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Correspondant
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Your references

Our references
C – 2013/39

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12.06.2013

Dear Sir, Madam,

Invitation to comment – IASB ED *Defined Benefit Plans: Employee Contributions*

The Belgian Accounting Standards Board (BASB) is pleased to respond to the Exposure Draft on *Defined Benefit Plans: Employee Contributions – Proposed Amendments to IAS 19* issued by the IASB (the “Boards”) on 25 March 2013 (hereinafter the “ED”).

Question 1: Reduction in service cost

The IASB proposes to amend IAS 19 to specify that contributions from employees or third parties set out in the formal terms of a defined benefit plan may be recognised as a reduction in the service cost in the same period in which they are payable if, and only if, they are linked solely to the employee’s service rendered in that period. An example would be contributions that are a fixed percentage of an employee’s salary, so the percentage of the employee’s salary does not depend on the employee’s number of years of service to the employer. Do you agree? Why or why not?

Employee contributions are common in Belgian employee benefit plans. The BASB agrees with the practical expedient that contributions from employees may be recognised as a reduction in the service cost in the same period in which they are paid, if the employee is also rendering services in that period.

Question 2: Attribution of negative benefit

The IASB also proposes to address an inconsistency in the requirements that relate to how contributions from employees or third parties should be attributed when they are not recognised as a reduction in the service cost in the same period in which they are payable. The IASB proposes to specify that the negative benefit from such contributions is attributed to periods of service in the same way that the gross benefit is attributed in accordance with paragraph 70. Do you agree? Why or why not?

The current IAS 19 is unclear on which benefit the test of paragraph 70, often referred to as the back-end loading test, should be calculated. The BASB also supports the IASB’s proposal as an inconsistency in the current IAS 19 is resolved with the proposed amendment.

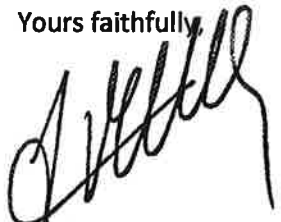
Question 3: Other comments

Do you have any other comments on the proposals?

The BASB does not have any further comments on the ED.

Should you wish to discuss the content of this letter with us, please contact Jan Verhoeve at jan.verhoeve@cnc-cbn.be.

Yours faithfully,



Jan Verhoeve
Chairman BASB