
Participation in the obligatory social medical insurance system

July 2017

In brief

The President has approved changes to obligatory social medical insurance (OSMI) rates.

In detail

- On 30 June 2017, the President signed the Law “On introduction of amendments and additions to certain legal acts on the matters of healthcare”.
- According to the amendments, starting from 1 July 2017, employers must contribute to the OSMI fund at 1% of the employees’ remuneration excluding the income stated in Article 29.4 of the Law on OSMI, specifically (the types of income specified in):
 - Article 155.3 of the Tax Code;
 - Article 156.1 of the Tax Code excluding income mentioned in items 8-2), 10), 12), 13), 13-2) of Article 156.1 of the Tax Code;
 - item 13) of Article 200-1.1 of the Tax Code;
 - items 1), 2) and 4) of the second part of Article 357.2 of the Tax Code.
- Starting from 1 July 2017, tax agents make contributions to the OSMI fund for individuals hired based on civil contracts. The contributions are 5% of the total service fee. The contributions are withheld from the total fee (i.e. at the individuals’ cost).
- The basis for contributions should not be less than 1 minimum monthly salary* and should not exceed 15 minimum monthly salaries*.
- In addition, starting from 1 July 2017, individual entrepreneurs, private notaries, private enforcement agents, lawyers and professional mediators should make contributions to the OSMI fund at 5% of 2 minimum monthly salaries*.

(Please refer to the Tax Code for details.)

Contributions are made for employees who are Kazakhstan citizens and foreigners with residence permits. Contributions are also payable for non-residents temporarily residing in Kazakhstan, if required under a ratified international agreement (e.g. citizens of Eurasian Economic Union based on Article 98.3 of the Agreement of Eurasian Economic Union dated 29 May 2014).

* Minimum monthly salary in 2017 is KZT 24,459

Tax and Legal Alert

PwC Kazakhstan

Let's talk

For a deeper discussion of how this might affect your business, please contact PwC team members servicing your company, or any person below.



Michael Ahern, *Partner*
Tax and legal services
michael.ahern@kz.pwc.com



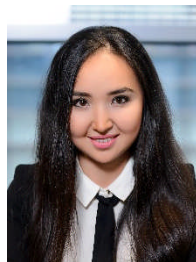
Elena Kaeva, *Partner*
Налоговые услуги
elena.kaeva@kz.pwc.com



Anar Khassenova, *Senior Manager*
Global Mobility Practice
anar.khassenova@kz.pwc.com



Abay Munsyzybayev, *Senior Manager*
Global Mobility Practice
abay.munsyzybayev@kz.pwc.com



Aigerim Mametova, *Senior Consultant*
Global Mobility Practice
aigerim.mametova@kz.pwc.com



Yuliya Azimbayeva, *Consultant*
Global Mobility Practice
yuliya.azimbayeva@kz.pwc.com

PwC Kazakhstan

34 Al-Farabi Ave.,
Building A, 4th floor
Almaty, Kazakhstan, A25D5F6
Tel.: +7 727 330 32 00
Fax: +7 728 244 68 68

15/1 Kabanbay Batyr Ave.
Business Centre "Q2", 4th floor
Astana, Kazakhstan, Z05M6H9
Tel.: +7 7172 55 07 07
Fax: +7 7172 55 07 08

15 B Satpayev St.,
Renaissance Hotel, 3rd floor,
Atyrau, Kazakhstan, E02M0M8
Tel.: +7 7122 76 30 00

www.pwc.kz