

## “A legal salary means confidence in the future, which is particularly valuable in times of uncertainty” — Metinvest case study for oboz.ua

In the oboz.ua article titled “Guarantees and protection: Why Ukrainians with legal salaries live better than those who receive money under the table,” Tetiana Petruk, Metinvest Group’s Chief Sustainability Officer, talked about the benefits of official employment, salary indexation and increases, as well as other opportunities for the employees of an honest employer. As part of the “Support the Honest” information campaign, this is the second article dedicated to the culture of paying taxes.



Receiving a larger amount of money “in hand” may seem more profitable, but it does not provide social guarantees, access to affordable loans, or protection from arbitrary actions by an employer.

Paying salaries under the table is a common practice around the world. And Ukraine is no exception. With this system, part of the employee’s salary is paid officially, while the rest is paid in cash, without being reflected in the company’s financial statements.

At first glance, receiving more money in hand may seem beneficial, but, in reality, an official salary has significant advantages that make it the better choice for an employee.

Tetiana Petruk said: “A legal salary is a guarantee that the employee will receive a stable income on time and in full. This means confidence in the future, which is particularly valuable in times of uncertainty. Because an honest employer operates within the legal framework, they respect the rights of employees and comply with labour laws.”

### **Social protections are a guarantee for the future**

Officially employed people have access to a comprehensive package of social guarantees that provides them and their families with confidence in the future. These include:

- social benefits — in case of disability, unemployment, pregnancy and childbirth, and so forth
- medical insurance, which provides the right to free or discounted healthcare
- pension provision, which guarantees the payment of a pension upon reaching retirement age

If you receive a salary under the table, you will lose the right to all these guarantees. This can have severe consequences — especially if difficult life situations arise

Tetiana Petruk said: “A jobseeker receives all the benefits of official employment: access to medical and social insurance, paid sick leave, maternity leave and holidays. In addition, they will be able to count on receiving a pension in the future.”

At the same time, an official salary is a direct proof of income. This not only increases the chances of getting loans from banks and other financial institutions, but also provides access to loans on favourable terms. For example:

- for purchasing property — taking out a mortgage to buy an apartment or house
- for obtaining education — pursuing higher education using loans
- for developing one's own business — starting one's own business by obtaining a loan
- for improving one's standard of living — purchasing a car, household appliances, etc

Instead, the chances of getting a loan are significantly reduced with an off-the-books salary. And the terms of the loan can be much less favourable.

Moreover, as Tetiana Petruk noted, employees who receive a legal salary can count on indexation as well as the ability to increase their income using various tools.

She emphasised: “Honest employers are interested in the best specialists, and therefore regularly monitor salary trends on the market along with measures of inflation. In addition, such employers give employees the opportunity to develop, learn and build a career within the company. Attracting and retaining as many talented people as possible with proven experience and high qualifications is the goal of any business.”

#### **Guarantee of protection against unscrupulous employers**

In addition, the official salary is fixed in the employment contract, which is a legal document that protects your rights as an employee. This means that such an employee is entitled to:

- timely and full payment of salary
- safe and healthy working conditions
- holidays and other social guarantees
- protection against unlawful dismissal

If the employer fails to fulfil its obligations, you can contact the authorities to protect your rights. The chances of the state taking the employee's side are much higher with official documents.

When receiving a salary under the table, an employee is effectively deprived of legal protections, which makes them vulnerable to abuse by an unscrupulous employer.

Metinvest Group's Chief Sustainability Officer said: “When a company operates officially and transparently, there is no chance that the employer will fail to pay salaries or pay them in full — according to the law, they will bear financial, administrative and criminal liability. In case of any issues with salary payments or conflicts, employees can defend their rights in court.”

In general, it is important to remember that the choice between official and an off-the-books salaries is not just a matter of getting more money in hand. It is a matter of your future and well-being.

In addition, it is also a significant contribution to the country's development, which is particularly important given the current circumstances in Ukraine. The taxes received, including on legal salaries, allow the state to allocate the necessary funds to the Ukrainian armed forces to complete their tasks, primarily to ensure the country's ability to defend itself.

Metinvest Group was previously recognised by oboz.ua as one of

[the most honest taxpayers in Ukraine](#)

. The publication noted it as an example of an “Honest Employer.”