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Did you know that the International Accounting Standards Board (IASB) published an Exposure Draft (ED) of proposed amendments to IAS 19 '*Employee Benefits*' and IFRIC 14 '*IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*'? The amendments address two issues submitted to the IFRS Interpretations Committee.

The amendments proposed are:

Remeasurement on a plan amendment, curtailment, or settlement:

- When the net defined benefit liability or asset is remeasured on a plan amendment, curtailment, or settlement, the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.
- The net interest for the remaining period is determined based on the remeasured net defined benefit liability or asset.
- The current service cost and the net interest in the current reporting period before a plan amendment, curtailment, or settlement are not affected by the past service cost or a gain or loss on settlement.
- These amendments should be applied retrospectively, but the IASB proposes providing an exemption for adjustments of the carrying amount of assets outside the scope of IAS 19.

Availability of a refund from a defined benefit plan:

- When an entity determines the availability of a refund from a defined benefit plan, amounts that other parties can use for other purposes are not included in the amount of the surplus that an entity recognizes as an asset on the basis of a future refund.
- A gradual settlement should not be assumed if other parties can wind up the plan without the entity's consent.
- The availability of a refund is not affected by other parties' power to make investment decisions without changing the benefits for plan members.
- When an entity determines the availability of a refund and a reduction in future contributions, the entity takes into account the statutory requirements that are substantively enacted as well as constructive obligations and terms and conditions that have been contractually agreed.
- Regarding the interaction between the asset ceiling and the past service cost or a gain or loss on settlement, IAS 19 shall clarify that the past service cost or a gain or loss on settlement is measured and recognized in profit or loss in accordance with the existing requirements in IAS 19 and changes in the effect of the asset ceiling are recognized in other comprehensive income.

The ED does not contain a proposed effective date. However, the ED proposes that the

amendments be applied retrospectively and that early application be permitted.

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