



IPSAS 49, *Retirement Benefit Plans*

This summary provides an overview of [IPSAS 49, Retirement Benefit Plans](#)

Project Objective:

The objective of this project is to develop accounting and reporting requirements for public sector retirement benefit plans to improve the transparency and accountability of those plans.

Project Stage:

The International Public Sector Accounting Standards Board® (IPSASB®) approved [IPSAS 49, Retirement Benefit Plans](#) in September 2023. It was issued in November 2023.

Project History:

The IPSASB initiated the Retirement Benefit Plans project in 2021.

In April 2022, the IPSASB issued Exposure Draft (ED) 82, *Retirement Benefit Plans*, which proposed accounting, presentation, and disclosure requirements for retirement benefit plans in the public sector.

In developing IPSAS 49, the IPSASB considered constituents' feedback to ED 82. The IPSASB decided to:

- (a) Retain the definitions proposed;
- (b) Enhance the disclosure requirements;
- (c) Provide additional Application Guidance.

Project Overview

IPSAS 49 provides a principle-based approach to accounting by retirement benefit plans to provide a complete view of their financial activities, assets and obligations. This increased transparency is intended to result in stronger public financial management and better-informed decision making.

Why the IPSASB Undertook this Project

Prior to the issuance of this Standard there were no IPSAS pronouncements for the accounting by retirement benefit plans.

The IPSASB concluded it was important to develop a Standard providing retirement benefit plans with principles to provide a more complete view of the public sector retirement benefit obligation for accountability purposes.

Further, because governments are often responsible for funding the deficits of defined benefit plans, this information supports governments in making fiscal decisions.

Benefit of IPSAS 49

IPSAS 49 guides the accounting and reporting by a retirement benefit plan from the perspective of the plan itself. This enhances accountability to participants of the plan and other users.

This Standard includes requirements for recognition and measurement, and presentation and disclosure which are unique to retirement benefit plans.

This Standard requires pension assets and liabilities be presented on a gross basis, including movements during the period, which is different to the net-liability (asset) position prescribed in IPSAS 39, *Employee Benefits*.

This Standard complements the requirements in IPSAS 39, and therefore provides the desired information on public sector retirement benefit obligations for each retirement benefit plan that reports under this Standard.

Project Overview (continued)

IPSAS 49 vs IPSAS 39 – Reporting for different purposes and perspectives



Note:

The RBP may be administered by a plan manager, the employer/sponsor, or another function in government.

If a RBP is required to prepare financial statements, the administrator should prepare the financial statements separately for each plan under its management and apply IPSAS 49.

Scope

IPSAS 49 provides detailed accounting and reporting guidance to retirement benefit plans in the public sector.

Retirement Benefit Plans

A retirement benefit plan is the reporting entity for purposes of this Standard.

For the purposes of this pronouncement, retirement benefit plans are established by public sector employers/sponsors to provide retirement benefits primarily to former employees and other participants which may be eligible to be members of the plan.

Retirement benefit plans are described as either defined benefit plans or defined contribution plans, with distinctive characteristics, and occasionally retirement benefit plans have characteristics of both, i.e., hybrid plans.

This Standard does not apply to old-age pensions provided through welfare or social security programs, nor to social security schemes that provide pensions to all citizens.

Interaction with other IPSAS

This Standard should be applied to the financial statements of retirement benefit plans. All other Standards only apply to the financial statements to the extent that they are not superseded by the requirements in this Standard.

For example, this Standard sets out which financial statements a retirement benefit plan shall present, and therefore overrides IPSAS 1, *Presentation of Financial Statements*.

Public Sector Specific Adaptations

IPSAS 49 was adapted from IAS 26 to provide public sector relevant information to users of the financial statements of retirement benefit plans.

Adapt Existing Guidance

In developing principles for the public sector, the private sector requirements in IAS 26, *Accounting and Reporting by Retirement Benefit Plans* were used as the starting point.

Based on stakeholder feedback, the IPSASB adapted IAS 26, ensuring the unique characteristics of the public sector are reflected in the Standard.

IPSAS 49 introduces the following definitions and requirements which differ from the private sector definitions and requirements in IAS 26:

IPSAS 49	IAS 26
Defined benefit plans are, for the purposes of this Standard, retirement benefit plans other than defined contribution plans.	Defined benefit plans are retirement benefit plans under which amounts to be paid as retirement benefits are determined by reference to a formula usually based on employees' earnings and/or years of service.
Net assets available for benefits are: (a) For defined benefit plans – the assets of a plan less liabilities other than the actuarial present value of promised retirement benefits and, in a hybrid plan, the defined contribution obligation to participants; and (b) For defined contribution plans – the assets of a plan less liabilities other than the defined contribution obligations to participants.	Net assets available for benefits are the assets of a plan less liabilities other than the actuarial present value of promised retirement benefits.
Actuarial present value of promised retirement benefits is to be calculated based on projected salaries.	Actuarial present value of promised retirement benefit are to be calculated based on current or projected salaries.
Plan assets are measured at fair value.	Plan assets are measured at fair value unless an estimate of fair value is not possible.
Retirement benefit obligations are presented on the face of the statement of financial position.	Retirement benefit obligations are presented either in: a) The financial statements; b) the notes; or c) reference to an external document.
Retirement benefit obligations for defined contribution plans are presented on the face of the statement of financial position.	IAS 26 does not specify the display of the obligation.
A cash flow statement should be prepared.	IAS 26 does not require a cash flow statement.

Effective Date and Project History

The effective date of IPSAS 49 is January 1, 2026.

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The effective date of IPSAS 49 is January 1, 2026, with earlier application permitted.

The IPSASB decided that public sector retirement benefit plans will need sufficient time to apply IPSAS 49, because it is considered new accounting guidance for the public sector.

Project History

To learn more about the project history, and to view the consultation documents and responses, please visit:

<https://www.ipsasb.org/consultations-projects/retirement-benefit-plans>

