
On 4 May 2018, certain changes to Obligatory Pension Contributions (OPC), Obligatory Professional Pension Contributions (OPPC), and Social Contributions (SC) were approved in respect of unused vacation. They were effective from 1 January 2018.

A new statistical report, 2-T, was introduced.

May 2018

In brief

On 4 May 2018, changes to withholding, calculating, and remittance of OPC, OPPC, and SC on compensation for unused vacation were approved. They have retrospective application to 1 January 2018.

31 May is the deadline for submission of the new 2-T statistical report (remuneration report), which is submitted once a year for the month of April.

In detail

Changes in calculation of taxes from unused vacation

From 1 January 2018, when calculating compensation for unused vacation, it is necessary to:

- withhold OPC and Individual Income Tax (IIT) (both to be withheld from employee's income); and
- calculate SC, Social Tax (ST), Obligatory Social Medical Insurance contributions (OSMIC) and OPPC (where applicable)

(This is in accordance with the Government Resolution No. 239 dated 4 May 2018).

Thus, if from 1 January 2018, no OPC was withheld and no SC calculated, the following should happen:

- where compensation was paid due to recalling an employee from annual paid leave: recalculation is necessary, overpaid amounts need to be withheld from the employee's income, and OPC and SC paid;

- where compensation was paid on termination of an employment contract: the unpaid OPC should be paid at the employer's expense. The OPC paid should not be recognized as the employee's income (article 319, p.2, pp. 47).

New statistical form 2-T

The newly introduced 2-T statistical report on remuneration, which should be submitted once a year for the month of April, is due from the following companies:

- legal entities and (or) their structural and separate subdivisions with more than 250 employees; or
- selected legal entities and (or) their structural and separate subdivisions with up to 250 employees, except those who submit the statistical form "On the activities of a small enterprise" (index 2-MP).

The deadline for submission of this report is 31 May 2018.

The takeaway

1. From 1 January 2018, when calculating compensation for unused vacation, the employer had to withhold OPC and IIT. The employer had to calculate SC, ST, OSMIC and OPPC (where applicable).
2. If OPC was not withheld and SC were not calculated, the employer is obliged to recalculate and remit the unpaid OPC at its expense and SC (if applicable).
3. The OPC and SC remitted by the employer will not be considered the employee's income.

Let's talk

For a more detailed discussion of how this issue may affect your business, please contact:



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