

## LGPS fund accounting – 2012-13

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## Code of Practice 2011-12

- No major changes for pension fund accounting in 2012-13

## Code Guidance Notes 2012-13

- No major changes in 2012-13

## Example Accounts and disclosure checklist 2012-13

- Minor changes in 2012-13:

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Now includes direct property investment disclosures as per IAS40

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Updated requirements on key management personnel disclosures

Minor amendments to keep in line with the Code

## Other pensions accounting issues

Implications of IAS19(R) adoption in 2013-14  
for 2012-13 accounts



## Other pensions accounting issues

Changes to components of defined benefit charges:

2013-14	2012-13
<p><b>Surplus/Deficit on Provision of Services</b></p> <ul style="list-style-type: none"> <li>a) current service cost</li> <li>b) past service cost</li> <li>c) gains and losses arising from settlements, as permitted by paragraph 6.4.3.12 of the Code;</li> <li>d) net interest on the net defined benefit liability (asset).</li> </ul>	<p><b>Surplus/Deficit on Provision of Services</b></p> <ul style="list-style-type: none"> <li>a) current service cost</li> <li>b) interest cost</li> <li>c) expected return on plan assets</li> <li>d) past service costs</li> <li>e) the effect of any settlements or curtailments</li> </ul>
<p><b>Other Comprehensive Income and Expenditure</b></p> <ul style="list-style-type: none"> <li>a) remeasurements of the net defined benefit liability (asset), to be recognised in other comprehensive income, comprising:               <ul style="list-style-type: none"> <li>i) actuarial gains and losses</li> <li>ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset)</li> <li>iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).</li> </ul> </li> </ul>	<p><b>Other Comprehensive Income and Expenditure</b></p> <ul style="list-style-type: none"> <li>a) actuarial gains and losses</li> </ul>

## Other pensions accounting issues

### Changes to disclosure requirements including:

An authority shall disaggregate the fair value of the plan assets into classes that distinguish the nature and risks of those assets, subdividing each class of plan asset into those that have a quoted market price in an active market (as defined in IFRS 13 Fair Value Measurement) and those that do not; for example an authority could distinguish between:

- a) cash and cash equivalents
- b) equity instruments (segregated by industry type, company size, geography etc)
- c) debt instruments (segregated by type of issuer, credit quality, geography etc)
- d) real estate (segregated by geography etc)
- e) derivatives (segregated by type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, credit contracts, longevity swaps etc)
- (f) investment funds (segregated by type of fund)
- (g) asset-backed securities, and
- (h) structured debt.

## Other pensions accounting issues

### Implications of IAS19(R) adoption in 2013-14 for 2012-13 accounts

#### Requirements of IAS8(Accounting Policies, Changes in Accounting Estimates and Errors):

When an entity has not applied a new IFRS that has been issued but is not yet effective, the entity shall disclose:

- (a) this fact; and
- (b) known or reasonably estimable information relevant to assessing the possible impact that application of the new IFRS will have on the entity's financial statements in the period of initial application.

## Other pensions accounting issues

For the future - separate pension fund accounts.

- Picking up the threads of 2008 consultation on simplifying LA accounts

Thank you

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