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# Differences in Employee Benefits Accounting Principles

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# The Australian Environment

- No local accounting standard for superannuation (pensions) expense
- Employee benefits standard covering superannuation disclosure, but not expense
- Most Australian listed companies account for superannuation expense as actual cash contributions
- Some subsidiaries of multinationals use international standards (FAS 87, FRS 17/SSAP 24, IAS 19)



# Application of International Standards to Australia

- Some of the issues encountered are:
  - tax on investment earnings in superannuation funds
  - mixed defined contribution and defined benefit superannuation funds (especially greater of arrangements)
  - no market to settle defined benefit liabilities and investments aren't generally in bonds
  - up front tax on employer superannuation contributions (payable by the superannuation fund)
  - no clear ownership of any surplus by the employer

