

## **New Conditions for Reducing Single Social Contribution Rate**

On 2 March 2015 the Verkhovna Rada amended the Law on Single Social Contribution.

New conditions for lowering the coefficients (0.4 in 2015 and 0.6 in 2016) of the Single Social Contribution rates were introduced.

The rates of the Single Social Contribution are applied with lower coefficients to salary or remuneration under civil agreements if the employer satisfies all of the three following conditions:

- the accrual base of the Single Social Contribution per one insured person in the reporting month increased at least by 20% compared with average monthly accrual base of the Single Social Contribution for 2014 per one insured person. Previously the accrual base comprised all insured persons at an enterprise and had to be increased by 30% or more;
- after application of the coefficient for the average payment per insured person in the reporting month it will be not less than the average payment per insured person in 2014. Previously the average payment per insured person after application of the coefficient had to be at least UAH 700 (approx. USD 30; EUR 27);
- the number of insured persons in the reporting month does not exceed 200% of the average number of insured persons in 2014. This condition is not applicable to individual entrepreneurs and persons that employ other persons under employment agreements (contracts).

The abovementioned amendments come into force on 13 March 2015.