

**ADOPTED BY:**  
Order of State Statistics Committee of Ukraine  
Of 13.01.2004 # 5

## **Salary Statistics Instruction**

This Instruction was drafted in accordance with the Laws of Ukraine “On State Statistics” and “On Labour Payment” taking into account international recommendations in labour payment statistics system and standards of National Account System (NAS 93).

### **1. General Provisions**

1.1. The Instruction contains main methodological provisions with regard to determination of labour payment indicators in forms of state statistical observations to receive the objective statistical information in amount and structure of salary of hired employees.

The Instruction does not apply to components of labour payment fund as a basis (object) to calculate the contributions to funds of compulsory state social insurance.

Effect of the Instruction covers all legal entities, their subsidiaries, affiliates, branches and other separate structural entities (hereinafter referred to as the enterprises).

1.2. As per the provisions of the Law of Ukraine “On Labour Payment” (hereinafter referred to as the Law) salary is remuneration calculated, normally, in monetary terms, which the owner or the body authorized by such owner, pays, under labour agreement, to employee for the performed work.

1.3. To assess the amount of salary of hired employees the labour payment fund is used.

The labour payment fund includes payments to hired employees in cash and in kind (estimated in monetary terms) for spent and non-spent time, which is due and payable, or for the performed work irrespective of the source of financing of such payments.

The labour payment fund consists of:

main salary fund;

additional salary fund;

other incentives and compensation payments.

1.4. The forms of state statistical observations include charges to employees of enterprise in accordance with pay-rolls irrespective of the terms of their actual payments. The said amounts are shown before the profit tax and contributions of employees for compulsory state social are charged.

1.5. Programmes of state statistical observations foresee the accounting of labour payment fund charged to all employees as well as allocation of fund of full-time employees, who are booked in the enterprise and its separation into components.

Labour payment fund of other categories of employees (those combining their jobs or those engaged under the civil and legal contracts) is broken down on the general basis under the Instruction. At that the amounts of labour payment of the said categories in forms of state statistical observations are booked in the labour fund of extra-accounting employees and are not taken into account when calculating the average salary of full-time employees of the enterprise.

When calculating the labour payment fund of full-time employees of the total amount of labour payment fund the amounts charged to employees who are on leave due to pregnancy and childbirth and childcare as well as those employees elected to primary trade-union body and dismissed by the moment of charging are also excluded.

Labour payment fund of employees hired for full-time on the basis of recommendation from the state employment service according to the contract with employer on granting subsidy for creation of additional jobs to employ jobless is taken into account on general grounds under the Instruction.

1.6. When completing the forms of state statistical observations one should take into consideration the following peculiarities of accounting and booking of amount of labour payment fund:

1.6.1. Charges are booked for calendar month (from the first up to the last day of month). For instance, the amounts of charges for time of leaves, in contract to the procedure of their actual payment, are allocated proportionally to time that falls the days of leave in the respective month.

1.6.2. If the charges of the labour payment fund are made for the previous period, in particular, due to clarification of amount of spent time, identification of errors, then they are recorded in labour payment fund of the month when the charges were made.

1.6.3. All types of charges in foreign currency are converted at the exchange rate of the National Bank of Ukraine at the date of their charging.

## **2. Labour Payment Fund**

### **2.1. Main salary fund**

The fund of main salary includes charging of remuneration for performed work under the established labour limits (amount of time, output, servicing, responsibilities). It includes the following:

2.1.1. Remuneration for performed work under the established labour limits on tariff rates (salaries), ratings of workers and job salaries of managers, experts, technical employees, including, in full, internal combination of jobs.

2.1.2. The amounts of interest or commission charges depending on amount of revenues (proceeds) received from sale of products (work, services), in case they are the main salary.

2.1.3. Honorarium to full-time employees of editorial staff of newspapers, magazines, other mass media, publishing houses, art institutions and (or) payment for their work that is charged on the rates (tariffs) of author remuneration charged on the said enterprise.

2.1.4. Payment when moving the employee to less paid job in cases and within amounts stipulated by the current legislation as well as in case such employee does not meet the output limits and manufactures the articles, which turned out the defective ones, not through the fault of employee.

2.1.5. Payment for work of highly qualified employees involved to train, retrain the employees and improve their skills.

2.1.6. Payment for work during business trip (it does not include reimbursement of costs due to business trip: per diem, travel and accommodation costs).

2.1.7. Cost of products provided to employees in case of in kind payment.

If the salary is paid in kind in accordance with Article 23 of the Law to book such salary in reports the provided products is estimated at prices not higher than the production cost in amount not exceeding 50% of the charged salary per month.

The forms of state statistical observations, except the indicator of labour payment in kind, contain the indicator of sold products against the salary. Such indicator is completed if the monetary payment to employees of enterprise includes the sale of products both domestically produced and of the products received as a result of barter or cashless settlements for services rendered to

employees (communal etc.). At that the indicator of labour payment fund is completed according to charges.

2.1.8. Payment for work (including honoraria) to employees who are not the members of staff of enterprise (provided that the settlements are made by enterprise directly with employees) for execution of work:

Under civil and legal agreements, including those on a contractual basis (except of individuals – sole entrepreneurs);

According to the duties to persons who are members of supervisory board or revision commission of joint stock company;

Under the agreements between enterprises on provision of labour (to jobless for execution of public work, pupils and students who do practical work at enterprise or involved in temporary work during the vacation).

## 2.2. Additional salary fund

Additional salary fund includes extra charges, guarantee and compensation payments stipulated by the current legislation, bonuses related to fulfilment of production targets and responsibilities. The additional salary fund includes the following:

2.2.1. Extra charges to tariff rates (salaries) within amounts stipulated by the current legislation for:

Combination of professions (jobs);

Expansion of servicing zone or increase of scope of work;

Fulfilment of responsibilities of temporary absent employee;

Work in hard and harmful as well as in specifically hard and harmful labour conditions;

Intensity of work;

Work at night;

Management of team;

High professional skills;

Categories to drivers (operators) of transport vehicles;

High performance in labour, including to civil servants;

Fulfilment of particularly important work within the certain period of time;

Knowledge of foreign language and its usage at work;

Access to state secrets;

Diplomatic ranks, personal ranks of civil servants, qualification classes of judges;

Scientific degree;

Rated time of movement in coal-mine from bore to the place of work and back to employees, who are permanently engaged in underground mining;

Work on territories of radioactive contamination;

Other charges and additional payments stipulated by the current legislation, including extra payment to minimal salary.

2.2.2. Bonuses and rewards, including those for long service, which are systemic, irrespective of sources of financing (except of the sums indicated in item 2.3.2).

2.2.3. Interests or commissions paid additionally to tariff rate (salary).

2.2.4. Payment for over-time and in holidays and days-off within amounts and at rates established by the current legislation.

2.2.5. Payment to employees of relaxation days provided due to over-time in case of shift method of work and total registration of work time as well as in other cases stipulated by the legislation.

2.2.6. Amounts paid (when working under shift method) at the rate of tariff (salary) for the days of travelling to the enterprise location (assembly place) – place of work and back, stipulated by the shift schedule as well as for the days of delay of employees when travelling because of weather conditions and through the fault of transport companies.

2.2.7. Amounts of payments related to indexation of salary of employees.

2.2.8. Amounts of compensation to employees because of loss of part of salary due to violation of terms of payment of such amounts.

2.2.9. Cost of housing, coal, communal services, communication services and amounts of funds to reimburse the said costs provided, for free, to certain categories of employees in accordance with the legislation.

2.2.10. Costs related to provision to employees of free trip by rail, air, sea, river, road and municipal electrical transport.

2.2.11. Costs related to provision to employees of uniform, outfit that can be used beyond the workplace and they permanently remain with employee or amount of discount in case the uniform is sold at reduced prices.

2.2.12. Payment for non-spent time:

Payment as well as the amounts of cash compensations in case the annual (main and additional) leaves are not used and additional leaves to employees, who have children in amounts stipulated by the legislation;

Payment for additional leaves (exceeding duration stipulated by the legislation) provided in accordance with the collective agreement;

Payment for additional leaves due to education and creative leaves;

Payment for additional leaves provided under the Law of Ukraine “On Status and Social Protection of Citizens Suffered from Chernobyl Accident”;

Amount of salary kept for employees at the main place of work of employees, for the time of their off-the-job training under the skills improvement system;

Amounts charged to persons who pass training (retraining) to work on newly commissioned enterprises from the funds allocated in general cost estimates of construction;

Payment for special break during work in the cases stipulated by the legislation, payment of privileged time to teenagers;

Payment to employees, who are involved in state or public duties in case such duties are discharged at working time;

Payment to employees-donors for days of examination, blood drawing and rest, which are granted after each day of blood drawing, or days included, by request of employee, to the annual leave;

Payment, which is retained with employee, who is subject to medical examination at the main place of work during the time of stay in medical establishment to be examined;

Payment for idle time not through the fault of employee.

### 2.3. Other incentives and compensation payments

Other incentives and compensation payments include rewards and bonuses, which are non-permanent, compensation and other monetary and material payments not envisaged by laws and regulations of the current legislation or made beyond the norms established by the said laws and regulations. They include the following:

2.3.1. Charges for non-spent time, which are not foreseen by the current legislation, in particular, to employees, who have forcedly been working the reduced time and were on leaves upon initiative of administration (except of partial unemployment allowance), took part in strikes.

2.3.2. Rewards and incentives, which are made once a year or are non-permanent. In particular:

Rewards on the results of work per year, annual rewards for long service (length of service);

Bonuses paid under the established procedure on the special awarding bonuses, paid under the governmental decisions;

Bonuses for contribution to invention and rationalization, development and introduction of new equipment and technologies, commissioning, timely and ahead of time, of production capacities and construction facilities, timely export of products and others;

Bonuses for fulfilment of important and especially important assignments;

Single rewards not related to particular results of work (for instance, to anniversaries and memorable dates both in cash and in kind);

Cash reward to civil servants for diligent continuous work in state authorities, excellent fulfilment of service duties;

Cost of shares provided to employees for free;

Funds for buy-out of property by employees from the moment of their personification as well as the amounts of cost of property that is allocated among the members of staff in case of liquidation (restructuring, changing the

profile) of enterprise (except of the cases of property allocation among the founders of enterprise).

2.3.3. Material aid that is systemic and provided to all or majority of employees (for recreation, due to environmental situation (except of the cases indicated in item 3.31).

2.3.4. Social payments in cash and in kind:

Costs in amount of insurance contributions of enterprises (except of the cases indicated in item 3.5) in favour of employees that is related to voluntary insurance (personal, insurance of property). The said amounts are included in the labour payment fund in the month when transfers to insurance company are made;

Payment or nutrition subsidies to employees, including that in canteens, buffets, preventoria;

Payment for keeping the children of employees in child care facilities;

Cost of vouchers to employees and members of their families for treatment and rest, tours or amounts of compensations provided instead of vouchers from the funds of enterprise (except of the cases indicated in item 3.2);

Cost of monthly passes, which are personally distributed among employees, and reimbursing to employees the cost of public transport;

Other payments, which are individual (payment for flat or rented housing, hostels, goods, food orders, season tickets to fitness clubs, subscription to newspapers and magazines, prosthesis, compensation to employees for fuels in the cases not stipulated by the current legislation).

### **3. Other Payments beyond the Labour Payment Fund**

3.1. Contributions of enterprises for compulsory state social insurance.

3.2. Allowances and other payments, which are made from the funds of state social insurance:

Temporary disability allowance;

Pregnancy and child-birth allowance;

Birth allowance;

Child-care allowance until it reaches the age of three;

Funeral allowance;

Payment for vouchers in health resort facilities;

Partial unemployment allowance.

3.3. Payment for the first five days of temporary disability from the funds of enterprise, institution and organisation.

3.4. Social allowances and payments from the funds of enterprise established by collective agreement (to employees who are on leave related to child-care, child-birth, to families with under age children).

3.5. Contributions of enterprises under the agreements of voluntary healthcare and pension insurance of employees and members of their families.

3.6. Single allowance to employees, who retire under the current legislation and collective agreements (including cash allowance to civil servants and scientific (scientific and pedagogical) employees).

3.7. Extra charges and additional payments to state pensions of pensioners who work.

3.8. Amounts of dismissal pay when terminating the labour contract.

3.9. Amounts charged to employees for the time of payment delay when dismissing.

3.10. Costs for paid education of employees and members of their families not related to production necessity, under the agreement between enterprise and educational establishment.

3.11. Costs of enterprises to cover the expenditures of the Pension Fund of Ukraine for payments and delivery of privileged pensions.

3.12. Payments, under the established amount, to persons who suffered from the Chernobyl accident (except of those indicated in items 2.2.1, 2.2.12).

3.13. Compensation of moral damage to employees from the funds of enterprise to be paid upon judgement of court.

3.14. Reward being paid under the author's agreement to originate and use the works of science, literature and art, except of that indicated in item 2.1.3.

Rewards for inventions and effective proposals and their usage.

3.15. Costs for business trips: daily allowance (in full), travel and accommodation costs.

Compensation payments and per diem paid when moving to another area under the current legislation.

3.16. Extra charges (field support) to tariff rates and salaries of employees assigned to perform the installation, set-up; repair and construction work as well as of employees, who work on shifts, permanently travel within the amounts stipulated by the current legislation.

3.17. Costs for collective nutrition of sailors of inland water transport, sea and fishing fleets as well as nutrition of pilots of civil aviation when performing the flight assignments, which could be compared to daily allowance being paid during business trip.

3.18. Nutrition costs of participants of sports events, including referees, for the time of sports competition and practice within the established rates.

3.19. Cost of special uniform, special footwear and other personal protective means, detergents, milk and treatment nutrition provided under the effective rates or reimbursement of costs to employees in case they purchased special uniform and other protective means if the administration failed to provide.

3.20. Cost of monthly passes, purchased by enterprise, which are not personally distributed among employees but provided to them, if needed, to discharge the production assignments (due to specifics of work).

3.21. Costs for transportation of employees to the place of work both by own and leased transport (except of payment to drivers).

3.22. Compensation to employees for usage of own tools and private transport for the production needs.

3.23. Cost of holiday gifts and entertainment tickets for children of employees.

3.24. Costs for staff training and re-training (except of salary and wage costs indicated in item 2.2.12):

Costs related to payment for employees' education in higher educational establishment and centres of excellence;

Scholarships to students of preliminary classes, students, post-graduates who are sent by enterprises for off-the-job education in higher educational establishments;

Payment for return travel to location of educational establishment;

Costs related to arrangement of educational process (purchase of education materials, lease of premises).

3.25. Scholarships, which are assigned, under the current legislation, to prominent figures of science, education and culture, sports, mass media, Olympic and Para-Olympic champions, prominent athletes and coaches in Olympic sports, talented and promising athletes, young scholars, and other state scholarships.

3.26. Lifelong payment for rank of full member and member-correspondent of academy of sciences.

3.27. Costs for cultural, educational and recreational actions and maintenance of public services (except of payment for labour of employees, who maintain them).

Costs for land improvement of gardening partnerships (construction of roads, power-, water supply and drainage systems and other general costs), construction of garages for employees.

3.28. Loans granted to employees of enterprises to improve housing conditions, for individual construction, start of household.

3.29. Cost of housing transferred to employees for ownership.

3.30. Costs of enterprises for payment of services related to treatment of employees, which have been rendered by healthcare institutions (except of payments indicated in item 2.3.3).

3.31. Single material aid being granted by enterprise to certain employees due to family circumstances, payment for treatment, recreation of children, funeral.

3.32. Amounts of material and charitable allowance paid to persons who are not in labour relationship with enterprise.

3.33. Amounts of material aid both in cash and in kind irrespective of its size that is provided under the decisions of the Government of Ukraine due to natural and ecological calamities, accidents and catastrophes by local executive authorities, trade unions, charitable funds and foreign states.

3.34. Money allowance of servicemen of the Armed Forces of Ukraine, State Frontier Service of Ukraine, Security Service of Ukraine, Department of State Guard of Ukraine, other military units formed under the laws of Ukraine, commanders and privates of authorities of law enforcement, criminal and executive system, tax militia of Ukraine, State Fire Fighting Department of the Ministry of Ukraine for Emergencies and Protection of Population from Consequences of Chernobyl Accident.

3.35. Income on shares and other income resulted from participation of employees in ownership of enterprise (dividends, interest, and payments on shares) as well as income received from land lease. The said payments are booked in forms of state statistical observations separately.

#### **4. Average Salary**

4.1. The average indicators of nominal salary are:

4.1.1. Average salary of one full-time employee of booked staff that is determined by dividing the amount of charged labour payment fund of full-time employees into the average booked number of such employees for the respective period (month, quarter, six month, and year).

4.1.2. Average salary per one employee in equivalent of full employment that is determined by division of the amount of charged labour payment fund of the hired employees (full-time and contracted) into their average number in equivalent of full employment for the respective period.

4.1.3. Average salary per one paid or spent hour that is determined by division of the amount of charged labour payment fund of full-time employees into the number of paid or spent man-hours by these employees for the respective period.

In case the salary for the spent hour is determined then the charges for non-spent time are excluded from the labour payment fund.

4.2. To determine the average monthly value of salary per quarter (year) or any other period the received value of salary per quarter (year) should be divided into a number of months in the period.

4.3. Calculation of average salary to determine payments under the compulsory state social insurance and other charges based on amounts of average salary shall be done in accordance with the current legislation.

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