

Human Capital News

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On 20 September 2015 the Law "On amendments to the Law of Ukraine "On the State Budget of Ukraine for 2015" from 17 September 2015 (hereinafter - the Law) came into force. The Law is aimed at increasing the social standards and the minimum wage effective 1 September 2015.

Namely, in connection with the growth of revenues, expenses and the amounts of returns of credits to the State Budget of Ukraine, as well as the reduction of expenses of the special fund of the budget, the increase of the subsistence minimum and the minimum wage was established effective **1 September 2015** (previously, such an increase was planned effective 1 December 2015).

Monthly subsistence minimum

Monthly subsistence minimum per person	UAH 1,330.00
Children aged up to 6	UAH 1,167.00
Children aged from 6 to 18 years	UAH 1,455.00
Able-bodied persons	UAH 1,378.00
Disabled persons	UAH 1,074.00

Minimum wage

Monthly amount	UAH 1,378.00
Hourly amount	UAH 8.29

Establishment of the new amounts of the subsistence minimum and the minimum wage in its turn leads to rise of additional questions - namely, with respect to:

▶ **calculation of the maximum base for assessment of the unified social tax (hereinafter - UST)**

According to the Article 1 of the Law "On Unified Social Insurance Contribution Collection and Record-Keeping", the maximum base for assessment of the UST equals to 17 monthly subsistence minimums for able-bodied persons, established by the law, which onward will be UAH 23,426

▶ **algorithm of the personal income tax calculation**

Since pursuant to the Clause 1 of the Article 167 of the Tax Code of Ukraine the rate of 15% applies to income, which does not exceed the amount of 10 minimum wages established for the 1st of January of the reporting year, the maximum amount of income, which is subject to tax at 15% rate, equals to UAH 12,180, as it was before. However,

please note that effective 1 January 2016 this amount will be equal to UAH 13,780

▶ **salary within the amount of the minimum wage**

Please note that according to the Article 41 of the "Code of Ukraine on Administrative Offences", non-compliance with establishment of the new minimum wage results in imposing a fine on the executive officers of enterprises, institutions and organizations regardless of the form of property and individual-private entrepreneurs in the amount from 30 to 100 non-taxable minimums of the individuals' income - namely, from UAH 510 to UAH 1,700

Should you have any questions about any of the issues raised in this newsletter please give us a call or send us an email and we will gladly consider your concerns immediately.



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