

**Minutes of the Conference Call meeting of the
Accounting Subcommittee of the IAA Pensions & Employee Benefits Committee
11 June 2007**

Present:

Gary Hibbard (Chair) (UK)
Alf Gohdes (Vice-Chair) (Germany)
Ron Gebhardtsbauer (US)
Tim Furlan (Australia)
Manuel Peraita (Spain)
David Cule (UK)
Esko Kivisaari (Chair, Pensions & Employee Benefits Committee)
William Sohn (US – interested party)

Apologies:

Jaco Langner (South Africa)
Jim Verlautz (US)

1. The subcommittee welcomed Messrs Peraita and Cule.

The chair noted that a number of the members of the subcommittee were not active and asked if anyone knew of actuaries in other countries who would be interested in joining the subcommittee that they contact the Secretariat of the IAA (Secretariat@actuaries.org).

Action: All to consider actuarial representation from interested parties.

2. The subcommittee agreed that the terms of reference should be extended to enable it to comment as appropriate on standards other than IAS19 but which are used internationally nonetheless. For instance, the subcommittee had already made comments on the consultation from the IPSASB.

The subcommittee noted that, subject to due process, it could offer to make any such comments through the local actuarial body for the country whose pension accounting standard was being commented on. It was also noted that the subcommittee had strong direct links to the relevant parties who would likely input to pensions accounting consultations on behalf of local actuarial bodies.

Action: GH/EK to seek approval from PEBS to extend terms of reference

3. The updates on the IPSASB consultation and the proposed expansion of IASP2 to cover process for employee benefits accounting were noted.

Action: GH to contact the IPSASB to see if the IAA can be of further assistance in relation to the development of their proposed standard for public sector entities.

4. Mr. Peraita provided feedback from the first meeting of the IASB working party reviewing IAS19, noting there had been wide ranging views on the preliminary papers. In particular on:
 - Reporting pension costs in the performance statements
 - PBO vs ABO accounting preferences
 - The role of the corridor
 - Should different accounting rules apply to DB/DC/Hybrids, and how to define such benefit types.

The subcommittee would meet again when the draft minutes of the first IAS19 working party meeting were available to help inform a more ranging discussion of these issues by the subcommittee.

Mr. Peraita noted that the next meeting of the working party was expected in the Autumn though no date had yet been indicatively set.

Action: MP/GH to set up an audio meeting expected to be end July/early August.

5. The subcommittee discussed how it could most effectively support Messrs. Peraita and Verlautz going forward. It was agreed that the subcommittee meet one to two weeks before each future meeting of the IAS19 working party when (non-confidential) pre-read would be available for review and comment.

Although there are distinct differences between insurance and employee benefits accounting, it would help bring perspective to invite onto the subcommittee a representative from the insurance accounting committee.

Action: GH to establish meetings, and contact Sam Gutterman to invite a representative from the Insurance Accounting Committee to future meetings.