Human Capital News

Content

- Legislation is amended to make the pregnancy and childbirth allowance subject to the Unified Social Tax (UST), maternity leave will thus be included in the insurance period.

- Procedure for issuing, prolonging and annulling work permits of foreign and stateless individuals is approved.


According to Law # 231-VII women on maternity leave who receive pregnancy and childbirth allowance are subject to obligatory state pension insurance. In other words, maternity leave shall be included in the insurance period for the pension purposes.

Furthermore, the amendments to Law # 2464-VI make pregnancy and childbirth allowances subject to the Unified Social Tax (UST).

The applicable UST rates here will be 33.2% (accrued by the employer) and 2% (withheld from the employee).

On 5 July 2013 Resolution of the Cabinet of Ministers #437 of 27 May 2013, which approved the procedure for issuing, prolonging and annulling the work permits of foreigners and stateless individuals (hereinafter - the Resolution) took legal force.

The Resolution was adopted pursuant to the Law of Ukraine “On employment” of 5 July 2012 # 5067-VI, which took legal force as of January this year.
The Resolution reduced the number of documents that an employer must submit from 14-15 to 7. An employer shall submit to the Employment Center the following documents:

1. An application in line with the template approved by the Resolution;
2. Copies of certificates on education (diplomas);
3. Copies of passport pages bearing personal data, translated into Ukrainian and notarized;
4. Two color photographs sized 3.5x4.5 centimeters;
5. A medical certificate stating that the person is not suffering from alcohol addiction, toxicomania, drug addiction or communicable diseases according to the Ministry of Health list.

According to the preliminary information, such certificates may be issued either by foreign or by the Ukrainian medical institutions. In Ukraine these certificates are issued by the medical institution of the Ministry of Internal Affairs;
6. A stamped and signed certificate issued by the future employer stating that the position in which the foreign individual shall work is unconnected with the citizenship of Ukraine and doesn't require any access to Ukrainian state secrets according to the law;
7. An official document confirming that the subject has never been convicted of a crime. This document should be issued by bodies of the Ukrainian Ministry of Internal Affairs, if at the moment of the filing of the application the foreign individual is located in Ukraine. It should be issued by the relevant authority in the individual’s home country if he or she is outside Ukraine.

Another innovation that the Resolution introduces is that in order to prolong a work permit an employer shall submit to the Employment Center 30 days prior to its expiration only three documents:

1. Application;
2. Two color photographs sized 3.5x4.5 centimeters;
3. An official document issued by bodies of the Ministry of Internal Affairs stating that he or she has never been convicted of a crime.

Documents that were submitted for the initial application (as mentioned above) must be resubmitted only in the event that they have been in any way changed.

The Resolution also reduces the time in which the Employment Center will review the documents from 30 to 15 days. The work permit validity period remains the same - up to one year.

The Resolution also protects the Ukrainian labor market against unqualified competition. An employer, therefore, must submit information on job vacancies to the Employment Center 15 calendar days before applying for a work permit. A specific term for such submission had not previously been established. The work permit shall be issued provided there are no unemployed individuals with the required qualifications registered with the Employment Center.

The statutory fee for applying for a work permit remains the same, amounting to four minimum salaries (currently UAH 4588). However, the payment procedure has changed. From now on, an employer is obliged to transfer this amount to the Social Security Fund when the Employment Center decides to issue the work permit. If the employer does not do so within 30 calendar days of the decision’s being made, the decision shall be cancelled. The Center issues the work permit within 10 working days of the day the funds are remitted to the Social Security Fund.

The Resolution has thus introduced a number of positive amendments that make the work permit process easier for employers. Yet practical implementation and interpretation of certain provisions of the Resolution by the state authorities, such as the procedure for obtaining a medical certificate, remain unresolved.

We will continue to keep track of changes in legislation and keep you informed.
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