



# Human Capital News

## Contacts at Ernst & Young:

Olga Gorbanovskaya  
Tel: +380 (44) 490 3022  
[Olga.Gorbanovskaya@ua.ey.com](mailto:Olga.Gorbanovskaya@ua.ey.com)

Halyna Khomenko  
Tel: +380 (44) 490 3028  
[Halyna.Khomenko@ua.ey.com](mailto:Halyna.Khomenko@ua.ey.com)

This Newsletter is a follow-up to our recent Newsletter of 15 January 2009 and is dedicated to an issue of application of the new social security contributions rates adopted by the Law of Ukraine "On Introducing Amendments to certain Ukrainian Laws aimed at decrease of the world crisis impact on the employment sphere" # 799-VI of 25.12.08.

---

## Contents

- ▶ Social security contributions to the Unemployment Fund
- ▶ Social security contributions to the Social Insurance Fund for Accidents at Work and Professional Diseases
- ▶ Social security contributions to the Social Insurance Fund for Temporary Disability

---

## Social security contributions to the Unemployment Fund

According to the Letter of the State Employment Center №ДЦ-03-227/0/6-09 of 19.01.2009 "On the changes in the Order of accrual and withholding of social security contributions to the Unemployment Fund" employers must accrue social security contributions at the rate of 1.6 % and withhold them from the salary of employees (including working pensioners, foreigners and military personnel) at the rate of 0.6 % starting from 13.01.2009.

In January 2009 social security contributions to the Unemployment Fund should be applied proportionally to working days as follows:

Before 13.01.2009 - old rates should be applied (1.3 % due from the employer and 0.5 % due from the employee);  
From 13.01.2009 - new rates should be applied (1.6 % due from the employer and 0.6 % due from the employee).

Beginning from 13.01.2009 social security contributions are also accrued on income paid to individuals for work performed (services

rendered) under civil law agreements. This rule also applies to agreements that were concluded before 13.01.2009 but payments were made after 13.01.2009. Social security contributions are only accrued (not withheld) on top of the aforementioned payments at the rate of 1.6 % for civil law agreements with employees that have labor relations with the employer and at the rate of 2.2 % for other civil law agreements. Such rates should be also used by single tax payers.

---

### **Social security contributions to the Social Insurance Fund for Accidents at Work and Professional Diseases**

According to the Letter of the Social Insurance Fund for Accidents at Work and Professional Diseases № 96-09 of 16.01.2009 it is necessary to provide the original Notification on registering, when filing the Report for 2008. Those, who have already filed the respective Report for 2008, should obtain a notification regarding the new social security rate according to the class of professional hazard before 13.02.2009.

As per the rules of application of old and new rates of social security contributions to the Social Security Fund for Accidents at Work and Professional Diseases in January 2009, please note that they are the same as for the contributions to the Unemployment Fund (i.e. old rates should be applied before 13.01.2009, new - after this date).

---

### **Social security contributions to the Social Insurance Fund for Temporary Disability**

According to the Letter of the Social Insurance Fund for Temporary Disability № 01-16-74 of 19.01.2009 "On social security contributions to the Fund in 2009" the social security contributions accrued by the employer were reduced from 1.5 % to 1.4 %, while the rate of contributions due from the employee remained unchanged. At the same time contributions made by individuals on a voluntary basis were also reduced from 2 % to 1.9 %.

The new rates should be applied starting from 13.01.2009 (the same as for the other Funds, as stated above).