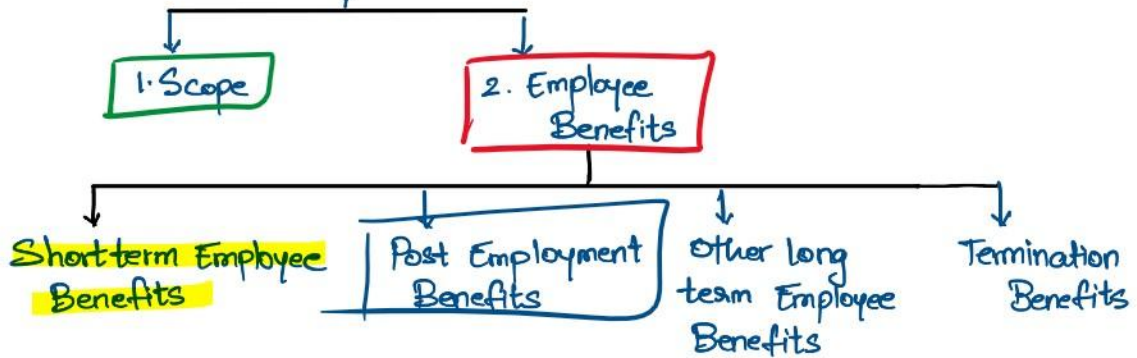
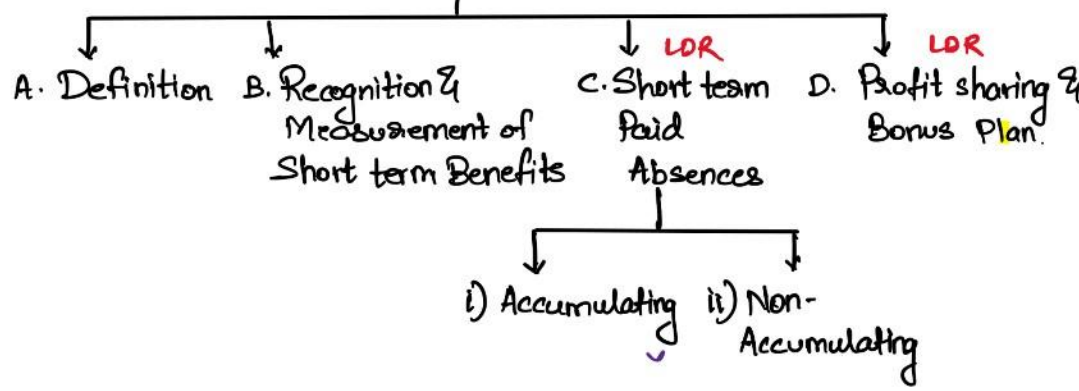


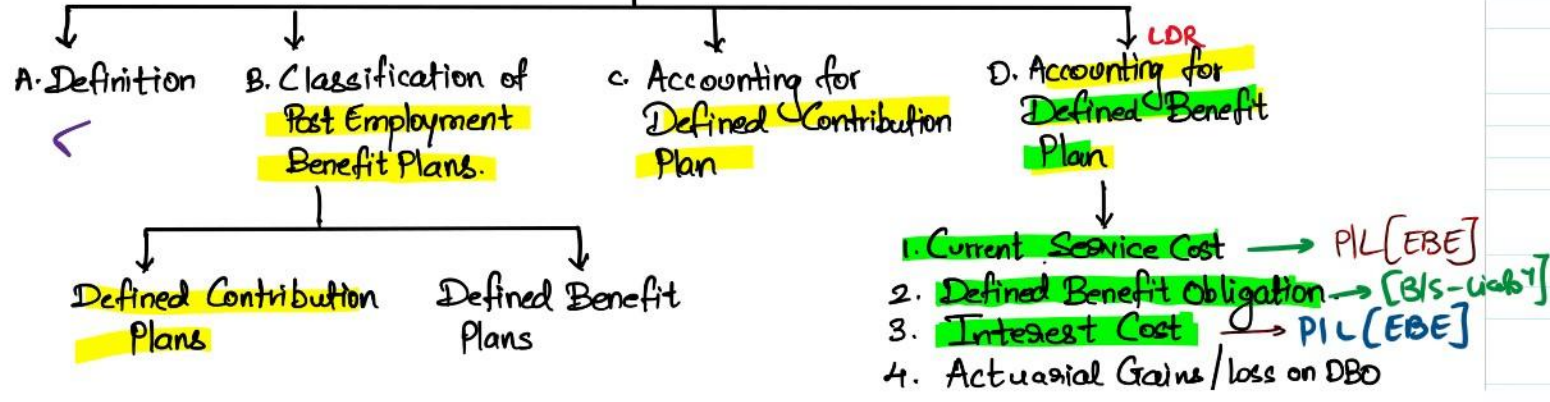
LOB 8-10 marks
Ind AS 19 - Employee Benefits.



3. Short-term Employee Benefits



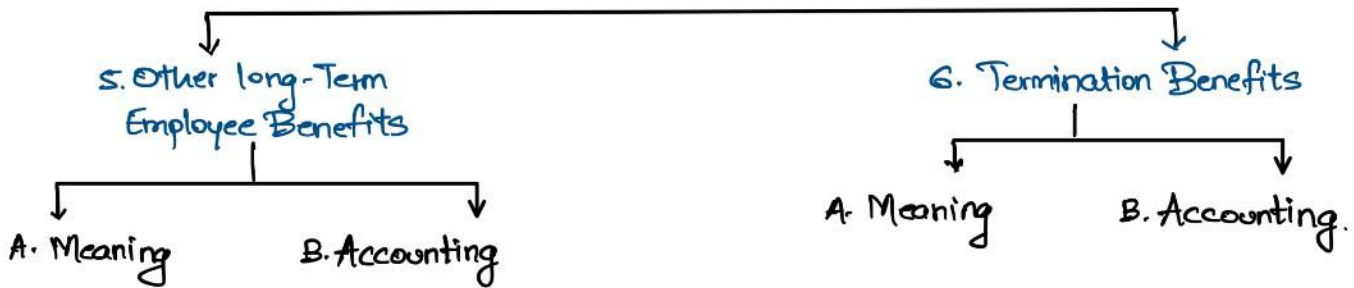
4. Post Employment Benefits



Defined Contribution Plans

Defined Benefit Plans

1. Defined Benefit Obligation
2. Interest Cost → PIL (EBE)
3. Actuarial Gains/Loss on DBO
4. Past Service Cost (PSC)
5. Plan Assets
6. Expected Return on Plan Assets
7. Actuarial Gain/Loss on Plan Assets
8. Curtailment & Settlement
9. Net Defined Benefit Liab^y/Asset
10. Net Interest Exp/Income
11. Asset Ceiling
12. Remeasurement Gain/Loss



1. Scope

- SBP → Not covered
↳ Ind AS 102.

• (PF) Fund → Accounting → NOT covered. ←

• (PF) Fund → Alcing → NOT covered. ←
 [Reposting by employee Benefit fund]

9. Short term Employee Benefits

↳ Emp. Ben. which are **DUE** within 12 months from the end of reporting period.



B. Recognition & Measurement of **Short Term Emp. Benefits.**

- ① Salary/Wages
- ② Bonus
[Profit Sharing Plan]
- ③ Leave Compensation.

(a) If paid

J.E.
 Salary Acc Dr [P/L]
 To CrB

(b) In Salary accrued But NOT paid

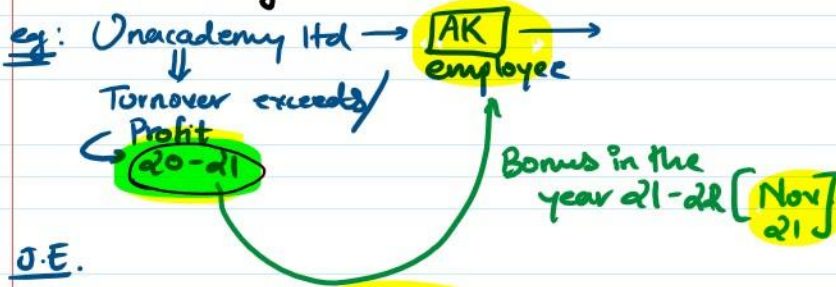
Salary Acc Dr [P/L]
 To CrB
 To CrB [Liab^y]

(c) If Sal^y paid in Advance.

Prepaid Salary Acc Dr. [Asset]
 To CrB

Note: If employee is involved in construction of PPE - **Sal^y** (Intangible Asset)
 ↳ of Inventory the **Cap. to cost of Asset.**
 ↳ Add to cost of Inventory.

② Profit Sharing Plan (eg. Bonus)



J.E.

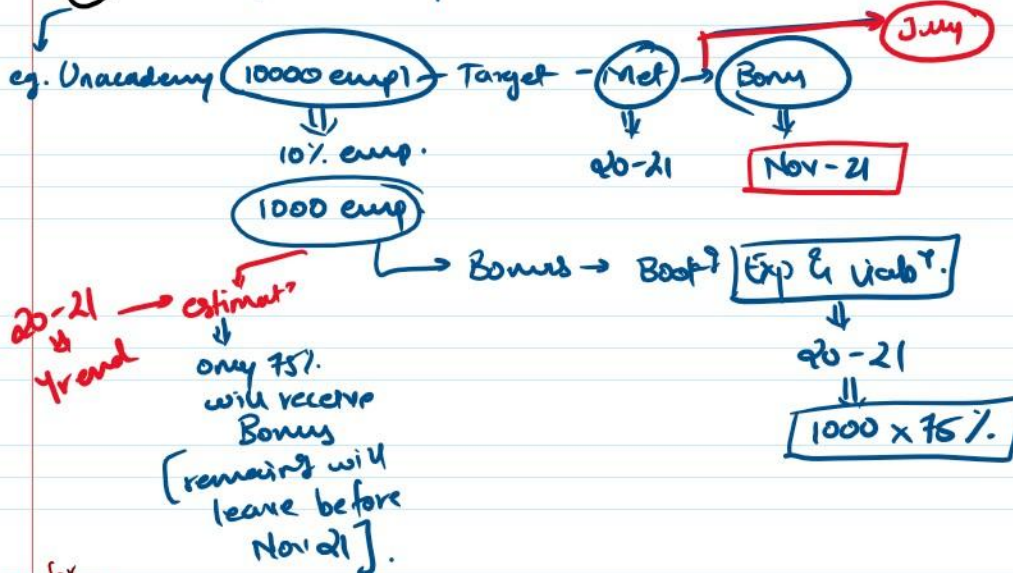
20-21 [trend] Bonus A/c Dr [P/L - EBE] TO Bonus Payable [Liab^y]

↓
[Book a Liab^y only when there is an obligation] when target is met

Nov 21 Bonus Payable [Liab^y - Rev] TO CB

Note: ① The above is NOT Distribution of Dividend. [Because it has been paid to employee in his capacity as employee].

② What Book? Bonus Exp & Liab^y → Co. will consider estimates

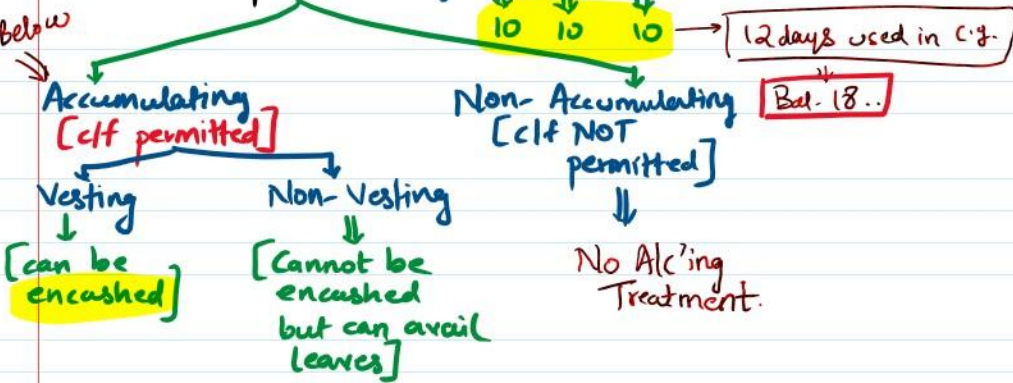


only for Und.

- OFU → If extra Prov/Liab^y Booked in c:y → & Paid less in Next yr [Reverse the excess prov]
- If less booked in c:y → & Paid More in Next yr. [Book the extra exp]

③ Leave Compensation [eg. CL, SL, PL]

eg. below



Eg: Unacademy Ltd → Mr. Ak ⇒ 12d p.a. → yr. 20-21

Every Year 30 leaves → But can be (clf)

Year 20-21.

365 days.
 (-) leaves Available (30 days) [0 Availed]
 335 days. → Ak worked for 365 days.

Salary 12d p.a.

4 year Sal^y Exp 12d
 TD Cr/B 12d.

[365 days - working]

30 days → leave earned → 1 lakh.

Salary/Leav. Comp Atk Dr. [PIL - FBE] 1L

TD Liab^y Atk. [Liab^y] 1L

Year 21-22

Case 1

→ NOT encashed but availed extra leaves.

365 days.
 leaves → (30 days) 20-21
 Available → (30 days) 21-22. } Availed all 60 days

305 days → working.

Salary → 12d

J.E. Sal^y Exp Atk Dr. 11L → [305 days]

Crab^y Atk Dr. 1L.

TD Cr/B 12d.

[305 days - working]

Note: Co → will Book Liab^y for leave compensation [Accumulating] (in the year in which leave is earned by employee)

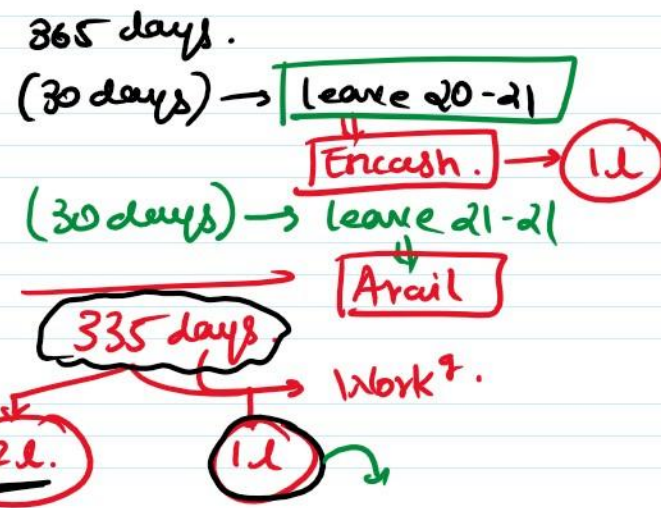
Case 2

yr 20-21
 ↓
 Same as
 about
 ↓

J.E. Sal^y Exp 12L
 TO CB 12L

Sal^y/leave Comp
 TO Liab^y.

yr 21-22.



J.E. Sal^y → 12L
 Liab^y 1L (circled)
 TO CB 13L

Note: While Book's Liab^y/Exp for C.Y. Leaves earned.
 Co. will consider estimates for leaves which won't be
 availed or will lapse in future.

(eg. Leaves Earned by all employees = 100
 Co. expects employee will be able to
 use only 70.)

C.Y. Book Exp & Liab^y for only 70 leaves.

If est. change in future → Revise Liab^y

④ Post Employment Benefits [Retirement Benefits]

[eg: Pension, Gratuity, PF]



Invest Actuarial → After contribⁿ by Co. to dept
 Risk lies with the employee
 [not with the employer]

Eg: PF
 ↓
 Contribution → Employer.
 [10L x 8%] = 80,000 (20-21)

Contribution → Employer.
 $[10L \times 8\%] = 80,000 (20-21)$

Paid on 01/07/2021

[Payable within 12 m
 from end of rep. period]

31/3/21 → PF Exp A/c Dr 80000
 TO PF Payable 80000

01/07/21 → PF Payable 80000
 TO CB 80000

Paid on 1.4.22.

[Payable after 12m
 from end of rep. period]

↳ DF @ 10%

31.3.21 → [EBE → P/L]
 PF Exp A/c Dr 72727

TO PF Payable 72727
 [@ PV 80000]
 (1.10)⁻¹ → Liab Y

31.3.22 Int Cost A/c Dr 7273
 TO PF Payable 7273

[72727 × 10%] → Liab Y

1.4.22 → [Liab Y - Revenue]
 PF Payable A/c Dr 80000
 TO CB 80000