

**CONSOLIDATION OF PENSION AND SOCIAL INSURANCE FUNDS FROM
01.01.2023**

27.12.2022

Dear colleagues and business partners,

Previously, we drew your attention to the need to prepare for the transition to the Single Tax Account (STA) and the Single Tax Payment (STP) - we would like to remind you that the new regulations will become compulsory for all taxpayers from 01.01.2023. More information is available [here](#).

However, these are not all the changes that await taxpayers from 2023.

From 01.01.2023, Federal Law 269 of 05.07.2023 will unite the Russian Pension Fund and the Social Insurance Fund into a new fund - the Russian Pension and Social Insurance Fund. The abbreviated name of the Fund will be the Social Fund of Russia (SFR).

The consolidation of the funds will result in numerous changes to the way insurance contributions are calculated and to the procedure for submitting reports. For your convenience, we have prepared a summary of how to deal with the changes and prepare for them.

New: unified tariff on contributions

One of the changes from 01.01.2023 will be a unified insurance contribution tariff applicable to mandatory pension insurance contributions, mandatory social insurance contributions for temporary incapacity for work and in connection with maternity and mandatory health insurance contributions.

The single tariff for these categories of contributions will be set in the following amount (clause 3 of Article 425 of the Tax Code introduced by Federal Law dated 14.07.2022 N 239-FZ)

1. within the established unified maximum amount of the base for calculating insurance contributions - 30 percent;
2. above the established unified maximum amount of the base for the calculation of insurance contributions - 15.1 percent.

Insurers who now apply reduced tariffs will retain this right. For example, SMEs on payments above the minimum wage are subject to a 15% tariff (for more information, see the [client information](#) on this topic).

New: unified maximum insurance contribution base

From 01.01.2023, there will be a unified maximum insurance contribution base (clause 5.1 of Article 421 of the Tax Code).

The unified maximum insurance contribution base is the amount of payments for a year to a particular individual on which insurance contributions are paid at standard tariffs. From 2023 it will be the same for all types of contributions.

The unified maximum insurance contribution base in 2023 will be equal to the 2022 base for pension contributions indexed to the salary growth which will amount to

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1,917,000 roubles (RF Government Decree No.2143 dated 25.11.2022.) Thereafter, the base will be indexed annually.

New: insurance contribution tariffs for employment contracts and civil law employment contracts will be the same

From 01.01.2023., payments and other remuneration under employment and civil law employment contracts with foreigners and stateless persons temporarily staying in Russia who are not recognized as insured will be excluded from the list of payments exempt from contributions.

The previous exemption from mandatory social insurance contributions for temporary incapacity for work and in connection with payments under civil law employment contracts will be abolished.

Thus, the tariffs of insurance contributions for employment and civil law employment contracts will not differ from 01.01.2023.

New: unified information form to be submitted to the new fund (SFR) and a new report to the Federal Tax Service

In order to keep personal accounting records from 01.01.2023, insurers must submit a unified information form ("ЕФС-1") to the new fund (SFR).

The new form will replace the previously submitted reports ("4-ФСС", "СЗВ-СТАЖ", "СЗВ-ТД" and "ДСВ-3"), and will be provided to the territorial offices of the united SFR for periods from 01.01.2023.

The deadline for submission is the same - the 25th of the month.

The report is made up of sections that have different intervals for submitting data to the new fund (SFR):

Section number	When submitted	Deadline
Subsection 1.1 "Employment information" (СЗВ-ТД)	<ul style="list-style-type: none"> by the employment procedure, termination of employment, suspension and renewal of the employment contract, conclusion and termination of the civil law employment contracts (new!) 	no later than the next working day after the occurrence of the case
	in case of transfer, renaming, assignment, prohibition to hold a position	no later than the 25th of the month following the reporting month
Subsection 1.3. "Information on salaries and conditions of activity of employees in state (municipal) institutions" (СИоЗП)	Obligatory regular report (for state and municipal institutions)	no later than the 25th of the month following the reporting month
Subsection 2 "Information on the insured persons for whom additional insurance contributions for funded pension have been	Obligatory regular report (for organisations paying additional contributions)	quarterly, by the 25th of the month following the reporting quarter

transferred and employer's contributions have been paid" (ДСВ-3):		
Section 2 "Information on accrued social security contributions for the compulsory social security (4-ФСС)	Obligatory regular report	quarterly, by the 25th of the month following the reporting quarter
Subsections 1.2 and 2 "Information on insurance record" and "Information on insured persons" (СЗВ-СТАЖ)	Obligatory regular report	annually, no later than 25 January of the year following the reporting year.

What to submit to the Federal Tax Service?

From 01.01.2023, insurers must submit a monthly report to the Federal Tax Service using the new form.

The new report - personalized information on natural persons for a month - will be submitted monthly not later than the 25th day of the following month.

The report will contain the personal data of all insured persons and the amounts of payments accrued in favor of each of them in the reporting month.

The following categories of natural persons will need to be reported

- employees under employment contracts;
- employees under civil law contracts for the provision of services and performance of work;
- persons carrying out work under copyright contracts;
- authors of works under contracts for assignment of exclusive rights to results of intellectual activities, publishing license agreements, license agreements on granting the right to use results of intellectual activities.

In addition, a **contribution calculation** must be submitted on a quarterly basis by the 25th day of the month following the accounting or reporting period. (The deadline is now no later than the 30th of the month).

We would like to draw your attention to the amounts of **penalties** for violating the procedure for submitting individual personalized reports:

Art. 17 of Federal Law No. 27-FZ:

- failure to submit information on time or submission of incomplete or inaccurate information - 500 roubles for each insured person;
- failure to comply with the procedure for submitting electronic documents - 1,000 roubles.

Art. 26.30 of Federal Law No. 125-FZ:

- failure to submit information on time - penalty in the amount of 5% of the accrued amount for the last three months of the reporting period, but not more than 30% and not less than 1000 roubles.

However, from 01.01.2023, there will also be mechanisms in place to help insurers avoid or reduce penalties - the changes to the application of financial penalties introduced by Federal Law No. 237-FZ of 14.07.2022 will come into force. An insurer will be able to avoid a penalty if:

- submits a revised calculation within five working days after receiving a notification about the correction of errors and inconsistencies;
- corrects the error before it is detected by the fund's authorities.

If the administrative penalties is paid within 10 days of receipt of the demand, a 50% discount on the amount of the penalty will be applied.

We will be happy to answer your questions!

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