Ukraine

Exchange rate: US$1.00 equals 8.03 hryvnias.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922.

Current laws: 1991 (pensions), implemented in 1992; 1993 (qualifying conditions); 1996 (constitutional article on social protection); 2003 (mandatory state pension insurance), implemented in 2004; 2003 (nonstate pensions), implemented in 2004; and 2005 (social assistance).

Type of program: Social insurance and social assistance system.

Note: Introduction of the system of supplementary mandatory individual accounts created by the 2003 law (mandatory state pension insurance) has been postponed.

Coverage

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

Voluntary coverage is possible.

Special systems for civil servants, legislators, judges, National Bank employees, diplomats, journalists, scientists, local governors, and victims of the Chernobyl disaster.

Source of Funds

Insured person: From 2% to 5% of earnings, depending on income.

The maximum monthly earnings used to calculate contributions are 13,660 hryvnias (June 2010).

Self-employed person: 33.2% of the monthly minimum wage.

The monthly minimum wage is 884 hryvnias (April 2010). The self-employed person’s contributions also finance family allowances.

Employer: 33.2% of payroll.

The maximum monthly earnings used to calculate contributions are 13,660 hryvnias (June 2010). 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.

Qualifying Conditions

Old-age pension: Age 60 with at least 25 years of coverage (men) or age 55 with at least 20 years of coverage (women); requirements are reduced for those who worked under arduous or hazardous conditions, for mothers of five or more or children with disabilities, for war veterans with disabilities, and for other categories of persons.

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 persons with disabilities or children younger than age 3, or being unemployed and seeking a job, if contributions are paid for these periods.

Partial pension: Age 60 with 5 to 25 years (men) of coverage or age 55 with 5 to 20 years (women) of coverage.

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

Deferred pension: The pension may be deferred from 1 to 10 years after the normal retirement age.

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.

Caregiver’s allowance (old-age): The monthly allowance is paid to a caregiver of a person older than age 80 in need of constant attendance. The caregiver must not be employed.

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

Social pension supplement: Paid if the social pension is less than the minimum subsistence level for persons with disabilities.

The monthly minimum subsistence level for persons with disabilities is 695 hryvnias.

Disability pension: Paid for a Group I (incapacity for any work and requires constant attendance), Group II (incapacity for any work and does not require constant attendance), or Group III (incapacity for usual work) disability. The insured must have at least 25 years (men) or 20 years (women) of coverage.

Reduced disability pension: Paid if the insured has at least 2 to 5 years of coverage, depending on the age when the disability began, but less than 25 years (men) or 20 years (women) of coverage.

The pension is payable abroad.
Caregiver’s allowance (disability): Paid to a nonemployed caregiver of a person with a Group I disability.

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

Social pension supplement: Paid if the social pension is less than the minimum subsistence level for persons with disabilities.

The monthly minimum subsistence level for persons with disabilities is 695 hryvnias.

Survivor pension: The insured had at least 25 years (men) or 20 years (women) of coverage.

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). In the absence of a spouse, the pension is paid to a parent, sibling, or grandparent, if they are not employed and care for the deceased’s dependent child younger than age 8.

Survivor pension supplement: Paid if the survivor pension is less than 100% (for one survivor), 120% (for two survivors), or 150% (for three survivors) of the minimum subsistence level for persons with disabilities.

Partial pension: The monthly benefit is reduced in proportion to the insured’s number of years of coverage less than 25 years (men) or 20 years (women).

The monthly minimum subsistence level for persons with disabilities is 695 hryvnias.

Funeral grant: Paid for the funeral of an employee, student, unemployed person, pensioner, and military pensioner.

Old-Age Benefits

Old-age pension: 1% (1.35% in practice) of the wage base is paid for every full year of covered employment with at least 5 years of covered employment. The pension is paid monthly.

The wage base is based on 60 months of earnings before July 1, 2000, and all covered periods since July 1, 2000.

The minimum pension is the minimum subsistence level for persons with disabilities.

The monthly minimum subsistence level for persons with disabilities is 695 hryvnias.

There is no maximum pension.

Partial pension: The monthly benefit is reduced in proportion to the insured’s number of years of coverage less than 25 years (men) or 20 years (women).

Deferred pension: The pension is increased by 3% to 85%, according to the number of years the pension is deferred after normal retirement age.

Caregiver’s allowance (old-age): An allowance is paid monthly.

Social pension (old-age): The monthly pension varies from 30% to 100% of the minimum subsistence level for persons with disabilities.

The monthly minimum subsistence level for persons with disabilities is 695 hryvnias.

Social pension supplement: The difference between the social pension and the minimum subsistence level for persons with disabilities is paid.

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

Permanent Disability Benefits

Disability pension: 100% of the old-age pension is paid for a Group I disability; 90% for Group II; 50% for Group III. (Insured persons with Group III disabilities and at least 25 years (men) or 20 years (women) of coverage may opt to receive the old-age pension instead.)

Reduced disability pension: The monthly benefit is reduced in proportion to the number of years below the required number.

Caregiver’s allowance (disability): A monthly allowance is paid.

Social pension (disability): The monthly pension varies from 60% to 100% of the minimum subsistence level for persons with disabilities, depending on the assessed degree of disability.

The monthly minimum subsistence level for persons with disabilities is 695 hryvnias.

Social pension supplement: The difference between the social pension and the minimum subsistence level for persons with disabilities is paid.

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

Survivor Benefits

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

Survivor pension supplement: The difference between the survivor pension and 100% (for one survivor), 120% (for two survivors), or 150% (for three survivors) of the minimum subsistence level for persons with disabilities is paid.

The monthly minimum subsistence level for persons with disabilities is 695 hryvnias.

Partial pension: The monthly benefit is reduced in proportion to the number of years below the required number.

Funeral grant: A lump sum of 10 times the monthly minimum wage is paid for the funeral of an employee, student, or unemployed person; 2 months of the insured person’s
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pension for the funeral of a pensioner; 3 months of the insured person’s pension for a military pensioner. The monthly minimum wage is 884 hryvnias (April 2010).

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

**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).

Type of program: Social insurance and social assistance (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 closed businesses; registered unemployed persons; and military personnel.

Cash maternity benefits: Must be in insured employment.

Medical benefits: All persons residing in Ukraine.

**Source of Funds**

Insured person

Cash benefits: 0.25% to 0.5% of earnings.

Medical benefits: None; except for voluntary medical insurance policies.

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

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 maternity cash benefits for the uninsured is met by central and local government budgets.

Medical benefits: The total cost.

Government contributions also finance work injury medical benefits.

**Qualifying Conditions**

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

Sickness and Maternity Benefits

Sickness benefit: 60% of the insured’s average gross earnings over the last 3 months is paid if the insured has less than 5 years of work; 80% with 5 to 8 years of work; 100% with 8 or more years of work or for a person injured in the Chernobyl disaster, a person caring for a child injured in the Chernobyl disaster, a WWII veteran, or a surviving spouse of a veteran or soldier killed in combat. The benefit is paid after a 5-day waiting period for up to 6 months or until certification of permanent disability.

The benefit is 100% of the insured’s earnings for a working parent caring for a sick family member for up to 14 days per case.

Maternity benefit: 100% of the insured’s earnings is paid to employed women for 70 days before and 56 days after (70 days in the case of a complicated birth or multiple births) 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 a closed business, 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.

The monthly minimum wage is 884 hryvnias (April 2010).

Maternity benefit (noncontributory): 100% of the mother’s average monthly income (including unemployment benefits) but not less than 25% of the monthly minimum subsistence level for persons with disabilities is paid.

The monthly minimum subsistence level for persons with disabilities is 695 hryvnias.

Child care benefit (noncontributory): Paid monthly to employed women for child care leave until the child is age 3, regardless of whether the woman is insured. The benefit is based on the minimum subsistence level and average family income.

The minimum benefit is 130 hryvnias a month.

The maximum benefit is the minimum subsistence level for able-bodied people.

The minimum subsistence level for able-bodied people is 869 hryvnias.
Workers’ Medical Benefits

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

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

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

Dependents’ Medical Benefits

Medical services are provided directly to patients by government health providers and include preventive, general, specialist, dental, and maternity care; hospitalization; laboratory services; and transportation. Institutional care may also be provided, with preference given to workers who pay part of the cost.

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

Free medicines are provided during hospitalization for all children younger than age 1, for children younger than age 16 with disabilities, 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.

Source of Funds

Insured person: For cash benefits, none. For medical benefits, see source of funds under Sickness and Maternity.

Self-employed person: No information is available.

Employer: See source of funds under Old Age, Disability, and Survivors.

Government: For cash benefits, none. For medical benefits, see source of funds under Sickness and Maternity.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The monthly benefit depends on the insured’s average earnings before the incapacity began and the assessed loss of working capacity.

Permanent Disability Benefits

70% of the insured’s earnings is paid for a Group I disability (incapacity for any work and requires constant attendance); 60% for a Group II disability (incapacity for any work and does not require constant attendance); 40% for a Group III disability (incapacity for usual work).

Workers’ Medical Benefits

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

Survivor Benefits

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

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

The minimum old-age pension is 695 hryvnias a month.

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

The monthly minimum wage is 884 hryvnias (April 2010).

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 medical services through clinics, hospitals, maternity homes, and other facilities.

**Unemployment**

**Regulatory Framework**

First law: 1921.

Current laws: 1991 (employment), 2000 (social insurance), and 2001 (contributions).

**Type of program:** Social insurance system.

**Coverage**

Working-age citizens.

Voluntary coverage for self-employed persons.

Special provisions for Chernobyl workers and persons made redundant by military reform.

**Source of Funds**

Insured person: 0.6% of earnings.

Self-employed person: Voluntary contributions only.

Employer: 1.6% of payroll.

Government: Provides subsidies as needed.

**Qualifying Conditions**

Unemployment benefits: The insured must be registered at an employment office, be able and willing to work, and have income less than the minimum wage. The benefit may be reduced, suspended, or terminated if the worker is discharged for violating work rules, leaving employment without good cause, violating conditions for job placement or vocational training, or filing a fraudulent claim.

The monthly minimum wage is 884 hryvnias (April 2010).

**Unemployment Benefits**

With less than 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, 60% of average earnings; with more than 10 years, 70% of average earnings. For the first 90 calendar days, 100% of the benefit is paid; 80% for the next 90 calendar days; 70% thereafter. Benefits are paid for up to 360 days in a two-year period. For insured persons within 2 years of retirement, benefits are paid for up to 720 calendar days.

The minimum benefit cannot be less than 23% of the minimum subsistence level for able-bodied people.

The minimum subsistence level for able-bodied people is 869 hryvnias.

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

**Funeral grant:** A lump sum equal to the minimum subsistence level is paid to dependents, family members, or the person organizing the funeral.

**Administrative Organization**

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

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

**Family Allowances**

**Regulatory Framework**

First law: 1944.

Current law: 1992 (child benefits).

**Type of program:** Social assistance system.

**Coverage**

Families with children.

Special provisions for victims of the Chernobyl disaster.

**Source of Funds**

Insured person: See source of funds under Sickness and Maternity.

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

Employer: See source of funds under Old Age, Disability, and Survivors and Sickness and Maternity.

Government: Central and local governments pay allowances for children of unemployed families or with nonworking mothers.

**Qualifying Conditions**

Family allowances (income-tested): Paid to low-income families and single mothers.

Birth grant: The mother must claim the benefit within 12 months of the birth.

Adoption benefit: Paid for the adoption of a child.

Single mother (adoptive parent) allowance: Paid for children younger than age 18 (age 23 if a student).

Adoptive child (or guardianship) allowance: Paid for an adopted child or a child under guardianship.
**Family Allowance Benefits**

**Birth grant (for insured or non-insured):** 12,240 hryvni is paid for the first child, 25,000 hryvni for the second child, 50,000 hryvni for third and any subsequent child. The grant is paid for 12 to 36 months, depending on the number of children.

**Adoption benefit:** 12,240 hryvni is paid per child.

**Single mother (adoptive parent) allowance:** The allowance is based on the minimum subsistence level for the child’s age cohort and average family income.

**Adoptive child (or under guardianship) allowance:** The allowance is based on the minimum subsistence level for the child’s age cohort.

**Administrative Organization**

Ministry of Labour and Social Policy (http://www.mlsp.gov.ua) provides general supervision.

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