

Ukraine is located in Eastern Europe and borders the Black Sea. The country has a large population and a growing economy that make it a great place to expand, but you also have to consider several factors of the expansion, such as setting up your Ukraine payroll, establishing a subsidiary, and more. Globalization Partners can help make your expansion easier through our Employer of Record platform. We'll use our existing subsidiary to hire employees on your behalf and add them to our compliant payroll.

Existing Ukraine Payroll Taxation Rules

Employers have to worry about their own Ukraine payroll tax rules and ensure your employees are compliant. You have to pay a Unified Social Tax (UST) of 34.7% of every employee's gross salary as part of Ukraine's social security program. As a foreign company, you're also liable to contribute a corporate profit tax that's 18% of your gross income.

Employees pay 18% of their gross salary to income taxes, which employers are responsible for withholding. Your employees also need to pay a military tax that's 1.5% of their gross salary.

Your Ukraine Payroll Options

You have four different Ukraine payroll options to choose from:

- **Internal:** Large companies that want to operate in Ukraine long-term can run internal payroll through their subsidiary. You will need the budget and time to hire the right HR staff to ensure compliance.
- **Remote:** Remote payroll is when you add your employees in Ukraine to your parent company's payroll. While doing so can help streamline the payroll process, the different sets of employees will fall under separate laws and regulations.
- **Ukraine payroll processing company:** A Ukraine payroll processing company can help you outsource your payroll, so you won't have to worry about paying employees. However, you'll still be held responsible for compliance.
- **Globalization Partners:** Working with Globalization Partners for Ukraine payroll outsourcing offers the most benefits. We can handle your payroll and take on matters of

compliance as the Employer of Record.

What Do You Need to Set up Payroll in Ukraine?

Before you set up your payroll, you need to establish a subsidiary in the country. Depending on where you incorporate and what entity you choose, it could take weeks or months, and certain steps of the process will include fees. You'll also need to open bank accounts in the country to pay employees.

Necessary Entitlement and Termination Terms

We typically recommend instituting entitlement and termination terms in a written employment contract before hiring employees and adding them to your payroll. Ukraine allows up to three-month probationary periods in an employment contract. Termination is notably difficult in Ukraine, and it can take a good deal of time and money to terminate an employee for anything aside from a resignation or mutual agreement.

Work With Globalization Partners

Globalization Partners can make it easier for you to expand and set up your Ukraine payroll, so you can instead worry about growing your company. Contact us today to learn more about our services and get started with us.