DIGITAL CFO SOLUTIONS • IFRS SERIES

ACTIVE STANDARD

INTERNATIONAL FINANCIAL REPORTING STANDARDS

IAS 19

Employee Benefits

Short-term, post-employment, other long-term and termination benefits — recognition, measurement and disclosure, updated for IFRS 18

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ROADMAP

What We Will Cover

Foundations & Scope

The four categories of employee benefits, and what falls outside IAS 19 entirely

Short-Term Employee Benefits

Wages, paid absences, profit-sharing and bonuses — measured on an undiscounted basis

Defined Contribution Plans

Fixed employer contributions, risk with the employee, straightforward expense recognition

Defined Benefit Plans

The Projected Unit Credit Method, net interest, and remeasurements through OCI

Multi-Employer, Group & Insured Plans

Pooled plans, group entities and state plans — when defined contribution accounting applies

Other Long-Term & Termination Benefits

Long-service leave, redundancy and termination payouts

Disclosure Requirements

Characteristics, amounts, risks and sensitivity — what the notes must show

Worked Illustrations & Developments

Four worked examples plus the 2018 amendment and IFRS 18 presentation impact

PART I — FOUNDATIONS

What Are Employee Benefits?

IAS 19 covers all forms of consideration an entity gives in exchange for service rendered by employees — split into four categories based on timing and the nature of the obligation.

The Four Categories of Employee Benefits

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

1 Short-term employee benefits

Expected to be settled wholly within 12 months after the end of the reporting period in which employees render the related service — wages, paid annual leave, profit-sharing, non-monetary benefits.

2 Post-employment benefits

Payable after completion of employment — pensions, other retirement benefits, post-employment life insurance and medical care. Classified as defined contribution or defined benefit plans.

3 Other long-term employee benefits

All employee benefits other than short-term, post-employment and termination benefits — e.g. long-service or sabbatical leave, jubilee benefits, long-term disability benefits.

4 Termination benefits

Provided in exchange for the termination of employment, as a result of either an entity's decision or an employee's decision to accept an offer in exchange for termination.

FOUNDATIONS

Scope — What IAS 19 Excludes

IAS 19 applies to all employee benefits, including informal practices, except for the items below.

Share-Based Payment (IFRS 2)

Employee benefits settled in, or measured by reference to, the entity's own equity instruments are accounted for under IFRS 2, not IAS 19.

Retirement Benefit Plans (IAS 26)

IAS 19 governs an EMPLOYER's accounting for benefit obligations. Reporting BY the plan itself — the fund's own financial statements — is covered by IAS 26.

Constructive Obligations Are In Scope

IAS 19 applies not only to formal plans and legal obligations, but also to informal practices that create a constructive obligation — where the entity has no realistic alternative but to pay benefits.

Key Definitions

- Fair value: the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (consistent with IFRS 13).
- Actuarial gains and losses: changes in the present value of the defined benefit obligation from experience adjustments and the effects of changes in actuarial assumptions.
- Current service cost: the increase in the present value of the defined benefit obligation resulting from employee service in the current period.
- Past service cost: the change in the present value of the defined benefit obligation for employee service in prior periods, from a plan amendment or curtailment.
- Net interest on the net defined benefit liability (asset): the change during the period from the passage of time, applying the discount rate to the net defined benefit liability (asset).
- Return on plan assets: interest, dividends and other income from plan assets, together with realised and unrealised gains or losses, less costs of managing the plan and any tax payable by the plan.
- Vested employee benefits: benefits not conditional on future employment.
- Legal obligation: arising from a contract, legislation, or other operation of law. Constructive obligation: arising from an entity's own established pattern of past practice.

PART II — SHORT-TERM BENEFITS

Short-Term Employee Benefits

Falling due within 12 months of the related service — accounted for on an undiscounted basis, with no actuarial assumptions required and no possibility of actuarial gain or loss.

Types & the Accounting Principle

Accounting for short-term employee benefits is generally straightforward because no actuarial assumptions are required, and there is no possibility of any actuarial gain or loss.

1 Wages, salaries & social security contributions

Recognised as an expense in the period the employee renders the related service, on an undiscounted basis; any unpaid amount at the period end is recognised as a liability.

2 Short-term compensated absences

Paid annual leave and paid sick leave. Split into accumulating (carried forward) and non-accumulating (lapse if unused) categories — see next slide.

3 Profit-sharing and bonus plans

Recognised only when the entity has a present legal or constructive obligation to make the payments, and a reliable estimate of the obligation can be made.

4 Non-monetary benefits for current employees

Medical care, housing, cars, and free or subsidised goods and services — measured at cost to the entity, recognised as the employee renders service.

Accumulating vs Non-Accumulating Absences

The expected cost of short-term compensated absences is recognised as employees render the service that increases their entitlement, or as the absences occur — depending on the type.

Accumulating Absences

- Carried forward and can be used in future periods if the current entitlement is not used in full (e.g. many paid annual leave and sick leave schemes).
- Cost is recognised as employees render the service that increases their entitlement, whether the entitlement is vesting or non-vesting.
- Non-vesting accumulating entitlements: a liability is still recognised, measured reflecting the probability that employees will not use the accrued entitlement before leaving.
- Measured at the additional amount the entity expects to pay as a result of unused entitlement accumulated at the reporting date.

Non-Accumulating Absences

- Does not carry forward — entitlement lapses if not used in the period, and employees are not compensated in cash on leaving (e.g. most sick leave, maternity leave, jury service).
- No liability or expense is recognised until the absence occurs, because employee service does not increase the amount of the benefit.
- Recognised only when the absence actually takes place, and measured at the cost of the actual absence.

See Illustration I later in this deck for a worked example of an accumulating, non-vesting sick-leave entitlement.

Profit-Sharing and Bonus Plan Recognition

An entity recognises the expected cost of profit-sharing and bonus payments only when the conditions below are met.

- The entity has a present legal obligation to make such payments as a result of past events — e.g. a contractual bonus formula.
- A constructive obligation exists because past practice gives the entity no realistic alternative but to make the payments.
- A reliable estimate of the obligation can be made — met if the plan's formula makes the amount determinable before the financial statements are authorised for issue.
- Where a plan provides that employees who leave before a specified date receive no payment, the obligation is adjusted for expected forfeitures from staff turnover — see Illustration II.
- A liability for profit-sharing and bonuses expected to be settled within 12 months of the period end is classified as a short-term benefit and measured on an undiscounted basis.

PART III — POST-EMPLOYMENT BENEFITS

Defined Contribution Plans

Payable after employment ends, where the employer's obligation is limited to the contributions it agrees to pay into a separate fund.

How Defined Contribution Plans Work

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and has no legal or constructive obligation to pay further contributions if the fund cannot pay all benefits.

The Employer's Obligation Is Fixed

Once the fixed contribution for the period has been paid, the employer has no further obligation — even if the fund cannot pay all benefits relating to service in the current and prior periods.

Risk Sits With the Employee

Actuarial risk (that benefits will be less than expected) and investment risk (that invested assets will be insufficient) fall on the employee, not the employer.

Recognition, Measurement & Disclosure

1 Expense recognition

Contributions are recognised as an expense in the period they are payable, except to the extent another Standard requires or permits their inclusion in the cost of an asset (e.g. IAS 2 or IAS 16).

2 Accrued and prepaid contributions

Unpaid contributions due at the period end are recognised as a liability, net of amounts already paid. Excess contributions are recognised as an asset only to the extent of a future cash refund or reduction in payments.

3 Discounting where due beyond 12 months

Where contributions are not expected to be settled wholly within 12 months of the related service, they are discounted using the discount rate specified for defined benefit obligations.

4 Disclosure

A description of the plan, and the amount recognised as an expense for defined contribution plans, disclosed separately from defined benefit plan disclosures.

PART IV — POST-EMPLOYMENT BENEFITS

Defined Benefit Plans

Any post-employment benefit plan other than a defined contribution plan — the employer bears the actuarial and investment risk, and a detailed actuarial valuation drives the accounting.

How Defined Benefit Plans Work

In a defined benefit plan, the size of the post-employment benefit is defined in advance by a formula, usually based on salary and years of service.

Employer Bears the Shortfall

The employer has a legal or constructive obligation to make good any shortfall if plan assets are insufficient, and enjoys any surplus (through a contribution holiday), subject to the asset ceiling.

Risk Sits With the Employer

Actuarial risk and investment risk fall on the employer. A detailed actuarial calculation, using the Projected Unit Credit Method, determines the expense and balance sheet position.

The Defined Benefit Recognition Principle

Because future benefits cannot be estimated exactly, an entity uses actuarial assumptions to make a reliable estimate of the benefit employees have earned for service in the current and prior periods, and discounts that benefit to present value.

- The obligation is measured on a discounted, present-value basis, because it may be settled many years after employees render the related service.
- The Projected Unit Credit Method is used to attribute benefit to periods of service and to apply actuarial assumptions.
- The net defined benefit liability (or asset) recognised is the deficit or surplus in the plan, adjusted for any effect of the asset ceiling.
- If actuarial assumptions change, the required contributions and the obligation itself change — generating actuarial gains or losses recognised in other comprehensive income.

The Six-Step Method of Accounting

Step	What It Involves
I	Use actuarial assumptions to make a reliable estimate of the amount of future benefit employees have earned from service in the current and prior periods.
II	Discount that benefit using the Projected Unit Credit Method, to arrive at the present value of the defined benefit obligation and the current service cost.
III	Determine the fair value of any plan assets.
IV	Determine the total remeasurements — actuarial gains and losses on the obligation and the return on plan assets — for the period.
V	Where a plan has been amended or curtailed, determine the resulting past service cost.
VI	Where a plan has been curtailed or settled, determine the resulting gain or loss.

The Projected Unit Credit Method

Also known as the accrued benefit method pro-rated on service, or the benefit / years of service method.

- Each period of service gives rise to an additional unit of benefit entitlement, and each unit is measured separately to build up the total obligation.
- Benefit is attributed to periods of service under the plan's own formula, unless service in later years leads to a materially higher level of benefit than in earlier years — in which case benefit is attributed on a straight-line basis.
- The obligation is measured at the present value of estimated future cash outflows, discounted using the yield on high-quality corporate bonds (or government bonds where no deep market exists) of a currency and term consistent with the obligation.
- Actuarial assumptions are unbiased and mutually compatible, reflecting the economic relationships between factors such as inflation, salary growth and discount rates.
- The accumulated present value of the discounted obligation increases with the passage of time, giving rise to net interest recognised each period.

The Components of Defined Benefit Cost

IAS 19 requires the components of defined benefit cost to be recognised as follows.

1 Service cost — in profit or loss

Current service cost, past service cost (from a plan amendment or curtailment), and any gain or loss on settlement.

2 Net interest — in profit or loss

Applying the discount rate used to measure the obligation to the net defined benefit liability or asset, both determined at the start of the period.

3 Remeasurements — in other comprehensive income

Actuarial gains and losses, the return on plan assets (excluding amounts in net interest), and changes in the effect of the asset ceiling (excluding amounts in net interest).

4 No recycling

Remeasurements recognised in OCI are never reclassified to profit or loss in a later period, though the entity may transfer amounts within equity.

Net Interest on the Net Defined Benefit Liability (Asset)

Net interest reflects the financing dimension of the plan, separate from the cost of benefits earned.

- Calculated by multiplying the net defined benefit liability (or asset) at the start of the annual reporting period by the discount rate determined at that date, taking account of changes during the period from contributions and benefit payments.
- The discount rate is determined by reference to market yields at the reporting date on high-quality corporate bonds — or, absent a deep market, government bonds — of a currency and term consistent with the obligations.
- Net interest can be viewed as comprising interest income on plan assets, interest cost on the defined benefit obligation, and interest on the effect of the asset ceiling.
- Because it is calculated on the opening balance, net interest does NOT equal the actual return on plan assets — the difference is a remeasurement recognised in OCI.

Net Defined Benefit Liability (Asset) & the Asset Ceiling

The amount recognised in the statement of financial position is the deficit or surplus in the defined benefit plan, subject to a ceiling.

Net Defined Benefit Liability (Asset)

Present value of the defined benefit obligation, MINUS the fair value of any plan assets at the reporting date.

The Asset Ceiling

A recognised surplus is limited to the present value of economic benefits available as refunds from the plan or reductions in future contributions — the 'asset ceiling' under IFRIC 14. Changes in it (excluding net interest) are remeasurements in OCI.

Actuarial Assumptions

Demographic Assumptions	Financial Assumptions
Mortality rates, before and after retirement	Discount rate
Rates of employee turnover, disability and early retirement	Expected future salary and benefit levels (allowing for seniority, promotion and inflation)
Claim rates under medical plans for former employees	Future medical cost levels, including trends specific to medical treatment
Proportion of plan members with dependants eligible for benefits	Taxes payable by the plan on contributions or on benefits

Actuarial assumptions must be unbiased (neither imprudent nor excessively conservative) and mutually compatible with one another.

Plan Amendments, Curtailments & Settlements

The 2013 revision, refined by a 2018 narrow-scope amendment, governs how these events are measured and recognised.

Plan Amendment

Introduction, withdrawal, or change of a defined benefit plan. Past service cost — the change in the obligation for prior service — is recognised immediately in profit or loss, whether vested or unvested.

Curtailment

A significant reduction by the entity in the number of employees covered by a plan, or a change so a significant element of future service no longer qualifies for benefits, or qualifies for reduced benefits.

Settlement

A transaction that eliminates all further legal or constructive obligation for part or all of the benefits under a defined benefit plan, e.g. a lump-sum cash payment to plan participants.

PART V — POOLED & GROUP ARRANGEMENTS

Multi-Employer, Group & Insured Plans

Not every defined benefit plan is accounted for with a full standalone actuarial valuation — pooled, group and insured arrangements follow their own rules.

Multi-Employer Plans

Multi-employer plans are defined contribution or defined benefit plans (other than state plans) that pool the assets contributed by various entities not under common control, using those assets to provide benefits to employees of more than one entity, with contribution and benefit levels set without regard to the identity of the employing entity.

- An entity classifies its interest in a multi-employer plan as defined contribution or defined benefit under the terms of the plan, including any constructive obligation beyond the formal terms.
- If accounted for as a defined benefit plan, the entity accounts for its proportionate share of the obligation, plan assets and cost, on the same basis as any other defined benefit plan.
- If sufficient information is NOT available to use defined benefit accounting, the entity accounts for the plan as if it were a defined contribution plan, and discloses that fact together with any available information about the surplus or deficit.
- See Illustration IV for a worked example of a multi-employer plan accounted for on a defined-contribution basis due to lack of information.

Group Plans, State Plans & Insured Benefits

Group Administration Plans

Single-employer plans combined to pool assets and reduce administration costs, but with claims segregated by employer — accounted for on a single-employer basis, NOT as a multi-employer plan.

State Plans

Established by legislation to cover all entities (or a category of entities), operated by government — accounted for like multi-employer plans, generally as defined contribution unless the entity bears the shortfall.

Insured Benefits

Premiums paid to an insurer create a defined contribution plan only if the entity has no further obligation should the insurer fail to pay all future benefits — otherwise it remains a defined benefit plan.

PART VI — OTHER LONG-TERM BENEFITS

Other Long-Term Employee Benefits

Benefits that are neither short-term, post-employment, nor termination — measured similarly to defined benefit plans, but recognised entirely in profit or loss.

Recognition and Measurement

Other long-term employee benefits include long-service or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits, and profit-sharing, bonuses and deferred compensation not payable wholly within 12 months of the related service.

- ✦ An entity recognises a liability equal to the net total of the present value of the defined benefit obligation at the reporting date, minus the fair value of any plan assets out of which the obligations are to be settled directly.
- ✦ Unlike post-employment defined benefit plans, IAS 19 requires a SIMPLIFIED method: the net total of service cost, net interest and remeasurements is recognised immediately, entirely in profit or loss.
- ✦ There is no separate OCI component and no deferral mechanism, avoiding the complexity of separating and deferring actuarial gains and losses for benefits without the long deferral horizon of a pension.

PART VII — TERMINATION BENEFITS

Termination Benefits

Provided in exchange for the termination of employment — recognised at the earlier of when the offer cannot be withdrawn and when related restructuring costs are recognised.

Recognition & Measurement of Termination Benefits

Termination benefits arise from an entity's decision to terminate employment, or an employee's decision to accept an offer in exchange for termination — NOT from employee service.

Recognition Trigger

A liability and expense are recognised at the earlier of: (a) when the entity can no longer withdraw the offer of benefits; and (b) when the entity recognises costs for an IAS 37 restructuring that involves paying termination benefits.

Measurement

Measured according to the nature of the benefit: if an enhancement to post-employment benefits, apply those requirements; if settled within 12 months, apply short-term benefit requirements; otherwise apply other long-term benefit requirements (discounted).

PART VIII — DISCLOSURE

Disclosure Requirements

IAS 19's disclosure objectives fall into three groups: the characteristics of an entity's defined benefit plans, the amounts in the financial statements, and the risks arising from those plans.

DISCLOSURE

Characteristics of Defined Benefit Plans

- The nature of the benefits provided, e.g. final salary plans, contribution-based plans with a promised return, or plans with other notable features.
- A description of the regulatory framework in which the plan operates, e.g. the level of any minimum funding requirements.
- A description of any other party's responsibility for the governance of the plan, e.g. the responsibilities of trustees or plan board members.
- A description of any risks to which the plan exposes the entity, focused on unusual, entity-specific or plan-specific risks, and of any significant concentrations of risk.
- A description of any plan amendments, curtailments and settlements occurring during the period.

DISCLOSURE

Amounts in the Financial Statements

IAS 19 requires an explanation of how defined benefit plans affect the amounts, timing and uncertainty of future cash flows, built around the following reconciliations.

Reconciliation / Disclosure	What It Shows
Defined benefit obligation	Opening to closing reconciliation: current service cost, interest cost, remeasurements, benefits paid, past service cost, and effects of business combinations, curtailments and settlements.
Fair value of plan assets	Opening to closing reconciliation: interest income on plan assets, remeasurements, contributions, benefits paid, and effects of business combinations and settlements.
Effect of the asset ceiling	Opening to closing reconciliation of any effect of the asset ceiling, including interest on that effect.
Total defined benefit cost	Split between amounts recognised in profit or loss (service cost, net interest) and amounts recognised in OCI (remeasurements).
Plan assets by class	Disaggregation of plan assets by class, e.g. cash, equity instruments, debt instruments, property, and investments with the entity itself.

Where an entity participates in multiple defined benefit plans, disclosures may be given in total, separately for each plan, or grouped in whatever way is considered most useful.

DISCLOSURE

Risk Disclosures & Sensitivity Analysis

Sensitivity Analysis

For each significant actuarial assumption, the sensitivity of the defined benefit obligation to reasonably possible changes at the reporting date, and the methods and assumptions used.

Asset-Liability Matching

A description of any asset-liability matching strategies used by the plan or the entity, including the use of annuities and other risk-management techniques.

Maturity Profile

Information about the maturity profile of the defined benefit obligation, including the weighted average duration and the timing of expected benefit payments.

PART IX — APPLICATION

Worked Illustrations

Four institutional-grade examples covering compensated absences, profit-sharing, the Projected Unit Credit Method, and multi-employer plan accounting.

Illustration I — Accumulated Cost of Compensated Absence

FACT PATTERN

An entity has 100 employees, each entitled to five working days of paid sick leave per year. Unused sick leave may be carried forward for one calendar year, taken first out of the current year's entitlement and then out of any balance brought forward (a LIFO basis). At 30 December 20X1, the average unused entitlement is two days per employee. The entity expects, based on past experience, that 92 employees will take no more than five days of paid sick leave in 20X2 and the remaining eight employees will take an average of six-and-a-half days each.

SOLUTION

The entity expects to pay an additional 12 days of sick pay as a result of the unused entitlement accumulated at 31 December 20X1 (one-and-a-half days each, for eight employees).

The entity therefore recognises a liability equal to 12 days of sick pay — this is a non-vesting, accumulating compensated absence, so the cost is recognised as the additional amount expected to be paid as a result of the unused entitlement, not the full undiscounted five-day annual entitlement.

Illustration II — Profit-Sharing and Bonus Plan

FACT PATTERN

A profit-sharing plan requires an entity to pay a specified proportion of its profit for the year to employees who serve throughout the year. If no employees leave during the year, total profit-sharing payments for the year will be 3% of profit. The entity estimates that staff turnover will reduce the payments to 2.5% of profit.

SOLUTION

The entity has a present legal obligation under the plan formula, and turnover experience allows a reliable estimate of the forfeiture rate.

The entity recognises a liability and an expense of 2.5% of profit — the amount adjusted for expected forfeitures, not the gross 3% that would apply if no employees left during the year.

Illustration III — Projected Unit Credit Method

FACT PATTERN

An employer pays a lump sum on retirement equal to 1% of final-year salary for every year of service. An employee is expected to work 5 years; salary is expected to rise 8% p.a. from $10,000 in 20X1. The discount rate is 10% p.a. Required: the amount chargeable to each year 20X1–20X5, using the Projected Unit Credit Method.

SOLUTION — final salary in 20X5 is $13,605 (at 8% p.a.); lumpsum entitlement $136 (1%) per year of service, $680 in total, discounted at 10% ($’000):

($’000)	20X1	20X2	20X3	20X4	20X5
Opening obligation	0	93	204	336	494
Interest (10%)	0	9	20	34	50
Current service cost	93	102	112	124	136
Closing obligation	93	204	336	494	680

The obligation builds to $680 over five years. Opening obligation is the prior year’s closing balance; interest is charged on that opening balance; current service cost is the future benefit attributed to the current period; closing obligation totals the three. If actuarial assumptions later prove incorrect, the difference is recognised as an actuarial gain or loss in OCI.

Illustration IV — Multi-Employer Plan

FACT PATTERN

An entity participates in a multi-employer defined benefit plan that does not prepare plan valuations on an IAS 19 basis, so it accounts for the plan as if it were a defined contribution plan. A non-IAS 19 funding valuation shows a deficit of $100 million in the plan. The plan has agreed a contractual schedule of contributions with participating employers to eliminate the deficit over the next five years. The entity's total contributions under the contract are $8 million.

SOLUTION

Because IAS 19-basis information is not available, the entity continues to account for its interest in the plan as a defined contribution plan for the ongoing service cost.

For the contractual deficit-recovery contributions, the entity recognises a liability for the contributions payable, adjusted for the time value of money, and an equal expense in profit or loss.

This treatment reflects IAS 19's requirement to account for an agreed schedule of deficit contributions even when full defined benefit accounting for the plan as a whole is not practicable — together with disclosure of the plan's multi-employer nature and funding status.

PART X — RECENT DEVELOPMENTS

Amendments & IFRS 18 Impact

The 2018 narrow-scope amendment on plan amendment, curtailment or settlement, and how IFRS 18 reshapes the presentation of net interest and service cost from 2027.

Plan Amendment, Curtailment or Settlement (2018 Amendment)

Effective for annual periods beginning on or after 1 January 2019, this amendment clarified the interaction between a plan event and the reassessment of actuarial assumptions.

- Before the amendment, IAS 19 was not explicit on how to determine current service cost and net interest for the REMAINDER of the period after a plan amendment, curtailment or settlement.
- The amendment requires an entity to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period following such an event.
- An entity now also recognises in profit or loss — as part of past service cost or a gain/loss on settlement — any reduction in a surplus, even if that surplus was not previously recognised because of the asset ceiling.
- The related disclosure requirement for the effect of a plan amendment, curtailment or settlement on the asset ceiling was updated at the same time.

Impact of IFRS 18 on Employee Benefit Cost Presentation

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 and is effective for annual periods beginning on or after 1 January 2027 (early application permitted).

Service Cost — Operating

Current and past service cost relate to employee service and, for most entities, are classified in the OPERATING category of the statement of profit or loss.

Net Interest — Financing

Net interest on the net defined benefit liability (asset) reflects the time value of money and is generally classified in the FINANCING category under IFRS 18's defined structure.

What Does NOT Change

IFRS 18 does not alter how the net defined benefit liability or asset is recognised, measured, or disclosed under IAS 19 — the impact is purely about which income statement category each component lands in.

SUMMARY

Key Takeaways

Short-term benefits are simple

No discounting, no actuarial assumptions — recognised as an expense as employees render service.

Risk allocation defines the plan

Defined contribution: risk with the employee. Defined benefit: risk with the employer.

The PUC method drives DB measurement

The Projected Unit Credit Method attributes benefit to service and discounts it to present value.

Remeasurements never recycle

Actuarial gains/losses and the return on plan assets are recognised in OCI, and never reclassified to profit or loss.

Multi-employer plans may default to DC accounting

Where sufficient information is unavailable, a multi-employer defined benefit plan is accounted for as defined contribution, with disclosure.

Presentation is evolving

IFRS 18 splits service cost (operating) from net interest (financing) in the income statement from 2027.

A Career Built on Making IFRS Understandable

BD

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B D Chatterjee is a Chartered Accountant and financial thought leader with over 35 years of global experience spanning corporate finance, accounting standards, financial reporting, business valuation and financial due diligence. As a seasoned CFO, he has led finance functions across major corporations and now heads Digital CFO Solutions, a platform delivering institutional-grade IFRS, US GAAP and valuation workbooks alongside fractional CFO services.

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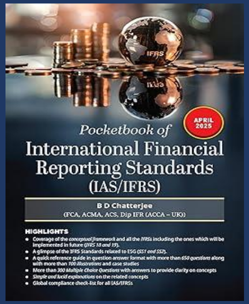

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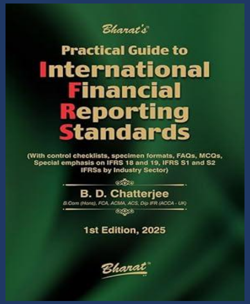

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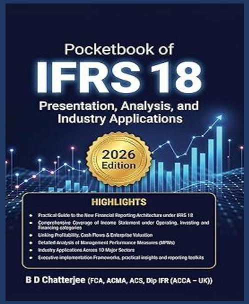
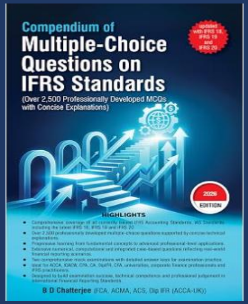
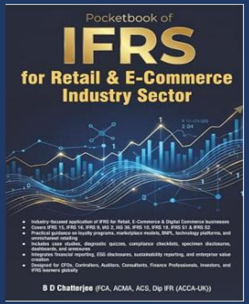


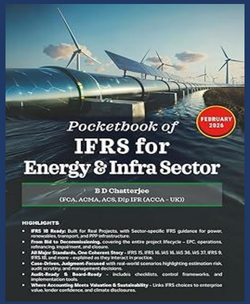
Pocketbook of IFRS 18 — Presentation, Analysis & Industry Applications



Compendium of Multiple-Choice Questions on IFRS Standards



Pocketbook of IFRS for Retail & E-Commerce Industry Sector



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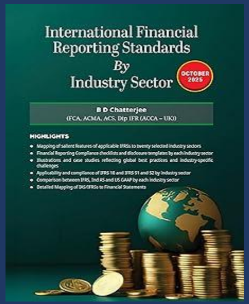

International Financial Reporting Standards by Industry Sector

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