IFRS AT A GLANCE
IAS 26 Accounting and Reporting by Retirement Benefit Plans
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<table>
<thead>
<tr>
<th>DEFINITIONS</th>
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<tr>
<td><strong>Retirement benefit plans</strong>: an arrangement by which an entity provides benefits (annual income or lump sum) to employees after they terminate from service.</td>
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**Defined benefit plans**
A retirement benefit plan by which employees receive benefits based on a formula usually linked to employee earnings.

**Defined contribution plans**
A retirement benefit plan by which benefits to employees are based on the amount of funds contributed to the plan plus investment earnings thereon.

<table>
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<tr>
<th>SCOPE</th>
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<tbody>
<tr>
<td>Financial statements of retirement benefit plans (where such financial statements are prepared).</td>
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<tr>
<th>DISCLOSURE</th>
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<tr>
<td>Disclosure requirements of IAS 26 are onerous. The main disclosures required are set out below. This list is not exhaustive. It is recommended that entities refer to IAS 26.34 - 36 for all disclosure requirements.</td>
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- **Statement of net assets available for benefit**, showing:
  - Basis of valuation
  - Details of any single investment exceeding 5% of net assets or 5% of any category of investment
  - Details of investment in the employer (if any)
  - Liabilities other than the actuarial present value of plan benefits.

- **Statement of net assets available for benefits**, showing:
  - Employer contributions
  - Employee contributions
  - Investment income
  - Other income
  - Benefits paid
  - Administrative expenses
  - Other expenses
  - Income taxes
  - Profit or loss on disposal of investments
  - Change in fair value of investments
  - Transfer to/from other plans.

- **Description of funding policy**
- **Summary of significant accounting policies**
- **Other details about the plan**
- **Description of the plan and of the effect of any changes in the plan during the period**

**Disclosures for defined benefit plans:**
- Actuarial present value of promised benefit obligations distinguishing between vested and non-vested benefits
- Description of actuarial assumptions
- Description of the method used to calculate the actuarial present value of promised benefit obligations.

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<tr>
<th>DEFINED BENEFIT PLANS</th>
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| The report of a defined benefit plan should contain either:
  - A statement that shows the net assets available for benefits; the actuarial present value of promised retirement benefits (distinguishing between vested benefits and non-vested benefits) and the resulting excess or deficit
  - A statement of net assets available for benefits, including either a note disclosing the actuarial present value of promised retirement benefits (distinguishing between vested benefits and non-vested benefits) or a reference to this information in an accompanying actuarial report. |

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<tr>
<th>DEFINED CONTRIBUTION PLANS</th>
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| The report of a defined contribution plan should contain:
  - A statement of net assets available for benefits and a description of the funding policy. |

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<tr>
<th>VALUATION OF PLAN ASSETS</th>
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<tbody>
<tr>
<td>Retirement benefit plan investments must be carried at fair value. If fair values cannot be estimated for certain retirement benefit plan investments, disclosure should be made of the reason why fair value is not used.</td>
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</tbody>
</table>
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