

## Ukraine

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

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1922.

**Current law:** 2003 (Compulsory State Pension Insurance), implemented in 2004.

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

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

#### Coverage

All employees.

Special provisions for victims of the Chernobyl catastrophe.

#### Source of Funds

**Insured person:** 1% of earnings up to H149, plus 2% for earnings of H150 or more.

**Employer:** 32% of payroll.

**Government:** Subsidies as needed from central and local governments.

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

#### 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 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 under age 3, or being unemployed and seeking a job, if contributions are paid for these periods.

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

**Early pension:** An early pension is payable to unemployed older workers (for men between ages 58 and 6 months and 60 or for women between ages 53 and 6 months and 55) who meet the requirements for covered employment and who were

working for an enterprise that was liquidated or reorganized. The early pension ceases if the beneficiary is reemployed.

**Deferred pension:** A deferred pension is possible.

**Carer's allowance:** 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.

**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 total disability:** 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.

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

**Survivor pension:** The insured had up to 5 years of covered employment. The pension is payable to surviving children whether or not they were the insured's dependents and to nonworking dependents (including the spouse; either parent, if disabled or of pensionable age; and grandparents, if 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:** Payable to citizens who are not working and not eligible for an old-age, disability, or survivor pension.

#### Old-Age Benefits

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

The minimum pension is H92.45 (20% of the national average wage for each employment sector).

There is no maximum pension.

The minimum wage is H140 a month.

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.

**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 coverage.

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

**Carer's allowance:** The allowance is payable monthly.

**Social pension:** Paid to a person who has no insurance coverage. The pension rate varies between H23.30 and H59.

Benefit adjustment: Benefits are adjusted periodically for cost-of-living changes.

### **Permanent Disability Benefits**

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

Partial pension for 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 coverage.

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

**Carer's allowance:** The allowance is payable monthly.

**Social pension:** 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 cost-of-living changes.

### **Survivor Benefits**

**Survivor pension:** The monthly pension is 50% of the insured's old-age pension for one dependent; 100% for two dependents.

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

Partial pension: If the insured 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 coverage.

**Funeral grant:** Ten times the minimum wage 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.

Benefit adjustment: Benefits are adjusted periodically for cost-of-living changes.

### **Administrative Organization**

Ministry of Labor and Social Policy provides general coordination.

Regional and local social protection departments administer the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1912.

**Current law:** 2001.

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

### **Coverage**

**Cash benefits:** Employed persons, those on leave to pursue education and training, those unemployed as a result of enterprise liquidation, the registered unemployed, and military personnel.

**Medical benefits:** All residents. Special provisions for victims of the Chernobyl catastrophe.

### **Source of Funds**

**Insured person:** For cash benefits, 0.25% to 0.5% of earnings. For medical benefits, none; except for voluntary medical insurance policies.

**Self-employed person:** 3% of declared income.

**Employer:** For cash benefits, 2.5% of payroll. For medical benefits, none.

**Government:** Total cost of medical benefits. The cost of universal maternity cash benefits is met by central and local government budgets.

### **Qualifying Conditions**

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

### **Sickness and Maternity Benefits**

**Sickness benefit:** 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 years of service or more, or for a person injured in the Chernobyl catastrophe, a person caring for a child injured in the Chernobyl catastrophe, a veteran of the Second World War, or a surviving spouse of a war veteran or soldier killed in combat. The benefit is payable for a maximum of 6 months or until the determination of permanent disability.

The benefits are payable at 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 3 years old and to women on leave for education and training; 50% of the minimum wage to eligible unemployed women until the child is 2 years old (until the child is 3 years old if the 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.

Cost sharing: The patient ordinarily pays part of the cost of appliances. Medicines, if provided with hospitalization, are free.

Medicines are also free for disabled children under age 16, children under age 1, and pensioners receiving the minimum pension.

Care in sanatoria and rest homes, with preference being given to workers who may pay part of cost.

### **Dependents' Medical Benefits**

Same as for the household head.

### **Administrative Organization**

Ministry of Labor and Social Policy, Ministry of Finance, and Social Insurance Fund provide general oversight of the program for cash benefits.

Ministry of Labor and Social Policy and social protection departments of local governments administer benefits.

Ministry of Health and health departments of local governments provide general supervision and coordination for medical care.

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

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1912.

**Current laws:** 1990 (pensions), 1992 (lump-sum cash benefits), and 1999 (mandatory social insurance for work injury and occupational diseases).

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

Note: This information is from 2002.

### **Coverage**

**Cash benefits:** All employees.

**Medical benefits:** All residents.

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. For medical benefits, see medical benefits under Sickness and Maternity, above.

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

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

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

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

### **Permanent Disability Benefits**

**Permanent disability pension:** Group I total disability pension (incapacity for any work, requiring constant attendance), 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:** The monthly pension is 30% of the insured's wage base for each dependent.

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

**Funeral grant:** Ten times the minimum wage 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 their own employees.

Ministry of Labor and Social Policy and social protection departments of local governments administer benefits.

Ministry of Health and health departments of local governments provide general supervision and coordination for medical care.

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

### **Unemployment**

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#### **Regulatory Framework**

**First law:** 1921.

**Current laws:** 1991 and 2001.

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

#### **Coverage**

Working-age citizens.

Special provisions for victims of the Chernobyl catastrophe.

Voluntary affiliation for the self-employed.

#### **Source of Funds**

**Insured person:** 0.5% of earnings.

**Employer:** 1.9% of payroll.

**Government:** Subsidies as needed from central and local governments.

#### **Qualifying Conditions**

**Unemployment benefit:** Registered at an employment office, able and willing to work, and income does not exceed 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**

**Unemployment benefit:** With up to 2 years of covered employment, the benefit is based on 50% of average earnings;

with 2 years to 6 years, 55% of average earnings; with 6 years 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. The total duration of payment is 360 days in a 2-year period. For insured persons within 2 years of retirement, the total duration of payment is 720 calendar days.

The minimum benefit is 23% of the subsistence minimum.

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 if the 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. The duration of payment is up to 180 days.

**Dependent supplement:** Payable to unemployed persons after 360 days of unemployment benefits and 180 days of unemployment assistance. The supplement is H80 for an active person, H110 for a nonactive person, or H115 for a disabled person. The supplement is payable once every 6 months.

**Funeral grant:** Payable to dependents, family members, or the person undertaking funeral arrangements. The amount of the grant equals the subsistence minimum.

### **Administrative Organization**

Ministry of Labor and Social Policy provides general policy coordination.

Employment Service and its local offices administer the program.

### **Family Allowances**

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#### **Regulatory Framework**

**First law:** 1944.

**Current law:** 1993.

**Type of program:** Social insurance and social assistance system.

Note: This information is from 2002.

#### **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.

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

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**Government:** Central and local budget subsidies for allowances for children of unemployed families and of nonworking mothers.

### **Qualifying Conditions**

**Family allowances:** Large families (three or more children), single mothers with one or more children, and families with one or more disabled children.

### **Family Allowance Benefits**

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

For single mothers, widow(er)s not receiving a survivor pension or a social pension, and children whose father has evaded child support, the allowance is 50% of the minimum wage for each child under 16 (age 18 if a student). Allowances are income tested.

For guardians of children under age 16, the allowance is 200% of the minimum wage. The allowance is income tested.

For carers of disabled children under age 16, the allowance is 100% of the minimum wage.

**Birth grant:** A lump sum equal to twice the subsistence minimum for every child; H725 (May 2004).

### **Administrative Organization**

Ministry of Labor and Social Policy and social protection departments of local governments administer the program for unemployed families and nonworking mothers.

Employers make payments to employees.