

CICA handbook – accounting, part IV

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Restructuring of the Handbook

The Handbook has been restructured as follows to implement the strategy of the Accounting Standards Board (AcSB) of adopting different sets of standards for different categories of entities:

- Part I – International Financial Reporting Standards;
- Part II – Accounting Standards for Private Enterprises;
- Part III – Accounting Standards for Not-for-Profit Organizations;
- Part IV – Accounting Standards for Pension Plans; and
- Part V – pre-changeover accounting standards. These standards will cease to be Canadian generally accepted accounting principles for publicly accountable enterprises for fiscal years beginning in 2011.

Preface to the CICA Handbook – Accounting

The Preface provides an overview of the structure of the Handbook and the applicability of the different sets of standards it contains.

Accounting Standards for Pension Plans

Part IV of the Handbook includes an Introduction and PENSION PLANS, Section 4600, approved by the AcSB for annual financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier application is permitted.

The AcSB developed Section 4600 based on PENSION PLANS, Section 4100, in Part V. The most noteworthy differences are as follows:

- The standards apply to all pension plans. They also apply to benefit plans that have characteristics similar to pension plans and provide benefits other than pensions (for example, retiree health care and life insurance benefits, and long-term disability plans), with necessary adaptations.
- The standards include references to other Parts of the Handbook for issues not directly addressed in Part IV.
- The statement of financial position includes the pension obligation, together with the net assets available for benefits, and the resulting surplus or deficit.
- Investments in entities over which the pension plan has control or can exercise significant influence are presented on the same basis as all other investments, (i.e., at fair value).
- Investment assets are not measured on an actuarial asset value basis. The difference between fair value and actuarial asset value does not represent an asset or a liability that can be included in a pension plan's financial statements.
- Disclosures have been revised and enhanced, including disclosure of information that enables financial statement users to evaluate:
 - the nature and extent of risks arising from financial instruments, and
 - the pension plan's objectives, policies and processes for managing capital.
- Disclosures previously described as desirable are now required.

The AcSB plans to issue a Background Information and Basis for Conclusions document that will help readers understand how the AcSB reached its conclusions in developing the accounting standards for pension plans.