# PBE IPSAS 25 Employee Benefits – Difference to NZ IFRS (PBE)

| | NZ IAS 19 (PBE) | PBE IPSAS 25 | Difference |
|---|---|---|---|
| 1 | NZ IAS 19 (PBE) requires that the rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields (at the end of the reporting period) on government bonds shall be used.<br><br>NZ IAS 19 (PBE) also requires disclosure of the basis on which the discount rate has been determined.<br><br>PBE IPSAS 19.78 | An entity makes a judgement whether the discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds, high quality corporate bonds, or by another financial instrument.<br><br>PBE IPSAS 25 does not require disclosure of the basis on which the discount rate has been determined.<br><br>PBE IPSAS 25.91-94 | The choice of discount rate to value employee obligations under PBE IPSAS 25 is more principle based around the concept of time value of money compared to a more rules based approach in NZ IAS 19 (PBE).<br><br>The Crown accounting policy and discount rates published by Treasury for accounting valuations is consistent with the requirements of PBE IPSAS 25 and therefore, there is no change on transition to the new PBE standards. |
| 2 | | PBE IPSAS 25 contains additional discussion on the types of bonus schemes public sector entities might have in place.<br><br>PBE IPSAS 25.21 | This is additional guidance only and we do not expect that it will have any impact on current practice under NZ IFRS. |

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