

Ukraine

Exchange rate: US\$1.00 = 23.95 hryvnias.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922.

Current laws: 1991 (pensions), implemented in 1992; 1993 (qualifying conditions); 1996 (social protection); 2003 (mandatory state pension insurance), implemented in 2004; 2005 (social assistance); 2010 (single contribution); 2011 (social insurance); and 2013 (pension indexation).

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Residents and stateless persons employed under labor agreements or under civil law agreements, including those who work abroad; and self-employed persons.

Voluntary coverage is available.

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

Social assistance: Citizens of Ukraine.

Source of Funds

Insured person: None.

Self-employed person: 22% of the monthly minimum wage.

The monthly minimum wage is 1,450 hryvnias (May 2016).

The monthly maximum earnings used to calculate contributions are 34,450 hryvnias.

The self-employed person's contributions also finance work injury, sickness, maternity, and unemployment benefits.

Employer: 22% of payroll.

The monthly maximum earnings used to calculate contributions are 34,450 hryvnias.

The employer's contributions also finance work injury, sickness, maternity, and unemployment benefits.

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

Qualifying Conditions

Old-age pension (social insurance): Age 60 with at least 35 years of coverage (men) or age 57 and six months (women, gradually rising by six months a year until reaching age 60 in 2021) with at least 30 years of coverage.

Covered employment includes 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 15 to 34 years of coverage (men) or age 57 and six months (women, gradually rising by six months a year until reaching age 60 in 2021) with 15 to 29 years of coverage.

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

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

Old-age caregiver's allowance (social insurance): Paid to an unpaid caregiver of a person older than age 80 in need of constant attendance.

Old-age social pension (social assistance): Age 63 (men) or age 60 and six months (women, gradually rising by six months a year until reaching age 63 in 2021) with low income and does not meet the qualifying conditions for the old-age pension.

Social pension supplement: Paid to supplement the old-age social pension.

Disability pension (social insurance): 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. For a Group I disability, the insured must have at least one year of coverage before age 25, and two to 10 years of coverage from age 26 to 59. For a Group II or Group III disability, the insured must have one year of coverage before age 23 and from two to 14 years of coverage from age 24 to 59. No coverage requirement if the disability occurred during fixed-term military service.

Disability caregiver's allowance (social insurance): Paid to an unpaid caregiver of a person with a Group I disability.

Disability social pension (social assistance): Must be assessed with a disability, have low income, and not meet the qualifying conditions for a disability pension or work injury benefit.

Social pension supplement: Paid to supplement the disability social pension.

Survivor pension (social insurance): The deceased had at least one to 15 years of coverage, depending on the deceased's age at the time of death.

Eligible survivors include 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 people with a disability.

The monthly minimum subsistence level for people with a disability is 1,074 hryvnias.

Partial pension: Paid if the insured did not meet the coverage requirements for the full survivor pension.

Funeral grant (social insurance): Paid when an employee, student, unemployed person, pensioner, or military pensioner dies.

Old-Age Benefits

Old-age pension (social insurance): 1% (1.35% in practice) of the wage base is paid for every full year of covered employment. The pension is paid monthly.

The wage base is based on the average national wage in the 36 months preceding the year of retirement and the insured's earnings.

The minimum pension is the minimum subsistence level for people with a disability.

The maximum pension is 10 times the minimum subsistence level for people with a disability.

The monthly minimum subsistence level for people with a disability is 1,074 hryvnias.

Partial pension: The monthly benefit is reduced in proportion to the insured's number of years of coverage less than 35 years (men) or 30 years (women).

Deferred pension: The pension is increased by 0.5% for every additional month of coverage if the pension is deferred up to 60 months after normal retirement age; by 0.75% for every additional month of coverage for more than 60 months.

Old-age caregiver's allowance (social insurance): A monthly allowance is paid.

Old-age social pension (social assistance): The monthly pension varies from 30% to 100% of the minimum subsistence level for people with a disability.

The monthly minimum subsistence level for people with a disability is 1,074 hryvnias.

Social pension supplement: The difference between the social pension and the minimum subsistence level for people with a disability is paid.

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

Permanent Disability Benefits

Disability pension (social insurance): 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 35 years (men) or 30 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 of coverage below the required number, according to the insured's age and degree of disability.

Disability caregiver's allowance (social insurance): A monthly allowance is paid.

Disability social pension (social assistance): The monthly pension varies from 60% to 100% of the minimum subsistence level for people with a disability, depending on the assessed degree of disability.

The monthly minimum subsistence level for people with a disability is 1,074 hryvnias.

Social pension supplement: The difference between the social pension and the minimum subsistence level for people with a disability is paid.

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

Survivor Benefits

Survivor pension (social insurance): 50% of the old-age pension the deceased would have been entitled to receive is paid 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 people with a disability is paid.

The monthly minimum subsistence level for people with a disability is 1,074 hryvnias.

Partial pension: If the insured has less than 30 years of coverage, the survivor pension is reduced proportionately.

Funeral grant (social insurance): A lump sum of 10 times the minimum monthly wage is paid for the funeral of an employee, student, or unemployed person; two months of the old-age pension the deceased would have been entitled to receive is paid for the funeral of a pensioner; three months for a military pensioner.

The monthly minimum wage is 1,450 hryvnias (May 2016).

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

Administrative Organization

Ministry of 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: 1999 (compulsory insurance) and 2010 (collection and 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: Employed persons.

Medical benefits: Residents of Ukraine.

Source of Funds

Insured person

Cash benefits: None.

Medical benefits: None. May purchase a voluntary medical insurance policy.

Self-employed person

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

Medical benefits: None.

Employer

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

Medical benefits: None.

Government

Cash benefits: Central and local governments pay the cost of maternity cash benefits for the uninsured.

Medical benefits: The total cost.

Qualifying Conditions

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

Sickness and Maternity Benefits

Sickness benefit: 50% of the insured's average gross earnings in the last three months is paid with less than three years of work; 60% with at least three but less than five years; 80% with at least five but less than seven years; and 100% with at least eight years or for a person injured in the Chernobyl disaster, a person caring for a child up to age 14 who was injured in the Chernobyl disaster, a WWII veteran, a surviving spouse of a veteran or soldier killed in combat, or a blood donor. The benefit is paid after a five-day waiting period for up to six months or until certification of permanent disability (the employer pays the first five days).

Maternity benefit: 100% of the insured's earnings is paid to employed women for 70 days before and 56 days after (70 days for a complicated birth or multiple births) the expected date of childbirth; for 90 days before and 90 days after the expected date of childbirth for women injured in the Chernobyl disaster.

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 for able-bodied people 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 1,450 hryvnias (May 2016).

Workers' Medical Benefits

Medical benefits: Government health providers offer medical services directly to patients. Benefits include preventive, general, specialist, dental, and maternity care; hospitalization; laboratory services; and transportation. Care in sanatoria and nursing 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 medication is 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 benefits for dependents are the same as those for the insured.

Administrative Organization

Ministry of Social Policy (<http://www.mlsp.gov.ua>) and Social Insurance Fund for Temporary Disability (<http://www.fse.gov.ua/fse/control/main/uk/index>) provide general oversight of the program for cash benefits.

Ministry of 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: 1999 (work injury) and 2010 (collection and contributions).

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

Coverage

Employed persons.

Special provisions for victims of the Chernobyl disaster.

Source of Funds

Insured person: None (cash benefits). For medical benefits, 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.

Government: None (cash benefits). Pays the cost of medical benefits.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 100% of the insured's average earnings is paid after a five-day waiting period (the employer pays the first five days), regardless of the length of the insurance period before the assessed loss of working capacity or recovery.

Lump-sum payment: A lump sum is paid based on the assessed loss of working capacity and 17 times the minimum subsistence level for able-bodied people on the day of benefit entitlement.

In case of the death of the insured due to a work injury, a benefit of 100 times the minimum subsistence level for able-bodied people on the day of benefit entitlement is paid, plus 20 times the minimum subsistence level for able-bodied people on the day of benefit entitlement for each dependent family member, including a deceased child born within 10 months after the death.

The minimum subsistence level for able-bodied people is 1,450 hryvnias (May 2016).

Work injury monthly payment: The monthly benefit is based on the insured's average earnings before the accident and the assessed loss of working capacity.

Permanent Disability Benefits

Permanent disability pension: 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); and 40% for a Group III disability (incapacity for usual work).

Workers' Medical Benefits

Medical benefits: Government health providers offer medical services directly to patients. Benefits include preventive, general, specialist, dental, and maternity care; hospitalization; laboratory services; transportation; and the full cost of appliances and medicine.

Survivor Benefits

Survivor pension: 30% of the deceased's monthly earnings is paid to each dependent survivor.

The minimum monthly pension is 100% of the minimum subsistence level for people with a disability.

The minimum subsistence level for people with a disability is 1,074 hryvnias.

Funeral grant: Ten times the minimum wage is paid for the funeral of an employee; two 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 1,450 hryvnias (May 2016).

Administrative Organization

Social Insurance Fund for Work Injury and Occupational Diseases (<http://social.org.ua>) supervises temporary disability benefits and pays benefits to employees.

Ministry of 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.

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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: 2000 (unemployment), 2012 (employment), and 2013 (collection and contributions).

Type of program: Social insurance system.

Coverage

Employed persons, including casual workers and military personnel; and self-employed persons.

Special provisions for Chernobyl workers, persons unemployed as a result of military reform, women with children younger than age 6, single mothers with children younger than age 14 or disabled, and certain other categories.

Source of Funds

Insured person: None.

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

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

Government: Provides subsidies as needed.

Qualifying Conditions

Unemployment benefits: 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 1,450 hryvnias (May 2016).

Unemployment Benefits

Unemployment benefit: With less than two years of covered employment, 50% of the insured's average earnings is paid with less than two years of covered employment; 55% with two to six years; 60% with seven to 10 years; and 70% with more than 10 years. 100% of the benefit is paid for the first 90 calendar days; 80% for the next 90 calendar days; 70% thereafter. Benefits are paid for up to 360 days in a two-year period; up to 720 calendar days for insured persons within two years of retirement.

The minimum monthly benefit is 975 hryvnias for insured persons; 544 hryvnias for noninsured persons.

The maximum monthly benefit is 4,872 hryvnias.

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

The minimum subsistence level is 1,450 hryvnias (May 2016).

Administrative Organization

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

State Employment Service administers the program.

Family Allowances

Regulatory Framework

First law: 1944.

Current law: 1992 (child benefits).

Type of program: Social assistance system.

Coverage

Residents of Ukraine.

Special provisions for victims of the Chernobyl disaster.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: Central and local governments pay allowances for children of unemployed families or 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 noninsured): 40 times the minimum subsistence level for children younger than age 6 is paid for each child.

Adoption benefit: 40 times the minimum subsistence level for children younger than age 6 is paid for each 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.

The minimum subsistence level for children younger than age 6 is 1,167 hryvnias; from age 6 to 18, 1,455 hryvnias (May 2016).

Administrative Organization

Ministry of Social Policy (<http://www.mlsp.gov.ua>) provides general supervision and administers the program.