

Globalization Partners provides employer of record services for customers that want to hire employees and run payroll without first establishing a branch office or subsidiary in Ukraine. Your candidate is hired via Globalization Partners' Ukraine PEO in accordance with local labor laws and can be onboarded in days instead of the months it typically takes. The individual is assigned to work on your team, working on your company's behalf exactly as if he or she were your employee to fulfill your in-country requirements.

- [Basic Facts About Hiring in Ukraine](#)
- [Ukraine Holidays](#)
- [Bonus in Ukraine](#)
- [Working Hours in Ukraine](#)
- [Vacation in Ukraine](#)
- [Sick Leave in Ukraine](#)
- [Maternity/Paternity Leave in Ukraine](#)
- [Termination/Severance in Ukraine](#)
- [Ukraine Tax](#)
- [Health Insurance in Ukraine](#)
- [Additional Benefits in Ukraine](#)
- [Employment Contracts in Ukraine](#)
- [Why Globalization Partners](#)

Our comprehensive solution and Global PEO service enable customers to run payroll in Ukraine while HR services, tax, and compliance management matters are lifted from their shoulders onto ours. As a Global PEO expert, we manage employment contract best practices, statutory and market norm benefits, and employee expenses, as well as severance and termination if required. We also keep you apprised of changes to local employment laws in Ukraine.

Your new employee is productive sooner, has a better hiring experience and is 100% dedicated to your team. You'll have peace of mind knowing you have a team of dedicated employment experts assisting with every hire. Globalization Partners allows you to harness the talent of the brightest people in more than 185 countries around the world, quickly and painlessly.

Ukraine, located in Eastern Europe and bordering the Black Sea, has a population of 44.5 million people.

When negotiating terms of an employment contract and offer letter with an employee in Ukraine, it may be useful to keep the following standard benefits in Ukraine in mind:

### **Basic Facts About Hiring in Ukraine**

The Ukrainian labor code favors the employee, and considers the worker in need of protection by the state. The code includes many employee protections that are not common in the U.S.

Foreign employees must have a work permit issued through the Employment Center, and the company must prove that there are no Ukrainian citizens available to fill the job. Work permits are usually issued for a one-year period, but they can sometimes be extended. The Employment Center has 30 days to grant or reject a permit application. Employers must inform the Employment Center within three days of an employee's start or termination date.

When negotiating the terms of an employment contract and offer letter with an employee in Ukraine, it may be useful to keep the following standard benefits in Ukraine in mind:

### **Ukraine Holidays**

Ukraine celebrates 11 public holidays for which employees are given the day off, including:

- New Year's Day
- Orthodox Christmas
- Women's Day
- Orthodox Easter Monday
- Labor Day
- Victory Day
- Orthodox Pentecost Monday

- Constitution day
- Baptism of Kyivan Rus
- Independence Day
- Day of the Defenders

### **Bonus in Ukraine**

The 13th month bonus in Ukraine is considered a gratuity and is not required by local law. Most employers offer performance based bonuses.

### **Working Hours in Ukraine**

The standard work week in Ukraine consists of up to 8 hours per day, 40 hours per week.

Additional hours are considered overtime work and are subject to 100% pay over normal salary.

- Overtime cannot exceed 2 hours a day in any two-day period or 120 hours per year.

### **Vacation in Ukraine**

Employees in Ukraine are entitled to a minimum of 24 days off per year. Employees over 55, disabled employees and caretakers are entitled to an additional 3 days off.

Employees are entitled to a maximum of 7 days for personal circumstances such as marriage or death of a close family member.

### **Sick Leave in Ukraine**

Employees are entitled to sick leave. Benefits are based on the employee's duration of employment and vary between 60% to 100% of pay:

- 60% for 5 years or less
- 80% for 5-8 years

- 100% for more than 8 years

### **Maternity/Paternity Leave in Ukraine**

Female employees are entitled to 70 days of maternity leave prior to the expected delivery date and 56 (sometimes 70) days after delivery. A woman is also entitled to partially paid leave until the child reaches 3 years of age.

There is no statutory paternity leave.

### **Termination/Severance in Ukraine**

The employer can set a probationary period in the employment contract of up to 3 months.

Termination of an employment contract is only permitted if one of the following applies:

- Mutual agreement
- Expiration of a fixed-term contract
- Entry into military service
- Transfer of the employee to another position
- Refusal to move or refusal to work based on changes in the work environment
- Employee imprisonment
- Employee resignation
- Termination based on other grounds stipulated in the employment contract

There is typically a great deal of time and cost involved with terminating an employee for reasons other than employee resignation or mutual agreement. It is recommended that the employer seek legal advice when terminating an employee.

Severance Pay: In general, severance pay is equal to at least 1 month's average salary.

### **Ukraine Tax**

Social Security: Employers are obligated to pay Unified Social Tax (UST) of 34.7% of the employee's gross salary (the maximum base for the UST is set at 17 times the average cost of living and as of 2016 is capped at UAH 20,706.00).

### **Health Insurance in Ukraine**

Because the public health system is considered to be of poor quality, private health insurance coverage is typically provided by employers in Ukraine.

### **Additional Benefits in Ukraine**

Meal vouchers are an optional benefit in Ukraine.

### **Employment Contracts in Ukraine**

The general rule in Ukraine is that employment contracts are executed for an indefinite duration. Fixed-term contracts are also allowed for a specific project or task.

While it is not legally required to put an employment contract in writing, it is strongly recommended and best practice to do so. The contract should be in the local language, and it should include the terms of the employee's compensation, benefits, and termination requirements. An offer letter and employment contract in Ukraine should always state the salary and any compensation amounts in Ukrainian Hryvnia rather than a foreign currency.

This information is provided as generally accepted information and is not intended as advisory services.

### **Why Globalization Partners**

Establishing a branch office or subsidiary in Ukraine to engage a small team is time-consuming, expensive and complex. Ukrainian labor law has strong worker protections,

requiring great attention to detail and an understanding of local best practices. Globalization Partners makes it painless and easy to expand into Ukraine. We can help you hire your candidate of choice, handle HR matters and payroll, and ensure that you're in compliance with local laws, without the burden of setting up a foreign branch office or subsidiary. Our Ukraine PEO and [Global Employer of Record](#) solution provides you peace of mind so that you can focus on running your company.

If you would like to discuss how Globalization Partners can provide a seamless employee leasing or PEO solution for hiring employees in Ukraine, please [contact us](#).