

Payment of pensions to internally displaced people and people residing in the areas of Donetsk and Luhansk oblasts beyond the control of the Government of Ukraine since 2014



INTRODUCTION

According to protection monitoring tool data in Ukraine, internally displaced people are among the groups of the population that are most impacted by social tension and conflict. Disputes on social issues are among the three main causes of social tension and conflicts.¹

Pensioners are among the most socially vulnerable groups of the population affected by the armed conflict since 2014. Internal displacement or residence in the areas beyond the control of the Government of Ukraine increases the challenges that pensioners face in accessing pensions and other government services. Access to their pension payments should support their access to a decent and dignified life and economic independence.²

On February 26, 2022 the Cabinet of Ministers of Ukraine (CMU) adopted Resolution N° 162 “On the Specifics of Payment and Delivery of Pensions, Monetary Benefits for the Period of Martial Law” to ensure enhanced access to pensions for people who were displaced after February 24, 2022 – the start of the full-scale invasion of the Russian Federation – and for residents of areas beyond the control of the Government of Ukraine after February 24, 2022.

However, access to pensions and pension arrears for internally displaced people who were displaced before February 24, 2022 remains challenging, and access to pensions of people residing in the areas of Donetsk and Luhansk oblasts beyond the control of the Government of Ukraine since 2014 is still not legally regulated.

1. The information table of the Protection Cluster Protection monitoring tool in Ukraine is available at [link](#).

2. The UNHCR Briefing Note “Pensions for IDPs and persons living in the areas not controlled by the Government in the east of Ukraine” dated January 2020 is available at [link](#).



EQUAL ACCESS TO PENSIONS OF INTERNALLY DISPLACED PEOPLE AND PEOPLE WHO RELINQUISHED INTERNALLY DISPLACED PERSON CERTIFICATES

According to the information provided by the Pension Fund of Ukraine (PFU) in March 2023, as of August 2014, 1,278,200 pensioners were registered in the areas of Donetsk and Luhansk oblasts beyond the control of the Government of Ukraine, including 767,300 people in Donetsk oblast and 510,900 people in Luhansk oblast. Of these, 1,160,700 pensioners applied for pension payments in the areas controlled by the Government of Ukraine at least once.

As of March 2023, pensions were paid to 625,200 pensioners from among internally displaced people who lived in the areas of Donetsk and Luhansk oblasts beyond the control of the Government of Ukraine since 2014.

The data shows a significant decrease in the number of pensioners living in areas outside the control of the Government of Ukraine who continued to receive a pension. At the same time, the data provided by the PFU concerns only those residents of these areas who are registered as internally displaced people.

This can be explained by the fact that after the termination of the exercise of powers by Ukrainian state authorities in certain areas of Donetsk and Luhansk oblasts in November 2014, residents of these areas can receive pensions only if they register as internally displaced people in accordance with the provisions of the resolution of the CMU N° 637.³

In 2016, internally displaced people had to pass through identification procedure and receive a payment card⁴ only in one bank – Joint Stock Company (JSC) “Oshchadbank”. These cards are valid for 3 years, but only if a person successfully passes the procedure of physical identification in JSC “Oshchadbank” every six months.⁵

This approach applies not only to internally displaced people registered before February 24, 2022, but also to those people who relinquished their internally displaced person certificates and registered a new place of residence and permanently reside in the areas where Ukrainian state authorities exercise their powers.

Moreover, in case of failure to pass the physical identification procedure set forth in the above-mentioned Resolution N° 637, JSC Oshchadbank stops paying the pension. Contrary to the general pension legislation⁶, this Resolution contains additional grounds for termination of pension payments for pensioners who are internally displaced people and people who relinquished their internally displaced person certificates.

3. The resolution of the Cabinet of Ministers of Ukraine is available at [link](#).

4. At the same time, such bank cards also serve as the pensioner certificates for internally displaced people, which hindered their access to pensions after February 24, 2022, because the institution that produced these bank cards was evacuated and temporarily ceased its activities (see the report of the Ombudsman of Ukraine on the Observance and Protection of Human and Civil Rights and Freedoms in Ukraine in 2022 available at [link](#) (P. 42-43).

5. In 2020, the norm on bank identification was suspended for the period of quarantine or restrictive measures related to the spread of COVID-19. As of July 1, 2023, quarantine has been lifted throughout the territory of Ukraine. In order to continue receiving payments, internally displaced people must undergo physical identification by December 31, 2023.

6. Article 49 of Law of Ukraine N° 1058–IV of July 09, 2003 “On Mandatory State Pension Insurance”.



ACCESS TO PENSIONS OF PEOPLE RESIDING IN THE AREAS OF DONETSKA AND LUHANSKA OBLASTS BEYOND THE CONTROL OF THE GOVERNMENT OF UKRAINE SINCE 2014

There is still no legislative act that regulates the payment of pensions to residents of the areas of Donetsk and Luhansk oblasts not under the control of the Government of Ukraine since 2014, absent their registration as internally displaced people. This legislative gap has resulted in an artificial increase in the number of registered internally displaced people, because residents of these areas were forced to travel to the areas controlled by the Government of Ukraine and register as internally displaced persons to access their pensions. As a result, until February 24, 2022, additional burdens were placed on these residents of Donetsk and Luhansk oblasts as they had to spend time and money traveling in dangerous conditions through the entry and exit checkpoints along the former contact line or through the Russian Federation. Due to the full-scale invasion of the Russian Federation in February 2022, it is impossible to enter the areas controlled by the Government of Ukraine through the entry and exit checkpoints along the former contact line because of active combat in these areas.



PAYMENT OF THE ARREARS OF ACCRUED PENSION

In 2019, Resolution N° 637 of 2014 established that pension arrears accumulated before the restoration of pension by an internally displaced person are paid on the terms of a separate procedure defined by the CMU.

And only at the end of 2021 this procedure was introduced by the CMU in the Resolution N° 1165.⁷ The provisions of this resolution also apply to pension arrears for people who relinquished their internally displaced person certificates, as well as to residents of areas of Donetsk and Luhansk oblasts beyond the control of the Government of Ukraine since 2014.

According to operational data, the pensions arrears for internally displaced people (273 800 people), whose pension is paid from the month of its restoration, as of March 01, 2023, amounted to UAH 11.6 billion.

At the end of 2019 (before the adoption of Resolution N° 1165), the PFU calculated that the accrued pension arrears for residents of the areas of Donetsk and Luhansk oblasts beyond the control of the Government of Ukraine since 2014 amounted to UAH 86 billion at that time.⁸

In turn, Resolution N° 1165 states that in case of insufficient budget allocations to ensure pension payments for the past period, it is made in the amount determined in proportion to the budget assignment allocated for pension payments for the past period, but not more than the amount due for payment.

Such a mechanism for paying pension arrears, stipulated in Resolution N° 1165, contradicts the general legislation of higher legal force (laws of Ukraine “On Mandatory State Pension Insurance” and “On State Guarantees for the Execution of Court Decisions”), which provides that: (i) pension arrears accumulated due to the fault of the body that appoints and pays the pension are paid for the elapsed time without any time limit with the accrual of compensation for the loss of income;⁹ and (ii)

7. The resolution of the Cabinet of Ministers of Ukraine is available at [link](#).

8. The UNHCR Briefing Note “Pensions for IDPs and persons living in the areas not controlled by the Government in the east of Ukraine” dated January 2020 is available at [link](#).

9. Article 46 of Law of Ukraine N° 1058–IV of July 09, 2003 “On Mandatory State Pension Insurance” is available at [link](#).



the pension arrears accrued for the execution of court decisions should be paid within three months from the date of receipt of budget funds, documents, and information necessary for this purpose.¹⁰

RECOMMENDATIONS

The Cabinet of Ministers of Ukraine and Parliament must ensure equal access to pensions for all Ukrainian citizens. It implies:

- **Abrogation of the restrictive approach to pension payments** for internally displaced people before February 24, 2022, as well as for people who relinquished their internally displaced person certificates and registered and permanently live in the areas under the control of the Government of Ukraine.
- **Payment of pensions for all citizens regardless of their place of residence** or its declaration and registration.
- **Ensuring compliance of the procedure for payment of arrears of pension amounts accrued to internally displaced people** before February 24, 2022, people who relinquished their internally displaced person certificates and registered and permanently live in the areas under the control of the Government of Ukraine, and people residing in the areas of Donetsk and Luhansk oblasts beyond the control of the Government of Ukraine since 2014 with the general legislation and proper government budget allocations.

10. Article 3 of the Law of Ukraine N° 4901-VI of July 05, 2012 “On State Guarantees for the Execution of Court Decisions” is available at [link](#).