Ukraine

Exchange rate: US$1.00 equals 5.01 hryvnias (H).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922.


Type of program: Social insurance and social assistance system.

Note: The 2003 law is being implemented in stages. A supplementary mandatory individual account will be introduced in 2007 and will include additional contributions by insured persons younger than age 50 (men) or age 45 (women) at the implementation date.

Coverage

All employed Ukrainian citizens, foreigners, and stateless persons employed under labor agreements or under agreements in civil law; self-employed persons.

Voluntary coverage is possible.

Special provisions for victims of the Chernobyl catastrophe.

Source of Funds

Insured person: 1% of earnings up to H150, plus 2% for earnings exceeding H150.

The maximum monthly earnings for contribution purposes are H2,660 (since June 1, 2003).

The insured’s contributions also finance work injury benefits and family allowances.

Self-employed person: A fixed-rate amount equal to 32% of the minimum wage.

The minimum wage is H262 (2005).

The maximum monthly earnings for contribution purposes are H2,660 (since June 1, 2003).

The self-employed person’s contributions also finance family allowances.

Employer: 32.3% of payroll (March 2005).

The maximum monthly earnings for contribution purposes are H2,660 (since June 1, 2003).

The employer’s contributions also finance work injury benefits and family allowances.

Government: The cost of state social benefits; subsidies as needed from central and local governments; contributes as an employer.

Government contributions also finance work injury benefits.

Qualifying Conditions

Old-age pension: Age 60 (men) or age 55 (women) with at least 5 years of covered employment; requirements are reduced for those who worked for at least 5 years under arduous or hazardous conditions, for mothers of five or more or disabled children, for disabled war veterans, and for other specified categories.

In all cases, contributions must be paid for periods of covered employment. Covered employment can include years spent in higher education, the armed services, caring for disabled persons or children younger than age 3, or being unemployed and seeking a job, if contributions are paid for these periods.

Partial pension: Payable if the insured has less than 25 years (men) or 20 years (women) of covered employment.

The pension is paid to unemployed older workers between ages 58 and 6 months and 60 for men or ages 53 and 6 months and 55 for women who meet the requirements for covered employment and who were working for an enterprise that was liquidated or reorganized. The pension ceases if the beneficiary is reemployed.

Deferred pension: A deferred pension is possible.

The pension is payable abroad for 6 months in advance, beginning the month the pensioner leaves the country; thereafter, only if there is a reciprocal agreement.

Carer’s allowance (old-age): The monthly allowance is payable to a carer of a person older than age 80. The carer must not be employed but may receive an unemployment benefit.

Social pension (old-age): Age 63 (men) or age 58 (women). A means-tested pension is payable to low-income citizens who are not working and not eligible for an old-age pension.

Disability pension: The insured has a minimum of 2 to 5 years of covered employment, depending on age at the onset of disability.

Total disability (incapacity for any work): Group I disability, requiring constant attendance; Group II disability, not requiring constant attendance.

Partial pension for a total disability: Payable if the insured has less than 25 years (men) or 20 years (women) of covered employment.

Partial disability: Group III disability, incapacity for usual work.
The pension is payable abroad for 6 months in advance, beginning the month the pensioner leaves the country; thereafter, only if there is a reciprocal agreement.

**Carer's allowance (disability):** The monthly allowance is payable to a carer of a Group I disabled child younger than age 16. The carer must not be employed but may receive an unemployment benefit.

**Social pension (disability):** A means-tested pension is payable to low-income citizens who are not working and not eligible for a disability pension or work injury benefit.

**Survivor pension:** The insured had up to 5 years of covered employment.

Eligible survivors are nonworking dependents, including a spouse, father, and mother of pensionable age or disabled; surviving children younger than age 18 (age 23 if a student or an orphan, no limit if disabled before age 18). Otherwise, in the absence of a spouse, to a grandparent caring for the deceased’s child younger than age 8 when no other support is available.

Partial pension: If the deceased had less than 25 years (men) or 20 years (women) of covered employment.

**Funeral grant:** Payable for the funeral of an employee, a student, an unemployed person, or a pensioner.

**Social pension:** A means-tested pension is payable to low-income citizens who are not working and not eligible for a survivor pension.

### Old-Age Benefits

**Old-age pension:** 1% of the wage base is paid for every full year of covered employment with at least 5 years of covered employment. The pension is payable monthly.

The wage base is based on 60 months of earnings before June 1, 2000, regardless of interruptions, plus all covered periods from June 1, 2000.

The minimum pension is H332. The minimum old-age pension is equal to the minimum subsistence level for a disabled person (January 2005).

There is no maximum pension.

The minimum wage is H262 (2005).

Partial pension: If the insured has less than 25 years (men) or 20 years (women) of covered employment, the monthly benefit is reduced in proportion to the number of years below the required number of years of insurance coverage.

Deferred pension: A supplement of 10% of the pension is paid for each year worked after entitlement to the full pension. The maximum pension is equal to 75% of average monthly earnings.

**Carer's allowance (old-age):** The allowance is paid monthly.

Supplement: H50 for Groups I and II war disabled; H40 for veterans of combat operations (January 2005).

**Social pension (old-age):** The pension rate varies between H23.30 and H59.

Benefit adjustment: Benefits are adjusted periodically for inflation and changes in the national average wage.

### Permanent Disability Benefits

**Disability pension:** The total disability pension (Group I) is equal to 100% of the old-age pension; Group II, 90%.

Partial pension for a total disability: If the insured has insufficient years of covered employment, the monthly benefit is reduced in proportion to the number of years below the required number of years of insurance coverage.

Partial disability (Group III): The monthly pension is equal to 50% of the old-age pension.

**Carer's allowance (disability):** The allowance is paid monthly.

Supplement: H50 for Groups I and II war disabled; H40 for veterans of combat operations (January 2005).

**Social pension (disability):** The pension is between 30% and 200% of the minimum old-age pension, depending on the assessed degree of disability.

Benefit adjustment: Benefits are adjusted periodically for inflation and changes in the national average wage.

### Survivor Benefits

**Survivor pension:** The monthly pension is equal to 50% of the deceased’s old-age pension for one survivor; 100% for two or more survivors.

The minimum monthly pension is equal to 100% of the minimum old-age pension.

The minimum old-age pension is H332. The minimum old-age pension is equal to the minimum subsistence level for a disabled person (January 2005).

The maximum total survivor pension is equal to 100% of the deceased’s old-age pension.

Partial pension: If the deceased had an insufficient period of covered employment, the monthly benefit is reduced in proportion to the number of years below the required number of years of insurance coverage.

**Funeral grant:** Ten times the minimum wage is paid for the funeral of an employee, student, or unemployed person; 2 months’ pension or 10 times the minimum wage, whichever is higher, for the funeral of a pensioner; 3 months’ pension for a military pensioner.

**Social pension (survivors):** The pension varies according to the assessed need.

Benefit adjustment: Benefits are adjusted periodically for inflation and changes in the national average wage.
Administrative Organization
Ministry of Labor and Social Policy (http://www.mlsp.gov.ua) is responsible for policy and provides general coordination.
Regional and local social protection departments administer the program.
Pension Fund (http://www.pfu.gov.ua) administers pensions.

Sickness and Maternity

Regulatory Framework
First law: 1912.
Current laws: 2001 (compulsory insurance); and 2001 (contributions), with 2002 and 2003 amendments.
Type of program: Social insurance (cash benefits) and universal (medical benefits) system.

Coverage
Cash sickness benefits: Employed persons, including employees on leave to pursue education or training; those unemployed as a result of enterprise liquidation; registered unemployed persons; and military personnel.
Cash maternity benefits: Must be in insured employment.
Medical benefits: All persons residing in Ukraine.
Special provisions for victims of the Chernobyl catastrophe.

Source of Funds
Insured person
Cash benefits: 0.25% to 0.5% of earnings.
Medical benefits: None; except for voluntary medical insurance policies.

Self-employed person
Cash benefits: 3% of declared income.
Medical benefits: None.

Employer
Cash benefits: 2.5% of payroll.
The employer’s contributions also finance family allowances.
Medical benefits: None.

Government
Cash benefits: The cost of universal maternity cash benefits is met by central and local government budgets.
Medical benefits: The total cost.

Qualifying Conditions
Cash and medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits
Sickness benefit: The benefit is equal to 60% of average gross earnings over the last 3 months if the insured has less than 5 years of service; 80% with 5 to 8 years of service; 100% with 8 or more years of service or for a person injured in the Chernobyl catastrophe, a person caring for a child injured in the Chernobyl catastrophe, a veteran of WWII, or a surviving spouse of a war veteran or soldier killed in combat. The benefit is payable after a 5-day waiting period for a maximum of 6 months or until the determination of permanent disability.
The benefit is equal to 100% of earnings for a working parent caring for a sick family member for up to 14 days per case.

Maternity benefit: 100% of earnings is payable to employed women for 70 days before and 56 days (70 days in the case of a complicated birth or multiple births) after the expected date of childbirth; for women on leave from education and training, the benefit is 100% of the stipend; for women unemployed because of enterprise liquidation, the benefit is 100% of earnings received at the last place of work; for those registered as unemployed for at least 10 months, the benefit is 100% of the minimum wage.
Benefits to spouses of members of the armed forces are payable at 100% of earnings plus in-kind benefits.

Care leave: 100% of the minimum wage is paid monthly to employed women for child care leave until the child is age 3 and to women on leave from education and training; 50% of the minimum wage to eligible unemployed women until the child is age 2 (age 3 if family income satisfies the income test).

Workers’ Medical Benefits
Medical services are provided directly to patients by government health providers.
Benefits include preventive care, general and specialist curative care, hospitalization, laboratory services, dental care, maternity care, and transportation. Care in sanatoria and rest homes may also be provided, with preference being given to workers who may pay part of the cost.
Cost sharing: The patient ordinarily pays part of the cost of appliances.
Free medicines are provided during hospitalization, for all children younger than age 1, for disabled children younger
Dependents’ Medical Benefits

Medical services are provided directly to patients by government health providers. Benefits include preventive care, general and specialist curative care, hospitalization, laboratory services, dental care, maternity care, and transportation. Care in sanatoria and rest homes may also be provided, with preference being given to workers who may pay part of the cost.

Cost sharing: The patient ordinarily pays part of the cost of appliances.

Free medicines are provided during hospitalization, for all children younger than age 1, for disabled children younger than age 16, and for pensioners receiving the minimum pension.

Administrative Organization


Ministry of Labor and Social Policy (http://www.mlsp.gov.ua) and social protection departments of local governments administer benefits.

Ministry of Health (http://www.moz.gov.ua) and health departments of local governments provide general supervision and coordinate medical benefits.

Work Injury

Regulatory Framework

First law: 1912.

Current laws: 1990 (pensions); 1992 (lump-sum benefits); 1999 (work injury); and 2001 (contributions), with 2002 and 2003 amendments.

Type of program: Social insurance (cash benefits) and universal (medical benefits) system.

Coverage

All employed persons.

Special provisions for victims of the Chernobyl catastrophe.

Source of Funds

Insured person: For cash benefits, see source of funds under Old Age, Disability, and Survivors, above. None for medical benefits.

Self-employed person: No information is available.

Employer: For cash benefits, see source of funds under Old Age, Disability, and Survivors, above. None for medical benefits.

Government: For cash benefits, see source of funds under Old Age, Disability, and Survivors, above. For medical benefits, see source of funds under Sickness and Maternity, above.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The benefit is equal to 100% of earnings and is payable from the first day of incapacity until recovery or the award of a permanent disability pension.

Permanent Disability Benefits

Permanent disability pension: The pension for a Group I total disability pension (incapacity for any work, requiring constant attendance) is equal to 70% of earnings; Group II total disability pension (incapacity for any work, not requiring constant attendance), 60% of earnings; Group III (partial disability, incapacity for usual work), 40% of earnings.

Workers’ Medical Benefits

Medical services are provided directly to patients by government health providers. Benefits include preventive care, general and specialist curative care, hospitalization, laboratory services, dental care, transportation, and the full cost of appliances and medicines.

Survivor Benefits

Survivor pension: Each dependent survivor receives 30% of the deceased’s earnings a month.

The minimum monthly pension is equal to 100% of the minimum old-age pension.

Funeral grant: Ten times the minimum wage is paid for the funeral of an employee; 2 months’ pension or 10 times the minimum wage, whichever is higher, for the funeral of a work injury pensioner.

Administrative Organization

Social Insurance Fund supervises temporary disability benefits.

Enterprises and employers pay benefits to employees.
Ministry of Labor and Social Policy (http://www.mlsp.gov.ua) and social protection departments of local governments administer benefits.

Ministry of Health (http://www.moz.gov.ua) and health departments of local governments provide general supervision and coordinate medical benefits.

Ministry of Health and local health departments administer the provision of medical services through clinics, hospitals, maternity homes, and other facilities.

**Unemployment**

**Regulatory Framework**

First law: 1921.

Current laws: 1991 (employment), with 1997 amendments; 2001 (social insurance); and 2001 (contributions), with 2002 and 2003 amendments.

Type of program: Social insurance system.

**Coverage**

Working-age citizens.

Voluntary coverage for self-employed persons.

Special provisions for victims of the Chernobyl catastrophe.

**Source of Funds**

Insured person: 0.5% of earnings.

Self-employed person: Voluntary contributions only.

Employer: 1.9% of payroll.

Government: Subsidies as needed from central and local governments.

**Qualifying Conditions**

Unemployment benefits: Must be registered at an employment office, be able and willing to work, and have income not exceeding the minimum wage. The benefit may be reduced, suspended, or terminated if the worker is discharged for violating work discipline, leaving employment without good cause, violating conditions for job placement or vocational training, or filing a fraudulent claim.

Unemployment Benefits

With up to 2 years of covered employment, the benefit is based on 50% of average earnings; with 2 to 6 years, 55% of average earnings; with 6 to 10 years, 70% of average earnings. For the first 90 calendar days, 100% of the benefit is payable; 80% for the next 90 calendar days; 70% thereafter. Benefits are payable for up to 360 days in a 2-year period. For insured persons within 2 years of retirement, benefits are payable for up to 720 calendar days.

The minimum benefit is equal to 23% of the minimum subsistence level.

The maximum benefit is equal to the regional average wage in the previous month.

Unemployment assistance: Payable to unemployed persons who have exhausted their entitlement to unemployment benefits and if monthly average income for each family member does not exceed the established legal minimum. The benefit is H80 for an active person, H110 for a nonactive person, or H115 for a disabled person. Benefits are payable for up to 180 days.

Dependent's supplement: Payable after receiving unemployment benefits for 360 days and unemployment assistance for 180 days. The supplement is H80 for an active dependent person, H110 for a nonactive dependent person, or H115 for a disabled dependent person. The supplement is payable once every 6 months.

Funeral grant: Payable to dependents, family members, or the person organizing the funeral. The grant equals the minimum subsistence level.

**Administrative Organization**

Ministry of Labor and Social Policy (http://www.mlsp.gov.ua) provides general policy coordination.

State Employment Center (http://www.dcz.gov.ua) and its local offices administer the program.

**Family Allowances**

**Regulatory Framework**

First law: 1944.

Current law: 1992 (assistance to families with children), with amendments.

Type of program: Social insurance and social assistance system.

**Coverage**

Families with children.

Special provisions for victims of the Chernobyl catastrophe.

**Source of Funds**

Insured person: See source of funds under Old Age, Disability, and Survivors, above.

Self-employed person: See source of funds under Old Age, Disability, and Survivors, above.

Employer: See source of funds under Old Age, Disability, and Survivors and Sickness and Maternity, above.
Government: Central and local budget subsidies for allowances for children of unemployed families or with nonworking mothers.

Qualifying Conditions

Family allowances (income-tested): Large families (three or more children), single mothers with one or more children, and families with one or more disabled children.
Birth grant: Must register early in pregnancy.

Family Allowance Benefits

Family allowances (income-tested): For children younger than age 16 (age 18 if a student), the allowance is equal to 50% of the minimum wage per child. For families with three or more children younger than age 16, the monthly allowance is equal to 100% of the minimum wage per child; families with four or more children, 200% of the minimum wage per child. Allowances are income tested.

For single mothers, widow(er)s not receiving a survivor pension or a social pension, and children whose father does not provide financial support, the allowance is equal to 50% of the minimum wage for each child younger than 16 (age 18 if a student).

Birth grant: A lump sum is paid equal to 22.6 times the minimum subsistence level. Part of the lump sum (equal to 9 times the minimum subsistence level) is paid at the date of the child's birth, and the remainder is paid over an 11-month period starting from the second month.
The minimum subsistence level for a child younger than age 6 is H376 (in 2005).

Administrative Organization

Ministry of Labor and Social Policy (http://www.mlsp.gov.ua) and local government social protection departments administer the program for unemployed families and nonworking mothers.

Employers pay benefits to employees through the Social Insurance Fund.