



Argyngazinov A.,
Chairman of the Management Board
JSC «State Social Insurance Fund»

OFFICIAL EMPLOYMENT – PROVISION OF SOCIAL GUARANTEES

The right to decent work and fair pay is one of the most important constitutional guarantees. The provision of an appropriate level of social protection for the working population is also in an integral relationship with these concepts.

The legal basis for regulating labor relations and social protection of the population in our country are the Labor and Social Codes.

Thus, the Labor Code regulates the legal relations between an employer and an employee, in particular, issues of payment of wages, provision of vacations, payment of sick leave, rights and obligations of the parties to labor relations, as well as labor protection and safety.

The Social Code reveals the main conditions for the joint responsibility of the state, employers and citizens in the field of social protection, which is achieved by sharing responsibility for the quality of life, social well-being, as well as for reducing social risks.

At the same time, the Social Code is a single source of knowledge of citizens about their social rights and responsibilities, and also allows for automated monitoring of the social welfare of the population.

An additional level of social protection for working citizens in the event of social risks is compulsory social insurance, introduced in the Republic of Kazakhstan since 2005.

In this regard, the availability of concluded employment contracts during employment is of particular importance. In such cases, the employer automatically assumes obligations to pay monthly social contributions (social contributions) to the State Social Insurance Fund (Fund) at his own expense.

Compulsory social insurance covers citizens and Candace, as well as foreigners and stateless persons permanently residing in the territory of the Republic of Kazakhstan who carry out income-generating activities on the territory of Kazakhstan, with the exception of working pensioners (men aged 63 and women aged 61).

Currently, the payers of social contributions to the Fund are not only employers, individual entrepreneurs and persons engaged in private practice.

Since July 1, 2023, in connection with the adoption of the Social Code, the coverage of compulsory social insurance has been expanded with new categories, these are:

- individual assistants who provide support services for a person with a group 1 disability who has difficulty moving;

- and starting from January 1, 2025, the insurance system will extend to individuals who perform work (provision of services) under contracts of a civil nature concluded with tax agents.

It should also be noted that from January 1, 2025, the social tax rate will be 11%, and the social contributions rate will be 5%, respectively.

At the same time, according to the norms of the Tax Code, the amount of social tax payable to the budget by taxpayers is reduced by the amount of calculated social contributions.

The Social Code establishes a clear deadline for the payment of social contributions - no later than the 25th day following the reporting month, which are made from the employer's expenses for the payment of income to the employee in the form of wages.



There are also monthly minimum and maximum amounts of the object of calculating social contributions at the level of at least one and no more than seven times the minimum wage (minimum wage) established by the law on the republican budget for the corresponding period.

In order to simplify the fulfillment of obligations to pay social payments and individual income tax (IIT) on employee income, a Single Payment (EP) has been introduced since 2023.

As part of the EP, the payer pays mandatory pension contributions, social contributions, as well as contributions and deductions for compulsory social health insurance in one amount, then social payments are distributed to the NAO «State Corporation «Government for Citizens» by extra-budgetary funds.

Individual entrepreneurs and legal entities that are subjects of micro and small business, applying special tax regimes provided for by the Tax Code, have the right to pay such a simplified payment.

From January 1, 2025, the EP rate will be 23.8% of the taxable object and the social contributions rate as part of the EP 4.5%, respectively.

Taking into account the social component, the current legislation provides for control over the timeliness and completeness of payment of social contributions, it is entrusted to the state revenue authorities.

It should be noted that compulsory social insurance is based on the principles of solidarity, since social contributions are paid for all working citizens, and payments from the Fund can only be received by those persons who have a social risk of loss of income due to: disability, loss of breadwinner, loss of work, pregnancy and childbirth, adoption or adoption of a newborn child, with child care.

At the same time, the amount of social benefits directly depends on the amount of social contributions paid, the timeliness and duration of their payment. It is on such principles that this system operates, providing citizens with an additional form of social support.

In this regard, it is important for the working population to have access to information about the amounts of social contributions paid to the Fund.

Currently, this opportunity is implemented through the egov e-government portal.kz, mobile applications of banks online, as well as through branches of the State Corporation «Government for Citizens» (PSC) and branches of the Fund.

Thus, official labor relations are important, designed in accordance with the requirements of the law, this is not only a guarantee for social security provided for working citizens, but also the main incentive to legal employment in the fight against the shadow economy.