

## CPA Canada handbook – accounting, part III

### highlight summary no. III.6

#### December 2013

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##### **Section 3463, Reporting Employee Future Benefits by Not-for-Profit Organizations**

This new Section provides guidance for defined benefit plans on the recognition and presentation of remeasurements and other items that differs from the guidance in EMPLOYEE FUTURE BENEFITS, Section 3462 in Part II of the Handbook. The requirements in Section 3462 apply in all other respects.

The main features of Section 3463 are as follows:

- Remeasurements and other items are:
  - recognized directly in net assets in the statement of financial position rather than in the statement of operations; and
  - presented as a separately identified line item in the statement of changes in net assets.
- Remeasurements and other items are not reclassified to the statement of operations in a subsequent period.

Significant consequential amendments are as follows:

- FIRST-TIME ADOPTION BY NOT-FOR-PROFIT ORGANIZATIONS, Section 1501, permits a first-time adopter to apply the transitional provisions in new Section 3463 and eliminate some exemptions for employee future benefits relating to deferred recognition that are no longer necessary.
- FINANCIAL STATEMENT PRESENTATION BY NOT-FOR-PROFIT ORGANIZATIONS, Section 4400, requires that the amount of remeasurements and other items arising from defined benefit plans be presented as a separately identified line item in the statement of changes in net assets.

Paragraphs that have been added are identified in the effective date guidance in all affected standards.

Section 3463 is effective for annual financial statements relating to fiscal years beginning on or after January 1, 2014. Earlier application is permitted, but only for all of a not-for-profit organization's benefit plans.

##### **Archived Pronouncements**

To give Handbook readers continued access to superseded paragraphs until such time as they are no longer applicable, supplements in Archived Pronouncements set out the wording of those paragraphs.

The archived material will be withdrawn from the Handbook when it is no longer effective.