses and conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients.

Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance. We work with donors, partner governments, accountancy bodies and the public sector around the world to advance public finance and support better public services.

Our ref: Responses/ 160430 SC0225

International Public Sector Accounting Standards Board  
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CANADA  
Submitted electronically

April 2016

Dear IPSASB secretariat

**Exposure Draft 59**

***Amendments to IPSAS 25, Employee Benefits***

CIPFA is pleased to present its comments on this Exposure Draft, which has been reviewed by CIPFA's Accounting and Auditing Standards Panel.

CIPFA supports the main proposals in the Exposure Draft. Comments are provided in the attached annex.

CIPFA has no significant comment to make in connection with Composite Social Security Programs.

I hope this is a helpful contribution to the Board's standards development process. If you have any questions about this response, please contact Steven Cain (e: [steven.cain@cipfa.org](mailto:steven.cain@cipfa.org), t: +44(0)20 7543 5794).

Yours sincerely

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### Specific Matter for Comments

#### *Specific Matter for Comment 1*

*Do you agree with the proposals in the Exposure Draft for revision of IPSAS 25? If not, please indicate what proposed amendments you do not agree with and provide reasons.*

CIPFA agrees with the proposals in ED 59 for the revision of IPSAS 25 to align it with changes to IAS 19 since 2004.

As explained in the Exposure Draft,

- IPSAS 25, Employee Benefits, is drawn primarily from International Accounting Standard (IAS) 19 (2004), Employee Benefits.
- Since 2004, the International Accounting Standards Board has made several revisions to IAS 19 removing the “corridor approach”, introducing the net interest approach for defined benefit plans, amending disclosure requirements for defined benefit plans and multi-employer plans; and simplification of certain requirements for contributions from employees or third parties to a defined benefit plan.

CIPFA has responded to most of the relevant IASB consultations on IAS 19, and the response was supportive in each case. We see no public sector specific reasons why the improvements to IAS 19 should not be taken into IPSAS. We were particularly strong in our support for the removal of the “corridor approach” from IAS 19; we are therefore correspondingly keen that this option should be removed from IPSAS 25.

#### *Specific Matter for Comment 2*

*IPSAS 25 currently includes a section on Composite Social Security Programs (paragraphs 47-49). The IPSASB is considering deleting this section because the IPSASB is not aware that it has been applied in any jurisdiction. If you do not agree that this section should be deleted, please provide a reason for your response along with any proposed revisions.*

CIPFA does not have a view on the retention or deletion of this section. Composite Social Security Programs are not relevant to the United Kingdom or other jurisdictions where CIPFA has significant knowledge and involvement.

We are content that IPSASB should canvas views on this matter and act accordingly.