

Accounting Standards for Business Enterprises No. 9 – Employee Benefits

Chapter 1: General Provisions

Article 1

This Standard is formulated in accordance with the *Basic Standards for Enterprise Accounting* to regulate the recognition, measurement, and disclosure of employee benefits.

Article 2

Employee benefits refer to all forms of compensation or remuneration provided by an enterprise in exchange for services rendered by employees or for the termination of employment relationships. Employee benefits include:

- Short-term benefits (e.g., wages, bonuses, social insurance, housing funds, paid leave, short-term profit-sharing plans, and non-monetary benefits);
- Post-employment benefits (e.g., pensions and retirement benefits);
- Termination benefits (compensation for early contract termination or voluntary redundancy);
- Other long-term benefits (e.g., long-term disability benefits and long-term profit-sharing plans).

Benefits provided to employees' spouses, children, dependents, deceased employees' beneficiaries, or other recipients are also considered employee benefits.

Article 3

The term "employee" includes full-time, part-time, and temporary workers under labor contracts, as well as individuals formally appointed by the enterprise without a contract. It also covers personnel providing similar services through labor agencies.

Article 4

The following items are governed by other standards:

1. Enterprise annuity funds (*ASBE No. 10*);
2. Share-based payments (*ASBE No. 11*).

Chapter 2: Short-Term Benefits

Article 5

Short-term benefits shall be recognized as liabilities in the accounting period when employees render services, with corresponding amounts expensed or capitalized as required.

Article 6

Employee welfare expenses (including non-monetary benefits measured at fair value) shall be recognized when incurred.

Article 7

Social insurance (medical, work-related injury, maternity), housing funds, union fees, and employee education funds shall be accrued based on stipulated rates and recognized as liabilities.

Article 8

Accumulated paid absences (carryforward allowed) are recognized when employees earn future rights; non-accumulated absences are recognized when taken.

Article 9

Profit-sharing plans are recognized as liabilities when:

1. A legal or constructive obligation exists;
2. The obligation can be reliably estimated.

Article 10

If profit-sharing extends beyond 12 months, it is classified as a long-term benefit.

Chapter 3: Post-Employment Benefits

Article 11

Post-employment plans are classified as:

- Defined contribution plans (fixed payments with no further obligation);
- Defined benefit plans (all other plans).

Article 12

Defined contributions are recognized as liabilities when services are rendered. If payable beyond 12 months, discounting applies.

Articles 13–19

Defined benefit plans require actuarial valuations, with obligations discounted using high-quality corporate bond rates. Changes in net liabilities are split between:

- Profit or loss (service cost, net interest);
- Other comprehensive income (remeasurements, non-recyclable).

Chapter 4: Termination Benefits

Article 20

Termination benefits are recognized when the enterprise cannot unilaterally withdraw the offer or upon restructuring approval.

Article 21

If payable within 12 months, treat as short-term; otherwise, classify as long-term.

Chapter 5: Other Long-Term Benefits

Articles 22–24

Accounting follows defined benefit rules, with simplified recognition in profit or loss.

Chapter 6: Disclosure

Articles 25–29

Enterprises must disclose details of benefits, unpaid amounts, actuarial assumptions, and plan risks.

Chapter 7: Transitional Provisions

Articles 30–31

Retrospective application is required unless comparative data is inconsistent.

Chapter 8: Supplementary Provisions

Article 32

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