



IFRS AT A GLANCE
IAS 19 *Employee Benefits*



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SCOPE

All employee benefits except IFRS 2 *Share-based Payment*.

DEFINITION

Employee benefits are all forms of consideration given by an entity in exchange for services rendered or for the termination of employment.

EMPLOYEE BENEFITS

SHORT TERM EMPLOYEE BENEFITS

Employee benefits are those expected to be settled wholly within the 12 months after the reporting period end, in which the employee has rendered the related services. If the entity's expectations of the timing of settlement change temporarily, it need not reclassify a short-term employee benefit.

Compensated absences

- ▶ *Accumulating* - recognise expense when service that increases entitlement is rendered. e.g. leave pay
- ▶ *Non-accumulating* - recognise expense when absence occurs.

All short term benefits

Recognise the undiscounted amount as an expense / liability e.g. wages, salaries, bonuses, etc.

OTHER LONG TERM EMPLOYEE BENEFITS

Employee benefits other than short-term employee benefits, post-employment benefits, and termination benefits.

Statement of financial position

- ▶ Carrying amount of liability = present value of obligation minus the fair value of any plan assets
- ▶ Actuarial gains and losses and past service costs are recognised immediately in profit or loss.

Statement of comprehensive income

Recognise the net total of: Current service cost + Net interest on net defined benefit liability/(asset) + remeasurement of the net defined benefit liability/(asset).

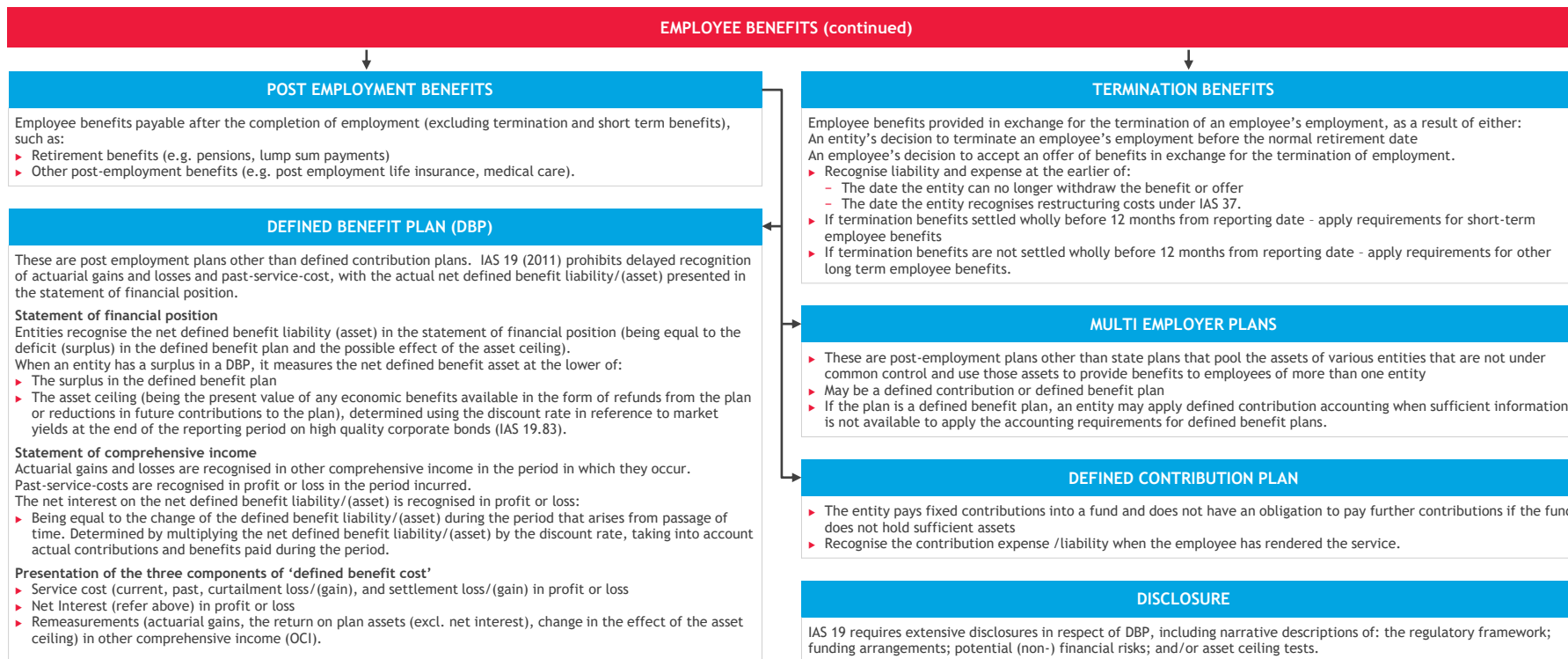
PROFIT SHARING AND BONUS SCHEMES

Recognise the expense when entity has a present legal or constructive obligation to make payments; and a reliable estimate of the obligation can be made.





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







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For further information about how BDO can assist you and your organisation, please get in touch with one of our key contacts listed below.

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