Comparisons

Taxation of Fringe Benefits

Housing	C
Home Flights	C
Education for children	A

A Tax exempt | **B** Taxable | **C** Tax relief under certain conditions

Tax Rates

Single, no children Employment Gross Income[1] € 100,000 p.a.	25,4%
Married, 2 children Employment Gross Income[1] € 100,000 p.a.	25,4%

Maximum Effective Personal Income
Tax Rates for the past 3 years

2019	2020	2021
45%	45%	45%

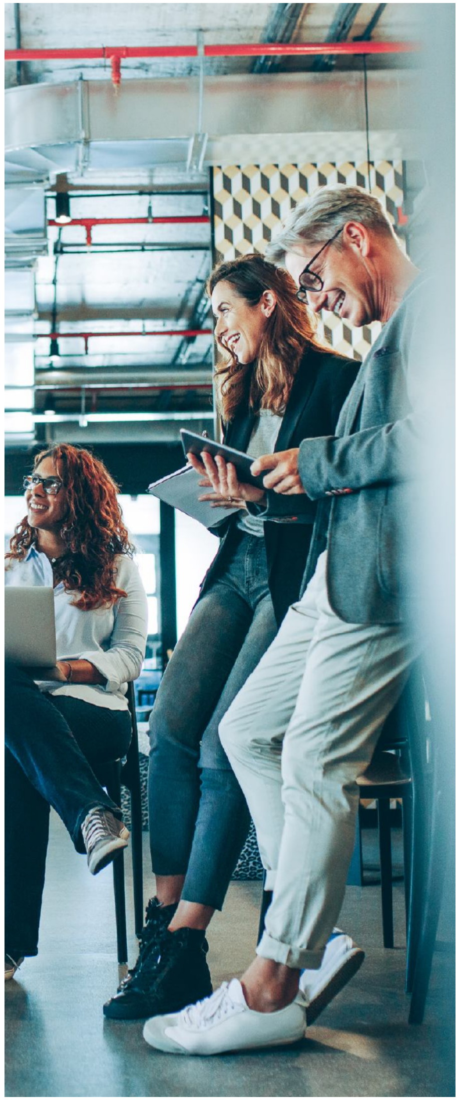
Social Security Rates
Employment Gross Income[1] € 100,000 p.a.

Employee	6,5%
Employer	12,4%

Social Security Agreements (SSA)

- Canada (Not Including Quebec)
- EEA (EU, Iceland, Liechtenstein, Norway)
- Israel
- Japan
- Philippines
- Republic of former Yugoslavia
- South Korea
- Switzerland
- Turkey
- USA

[1] Excluding fringe benefits such as housing.



Ukraine

Personal Income Tax

- → The scope of income subject to taxation depends on the residency status of an individual and source of income, being Ukrainian-sourced income for non-residents of Ukraine and worldwide income – for residents.
- → Income may be exempt on the basis of double tax treaties (if any).
- → The PIT standard rate is 18%. Yet, in cases directly envisaged by the law the PIT rate may constitute 0%, 5% or 9% depending on the type of income. Moreover, the taxable income is subject to taxation with military tax at the rate of 1.5%.
- → The individual is personally liable to file a tax return and pay taxes in Ukraine on an annual basis in case of receipt of an income from sources other than tax agents (the person liable for withdrawing taxes and reporting to the tax authorities on income accrued and taxes withheld and paid according to Ukrainian law).
- → The tax year is the calendar year.
- → The deadline for filing a tax return personally or electronically is before 1 May of the year following the reporting year. If the tax return is filed via post, the deadline is offset 5 calendar days before the aforementioned deadline. In certain cases, the deadline for tax return filing may be postponed until 31 December based on the taxpayer's request.
- → The deadline for paying taxes stated in the tax return is before 1 August of the year following the reporting year.
- → Employment income, if accrued and paid by a Ukrainian employer, (a company or representative office of a foreign company) is subject to taxation with PIT (18%), military tax (1.5%) at the expense of an employee and with a safe approach - with social security contribution (22%) at expense of the employer. The employer is liable for withholding and paying of taxes on behalf of an employee, as well as for reporting on the amount of income accrued and taxes withheld and paid. Payment of taxes is executed along (simultaneously) with the payment of salary (remuneration) to an individual.
- → Remuneration received by a non-resident individual from an employer registered outside of Ukraine (foreign company) for the execution of works in Ukraine shall be considered a Ukrainian-sourced income subject to taxation in Ukraine, if it is not envisaged otherwise by the double tax treaty (if any). In such a case, a non-resident individual is personally required to file a tax return to the Ukrainian tax authorities and for the payment of taxes stated in such a tax return on an annual basis. Upon results of a declaration campaign, an individual may refer to Ukrainian tax authority and receive a certificate confirming the taxable income declared and the amount of taxes paid in Ukraine.

Social Security

There is some uncertainty as to the accrual and payment of social security contributions with regard to non-residents employed in Ukraine. Considering the social security contribution is compulsory and generally applied to all individuals employed by a Ukrainian employer, under a safe approach, in the case of employing a non-resident employee the employer also pays the social security contribution at the rate of 22%.

Income payable by an employer is subject to taxation with social security contributions, however the monthly base for the social security contribution assessment shall be within the range of the legislatively set minimal and maximal amount.

The minimal monthly assessment base for the social security contributions in 2021 is UAH 6,000 (approximately € 182), and the maximum monthly assessment base – UAH 90,000 (approximately € 2,730). That is, the minimal amount of social security contributions to be paid per month is UAH 1,320 (approximately € 40) while the maximum amount is UAH 19,800 (approximately € 600).

Employee

- → No special rules are set forth, however, if required, an employee is entitled to conclude a voluntary agreement on participation in the system of the state social insurance and pay social security contributions in the amount as agreed in such an agreement.

Employer

- An employer is required to pay social security contributions at the rate of 22% of the monthly employee's gross remuneration, however, within a range of minimal and maximal assessment base.

Immigration

Visa

- Foreigners who want to enter Ukraine must obtain a visa first. This requirement does not apply to foreign nationals who are subject to the visa-free regime (e.g. citizens of the EU, USA, Canada, UK, Australia etc.).
- Foreigners intending to stay in Ukraine for a period longer than 90 days within any 180-days period should obtain residence permits requiring entering Ukraine under D-type visa received at the Ukrainian consulate abroad.

Work permit

- In general, all foreigners (except those who have a permanent residence permit and those who fall under special categories provided by the law) must have a work permit to work in Ukraine.
- Work permit for a foreigner shall be received by the employer at the regional employment centre before the commencement of employment.

Registration

- Short-time visits to Ukraine do not require the registration of a place of residence.
- In the case of a long-term visit, a foreigner should register their place of residence within 30 calendar days of receiving a temporary residence permit.

Employer's Obligations

Start of employment

- Receive a work permit for the employee before the commencement of employment.
- Conclude the employment contract with the employee within 90 days from the moment of issuance of the work permit.
- Provide a copy of the employment contract of the employee to the regional employment centre within 10 days from the moment of concluding the employment contract.
- Notify tax authorities on the employment of the foreigner before the commencement of employment.

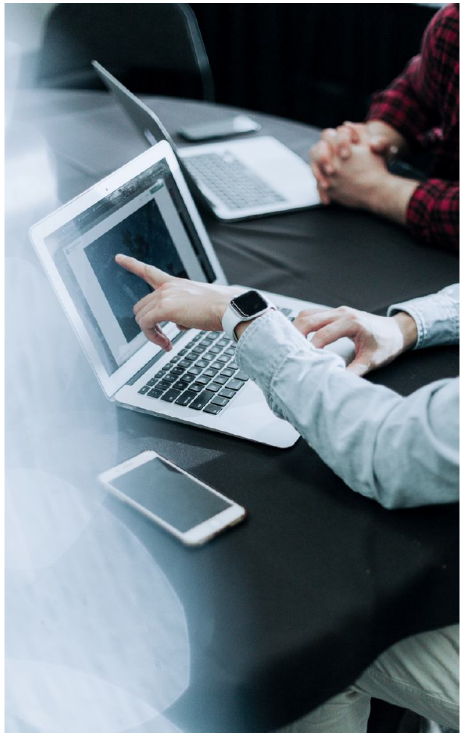
During employment

- An employer withholds, pays personal income tax, military tax and social security contributions on a monthly basis when remuneration is paid to an employee, and reports on the employee's income accrued and taxes withheld and paid on a quarterly basis.

Termination of employment

- Cancel the work permit for the employee at the regional employment centre (if applicable).
- Notify the employee of due payments and execute the full settlement on the last day of employment.

WTS Assignments to Europe | Ukraine



Comparisons

Taxation of Fringe Benefits

Housing	B
Home Flights	B
Education for children	B

A Tax exempt | **B** Taxable | **C** Tax relief under certain conditions

Tax Rates

Single, no children Employment Gross Income[1] € 100,000 p.a.	18%
Married, 2 children Employment Gross Income[1] € 100,000 p.a.	18%

Maximum Effective Personal Income

Tax Rates for the past 3 years

2019	2020	2021
18%	18%	18%

Social Security Rates

Employment Gross Income[1] € 100,000 p.a.

Employee	n/a
Employer	22%

→ maximal amount p.a. is €7,200, provided that the income is paid in equal monthly instalments[2]

Social Security Agreements (SSA)

Poland
Latvia
Lithuania
Span
Slovakia
Russia
Czech Republic
Hungray
Portugal

[1] Excluding fringe benefits such as housing.
[2] Due to legislatively set monthly minimal and maximal amounts of assessment base for social security contributions, the minimal amount of social security contributions in 2021 is approximately € 40 per month and maximal - approximately € 600 per month.
[3] Deal with certain aspects of social security.