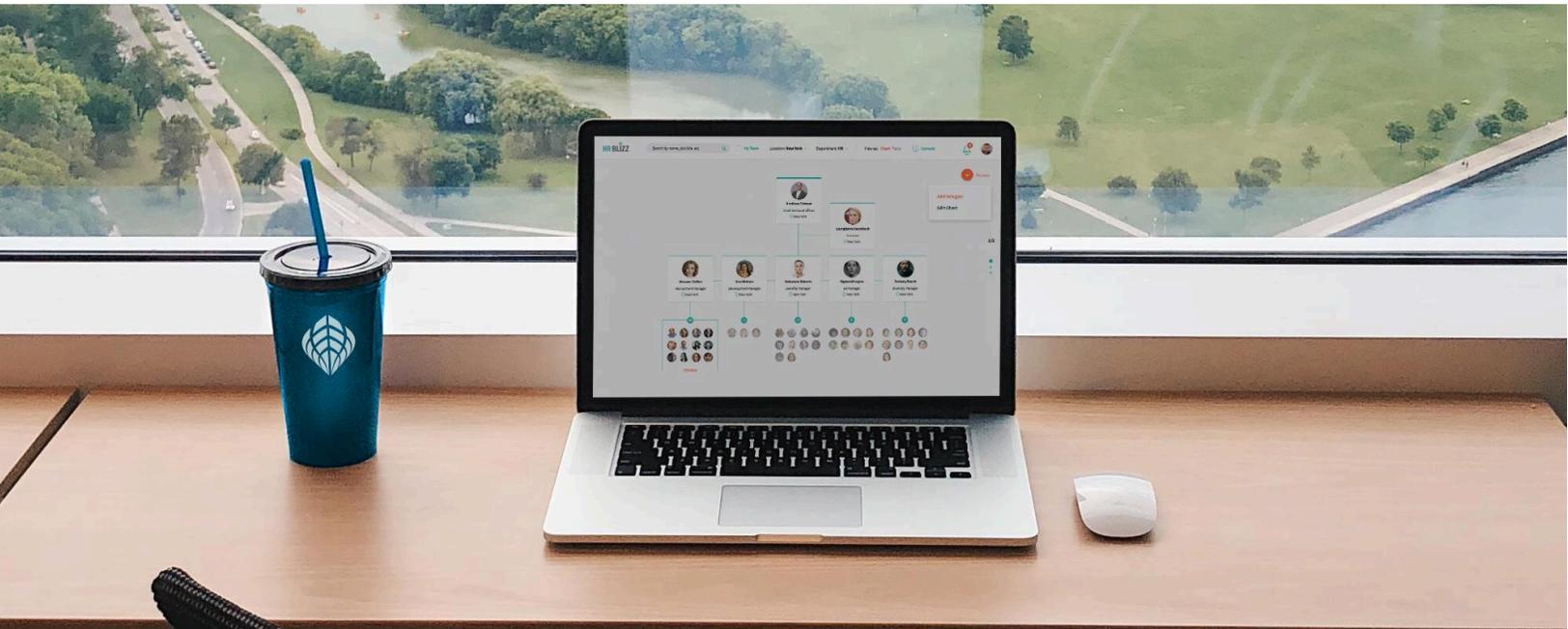




Simplifying Employment
Tasks Worldwide

Statutory Change Alert

Ukraine – Military Tax Rate and Minimum Wage
Changes – 01 December 2024 and January 2025



UKRAINE



Dec 5, 2024

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We help you achieve your global ambitions

Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



Global Payroll Solutions – Boost your HR brand and employee satisfaction

Rationalize your HR budgets, monitor your data, and optimize your global payroll tasks in real-time. Systematize processes and streamline HRM lifecycles with HR Blizz™, our unified SaaS platform, to ensure your employees are paid accurately and on time.



PEO/GEO Services – Easily hire, deploy and manage your workforce abroad

A reliable Professional Employer Organization (PEO), Mercans is your trusted employer of record to globally select, engage, and manage highly qualified personnel on your behalf, through integrated Global Employment Outsourcing (GEO).



Global Talent Acquisition – Quickly fill vacancies with only the best candidates

Mercans supports you in designing/deploying long-term HR strategies and processing full-cycle recruitment. Our ATS Suite Mesaar™ and our hiring experts help to screen, select, attract the right candidates for your organization and populate your pipeline of prequalified talents.



BPO Services – Reclaim the focus on your core activities to expand your business

Concentrate on the essentials: outsource non-primary activities and your front- and back-office functions to Mercans. Save the time, money, and energy needed to refine the value chain engagement of your customers and suppliers and increase revenue.



HR Management SaaS – Access customizable cloud-based online platforms

Centralize your HR function on an all-in-one user-friendly and self-service platform. Combined with the expertise of our consultants, the Mesaar SaaS offers a built-in applicant tracking system and easy-integration features to improve internal processes.



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Local Statutory Compliance – Forget the hassle of setting up branches abroad

Mercans seasoned HR advisory team are compliance experts specialized in local cultures, business protocols, and tax and legal specificities. They are committed to ensure quick go-to-market abroad and achieve a compliant global expansion, risk-free from A to Z.



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Mercans at a Glance

| | | |
|---|-------------------------------------|--|
| 160+ Countries | 20 Years of Success | 1K+ Payroll and HR Specialists |
| 22k+ Clients Worldwide | 97% Client Retention Rate | 1.5X Annual Revenue Growth |
| 95k+ Largest Single Country Payroll | 25M+ Pay Slips per Annum | 0 Security Breaches |

Number one for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certificate certificate





Military Tax Rate and Minimum Wage Changes

On November 28, 2024, the President of Ukraine signed Law No. 4015-IX, also known as Draft Law No. 11416-d, introducing significant amendments to the Tax Code. These changes, effective December 1, 2024, with some provisions starting January 1, 2025, aim to enhance tax administration and increase revenues. Below is a summary of the most notable changes:

Military Tax (MT)

- **Increased MT Rate:** From December 1, 2024, the MT rate on personal income (e.g., wages, dividends, benefits) increases from 1.5% to 5%. Exceptions include military personnel, law enforcement employees, and certain tax-exempt incomes (e.g., pensions, scholarships, and military bonds).
- **Obligations for Unified Taxpayers:**
 - Private entrepreneurs in the 1st, 2nd, and 4th groups must pay a monthly MT equal to 10% of the minimum wage (currently UAH 710), regardless of income, starting October 1, 2024. Payments are due by the 20th of each month.
 - Unified taxpayers in the 3rd group must pay 1% of their income as MT quarterly, within 10 days after filing the quarterly declaration.



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Reporting Changes

The Law reduces the reporting period for several taxes to a monthly schedule, including income tax, single social contributions, and MT. Specific reporting obligations apply to:

- Notaries certifying property transactions.
- Businesses involved in exchange agreements.
- Credit unions distribute interest to members.

Minimum Wage

Effective January 1, 2025, the minimum wage is established as follows:

- **Monthly rate:** 8,000 UAH
- **Hourly rate:** 48 UAH

Please contact your Mercans' services delivery team for any additional information regarding the implications of the above change.



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They already trust Mercans





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What Makes Mercans your HR and Payroll Partner of Choice?

We Simplify Employment Tasks Worldwide

Everywhere for Everyone

We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

Local Presence. Regional Strategy. Global Success

Supported by 500+ payroll and HR specialists with in-depth local knowledge, Mercans operate globally. Our pioneering human resources consulting services and trailblazing SaaS platforms are already satisfying 5,000+ international clients, ensuring timely measurable results and bottom-line savings. Thanks to success-oriented teams striving for excellence and taking care of our clients' tasks within budget, we have gained the trust of major multinational companies.

A Revolutionary Service Delivery System

Say goodbye to third-party service providers, offshore call centers, fragmented data, and endless chains of sub-contracts.

Mercans cloud-based SaaS Products, HR Blizz™ & Mesaar™, combine the performance of proprietary technologies with a human touch. Cost-effective, they are fully-compliant self-service tools, packed with smart built-in features for your peace of mind. All your data are integrated into single interfaces accessible from everywhere and on any device.

Trailblazing Cloud-Based SaaS Products

HR Blizz & Mesaar, our Software-as-a-Service platforms, both propose a preconfigured API integration capability with all the major global HRMS platforms, including SuccessFactors, Workday, Oracle HCM, and MS Dynamics. All Mercans systems and processes are GDPR compliant, ISO 9001, 20000, 27001 certified, and SOC 1 and SOC 2 audited. A registered Finpro expert, Mercans is also a member of the Global Payroll Association and the Global Payroll Management Institute.



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