

LT in Focus

Review of legislative changes concerning insurance payments

On 29 June 2016, the Federation Council adopted Federal Law “On Amendments to Parts One and Two of the Tax Code of the Russian Federation Due to the Transfer of Authority over Administration of Pension, Social and Medical Insurance Payments to the Tax Authorities” ([Draft Law # 1040802-6](#), hereafter, the “Draft Law”).

According to this Draft Law, beginning 1 January 2017, the Tax Code of the Russian Federation will be supplemented with Chapter 34, “Insurance Contributions”, to govern the procedure for the calculation and payment of insurance contributions to the Pension Fund of the Russian Federation (PFR), the Social Insurance Fund of the Russian Federation (SIF) and the Federal Medical Insurance Fund (FMIF), and to assign the authority over the administration of these payments to tax authorities.

Associated draft laws # 1040799-6 and 1040775-6, also adopted by Federation Council, abolish Federal Law No. 212-FZ of 24 July 2009 “On Insurance Contributions to the Pension Fund of the Russian Federation, the Social Insurance Fund of the Russian Federation and the Federal Medical Insurance Fund”, and introduce certain amendments to the relevant provisions of the laws that specify the insurance contributions attributable to extra-budgetary funds.

A more detailed review of the new requirements set by the Draft Law is presented below.

Changes to reporting rules and schedules

Responsibilities remaining with the PFR, the SIF and the FMIF

Changes to reporting rules and schedules

The amendments seek to improve the system of control over the assessment and payment by the insured of the insurance contributions to the extra-budgetary funds of the Russian Federation, reduce the administrative burden on the contribution payers through a smaller number of regulatory authorities and an optimized scope of reports submitted to such regulatory authorities.

Pursuant to the above-mentioned draft laws, starting from 1 January 2017, employers will be required to pay the insurance contributions and report them to the tax authorities.

Forms RSV-1 and 4-FSS, which are currently subject to submission to the PFR and the SIF, will be superseded by a consolidated form for the calculation of insurance contributions, which will be submitted to the tax authority at the place of registration, or in the case of separate divisions – at the place of their location. The reporting schedule will also change, requiring employers to submit their reports by no later than the 30th day of the month following the reporting period.

Responsibilities remaining with the PFR, the SIF and the FMIF

Please note that the PFR will still require personalized data on the record of service of the insured employees to be submitted before the 1 March of the year following the reporting year. The deadline for submitting the monthly report SZV-M will be extended by 5 days. It must be submitted no later than the 15th day of the month following the reporting period.

Accrual and payment of occupational health and accident insurance contributions will remain under the control of the SIF. The related reporting must be submitted to the SIF on a quarterly basis.

The administration of occupational health and accident insurance contributions remains within the scope of competence of the Social Insurance

Fund. These insurance contributions shall be reported to the SIF on a quarterly basis.

Insurance contributions paid to the PFR, the SIF (except occupational health and accident insurance contributions) and the FMIF will be subject to both desk and field audits by the tax authorities.

The payers, the object of levy, the deductions (exemptions), the assessment base and the rates for such insurance contributions will remain unchanged. The deadline for monthly insurance payments also remains unaltered. i. e. by no later than the 15th day of the following month.

We hope that you will find the information presented in this issue useful and interesting. Our professionals are ready to answer any questions you may have regarding the topic presented in this issue.

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