



# DRC's Legal Analysis of Housing and Utilities Subsidies and Privileges in Ukraine | April 2025

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## Glossary

|   |  |
|---|--|
| <b>Housing and utilities subsidies (HUS)</b>              | Financial assistance, provided by State to those families <b>whose income does not allow them to pay</b> in full for housing and utilities services.   |
| <b>Housing and utilities privileges (HUP)</b>             | A legally established <b>financial benefit</b> provided to certain categories of <b>people</b> .   |
| <b>Average total monthly income of the household (HH)</b> | This is calculated by looking at the average monthly income over the previous six months.  |
| <b>Subsistence minimum (SM)</b>                           | Estimated cost of the consumer basket, which includes basic human needs (food, non-food products, services) <sup>1</sup> to ensure a minimum standard of living.   |
| <b>Means-tested criteria</b>                              | A means test determines <b>whether an individual or family is eligible for government benefits, assistance or welfare</b> , based upon whether the individual or family possesses the means to do with less or none of that support. |

<sup>1</sup> <https://zakon.rada.gov.ua/laws/show/780-2016-%D0%BF#Text>

## Legislation in the field of housing and communal services

1. Decree of the Cabinet of Ministers №848 of 21 October 1995 [«On simplification of the procedure for granting subsidies to the population to reimburse the costs of housing and communal services, purchase of liquefied gas, solid and liquid household stove fuel».](#)
2. Decree of the Cabinet of Ministers №373 of 17 April 2019 [«Some issues of housing subsidies and benefits for housing and communal services, purchase of solid fuel and liquefied gas in cash».](#)
3. Decree of the Cabinet of Ministers №215 of 7 March 2022 [«On the peculiarities of calculation and payment of cash benefits, privileges and housing subsidies for the period of martial law».](#)
4. Decree of the Cabinet of Ministers №1404 of 29 December 2023 [«Some issues of payment of housing subsidies and benefits to citizens for housing and communal services, purchase of solid and liquid stove fuel and liquefied gas».](#)
5. Decree of the Cabinet of Ministers №1156 of 27 July 1998 [«About the new amount of expenses for housing and communal services».](#)
6. Decree of the Cabinet of Ministers №409 of 6 August 2014 [«On the establishment of state social standards in the field of housing and communal services».](#)

## Background information

Despite having lots of common features, subsidies and privileges for payment of housing and utilities services are different state programmes of financial assistance.

**Housing and utilities subsidies (HUS)** are the programme of financial assistance, provided by State to those families **whose income does not allow them to pay** in full amount for housing and utilities services. The assistance is means-tested. The amount of benefits is calculated individually and depends on the property and financial situation of the household.

| Programme | Eligibility  | Means-testing | Amount of benefits      | Authority    | Form of benefits    | Frequency |
|-----------|--|---------------|-------------------------|--------------|---------------------|-----------|
| HUS       | Low-income families;<br>Both citizens and foreigners | Means-tested  | Calculated individually | Pension Fund | Monetary assistance | Monthly   |

**Housing and utilities privileges (HUP)** are statutory **advantage granted to certain categories of persons**. For example, war veterans, family members of deceased war veterans, large families, etc. Privileges are provided as financial assistance, but, in contrast to the subsidies, may be granted both with and without consideration of the average monthly total family income.

| Programme | Eligibility                      | Means-testing              | Amount of benefits      | Authority    | Form of benefits    | Frequency |
|-----------|----------------------------------|----------------------------|-------------------------|--------------|---------------------|-----------|
| HUP       | Status-based;<br>Ukrainians only | Means-tested;<br>Universal | Calculated individually | Pension Fund | Monetary assistance | Monthly   |



**NB:** If household is eligible for both subsidies and privileges, only one of the types of assistance is provided.

Both programmes of housing subsidies and privileges for housing and utility services have provided additional support to hundreds of thousands of Ukrainians who need it to pay their utility bills on time. Every year, the

government allocates about UAH 40 billion for these purposes. In particular, the budget for 2025 provides UAH 42.3 billion to cover subsidies and privileges.

#### **Recent legislative changes:**

Due to the war-related budgetary cuts, in 2025, housing and utility subsidies and privileges will be provided to all recipients on a uniform (means-tested) basis, i.e., taking into account the average monthly total family income.



**NB:** the means-testing will NOT apply to combatants and ex-combatants<sup>2</sup> and persons with disabilities as a result of war. For them, the approaches to the provision of benefits will NOT change.

In addition, on 17 January 2025, the Government supported a draft law that proposes to encourage those citizens who receive monetised (in cash) benefits to use these funds to pay for housing and utilities services. As per government's statements, not all beneficiaries currently comply with this principle. Since August 1, 2024, more than 17,000 beneficiaries have applied to the Pension Fund of Ukraine for housing and utility subsidies in monetary form. However, a debt of UAH 52.7 million has already accumulated. This indicates that some beneficiaries, after receiving funds intended for housing and utility payments, used the money for other needs. As a result, debt has increased specifically to service providers and energy companies, which deliver essential services to the population and issue bills for payment.<sup>3</sup>

#### **Housing and utilities subsidies**

The HUS is a non-refundable targeted state social assistance to vulnerable consumers of housing and utilities services. The HUS is provided to citizens of Ukraine, foreigners and stateless persons who are legally residing in Ukraine, living in houses or apartments and can not pay for housing and utilities services, management of an apartment building, and the cost of purchasing liquefied gas, solid and liquid fuel, etc.

Housing subsidies are granted if there is a difference between the amount of payment for housing and utilities services and the amount of the mandatory payment percentage established by the Cabinet of Ministers of Ukraine.

Housing subsidies for the purchase of solid and liquid fuel are granted if the household does not benefit from centralized heating systems and does not use natural gas or electricity for individual heating.

If heat energy and/or natural gas and/or electricity are simultaneously used for heating, social standards for heat supply of the housing are applied to only one utility service.

These calculations are made on the basis of an act of inspection of the actual place of residence of the person. The act is drawn up by an official of the executive body of the village, town, or city council of the relevant territorial community or military administration and submitted to the Pension Fund of Ukraine.

#### **Housing and utilities privileges**

To receive privileges, beneficiaries registered in the Register of Persons Entitled to Privileges (Register) can apply for benefits related to housing and communal services, as well as the purchase of solid fuel and liquefied gas. Their legal representatives or legally capable adult family members, whose information is available in the Register, may also apply on their behalf. The privileges for the purchase of solid fuel are granted if the residential premises do not have a utility service for the supply of heat energy for centralised heating and do not use natural gas or electricity for individual heating.


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<sup>2</sup> Including members of their family who are in their care, parents and family members of combatants who were killed (died) or went missing during military service.




<sup>3</sup> <https://www.msp.gov.ua/news/24405.html>

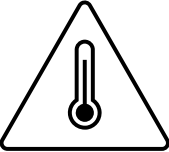
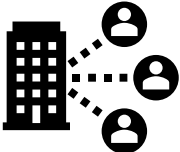
Privileges for utilities for the supply of heat energy, supply and distribution of natural gas, supply and distribution of electricity for centralised, autonomous and individual heating are calculated in April and October, taking into account the duration of the heating season from 16 October to 15 April inclusive.

### How the subsidy amount is calculated

| Social norms for housing  | Subsidies   | Privileges   |
|---|---|--|
|  | 13.65 square metres of total area per person and an additional 35.22 square metres per household. | 21 square metres of total area per person and an additional 10.5 square metres per family. |

In Ukraine, considering seasonal factor, there are heating and non-heating seasons. Heating season normally starts from 1 to 15 October when the average daily temperature is below +8 C° and ends in mid-April when the average daily temperature is above +8 C°.

|   | Non-heating season  | Heating season   |
|---|---|--|
|    | 110 kWh per person + 30 kW for each additional resident in houses with stationary electric stoves and hot water, but not more than 230 kWh per month;<br>130 kWh per person + 30 kW for each additional resident in houses with stationary electric stoves but without hot water, but not more than 250 kWh per month;<br>70 kWh per person + 30 kW for each additional resident in houses without electric stoves but with hot water, but not more than 190 kWh per month;<br>100 kWh per person + 30 kW for each additional resident in houses without hot water and stationary electric stoves, but not more than 220 kWh per month. | Additionally, 30 kWh per 1 square metres for heating the living space during the heating season.     |
|  | 3.3 cubic metres per person - use of a gas stove;<br>5.4 cubic metres per person (5.39 cubic metres per person without a meter) - use of a gas stove and water heating in the absence of a gas heater and hot water supply;<br>10.5 cubic metres per 1 person (10.5 cubic metres per 1 person without a meter) - gas stove and water heating with a gas water heater.   | Additionally, 4 cubic metres per 1 square metres of floor space - heating during the heating season. |
|  | 2 cubic metres per person - cold water;<br>1.6 cubic metres per person - hot water;<br>3.6 cubic metres per person - cold water in the absence of hot water;<br>3.6 cubic metres per person - sewerage.   |  |

|   |  |     |
|---|--|-----|
|  | $SN = (P_{min} \times K) / SR,$ <p>SN is the social standard of payment for heat energy, UAH per 1 sq. m;<br/> Pmin is the subsistence minimum per person per month in UAH;<br/> K - the average number of households receiving housing subsidies, which is two people;<br/> SR- social norm of heated housing area per one household of two persons - 62.52 square metres.</p>  | N/A |
|  | <p>to pay for housing services - apartment building management services; apartment building management costs, which are determined by the following formula:</p> $CH = (P_{min} \times K) / SR,$ <p>where CH is the social standard for housing services and management costs of an apartment building in UAH per 1 square metres;</p> <p>Pmin is the subsistence minimum per person per month established at the legislative level as of the relevant date in UAH;</p> <p>K is the coefficient of the average household expenditure on housing maintenance in Ukraine, which is 0.15;</p> <p>SR- the average size of the total area of housing per household of recipients of benefits or subsidies in multi-apartment buildings, which is 48.87 square metres.</p> |     |

#### Sample of the calculation<sup>4</sup>:



**NB:** All the calculations and figures are approximate and considered exclusively for the purpose of provision of a sample of calculations that is done for each household individually.

**Household composition and incomes:** two persons, recipients of average old-age pension, UAH 6,471.11 per person

**Location:** Dnipro oblast

**Type of housing:** multistore building:







**Heating:** central heating

**Water supply:** cold water

**Gas:** gas stove

**Electricity:** use electricity for heating water

<sup>4</sup> Approximate tariffs for housing and utilities services are considered based on the information provided in open sources, link: <https://nashemisto.dp.ua/2024/12/31/komunalka-2025-chy-pidvyshchuvatymut-taryfy-dlia-meshkantsiv-dnipra/>

|  | Social standards   | Calculations   |
|--|--|--|
|   | $13.65 \times 2 \text{ persons} + 35.22 = 62.52 \text{ square metres}$   |  |
|   | 100 kWh + 30 kW = 130 kWh per month.<br>Cost for electricity: UAH 6.64 per kWh   | <b>Total cost: <math>130\text{kWh} \times \text{UAH } 6.64 = \text{UAH } 863.2</math></b>  |
|   | $3.3 \times 2 \text{ persons} = 6.6 \text{ cubic metres per month}$<br>Cost for gas: UAH 7.96 per 1m <sup>3</sup>  | <b>Total cost: <math>\text{UAH } 7.96 \times 6.6 = \text{UAH } 52.54</math></b>  |
|   | $3.6 \times 2 \text{ persons} = 7.2 \text{ cubic metres of cold water in the absence of hot water per month};$<br>$3.6 \times 2 \text{ persons} = 7.2 \text{ cubic metres of sewerage per month};$<br>Total amount for water supply and sewerage: UAH 31.36 per 1 m <sup>3</sup>   | <b>Total cost: <math>7.2 \times 2 \text{ UAH } 31.36 = \text{UAH } 451.58</math></b>   |
|   | $(\text{UAH } 2,361 \times 2) / 62.52 = \text{UAH } 75.5$  | <b>Total cost: <math>\text{UAH } 75.5 \times 62.52 = \text{UAH } 4,720.26</math></b>   |
|  | $(\text{UAH } 2,920 \times 0.15) / 48.87 \text{ square metres} = \text{UAH } 8.96$   | <b>Total cost: <math>\text{UAH } 8.96 \times 62.52 = \text{UAH } 560.18</math></b>   |
| Obligatory payment for household   | $\text{Ro} = \text{Kd} / \text{Kg} \times \text{Pg}$ ,<br>where Ro is the share of the service fee for the household;<br>Kd - household income coefficient - the ratio of the average monthly total household income per person to the subsistence minimum per person per month;<br>Kg - basic income coefficient for granting a subsidy - two subsistence minimums per person per month ( $\text{Kr} = 2$ );<br>Pg - basic rate of payment for services - 15 per cent of the average monthly total household income ( $\text{Pg} = 15$ ). | Obligatory payment:<br>$(\text{UAH } 6,471.11 / \text{UAH } 2,361) / 2 \times 15 = 20.56\%$<br>$(\text{UAH } 6,471.11 \times 2) \times 20.56\% = \text{UAH } 2,660.92$ |
| Approximate amount of subsidies per household                                      | The amount of the subsidy is defined as the difference between the cost of utilities and the mandatory payment that the household pays on its own.   | Approximate amount of subsidies:<br><b><math>\text{UAH } 6,647.76 - \text{UAH } 2,660.92 = \text{UAH } 3,986.84 \text{ per month}</math></b>                           |

### Average total monthly income of the HH

The average total monthly income of the HH is calculated individually by the social protection authority, considering the recipient's income with sources of origin both in Ukraine and abroad. Sample of the calculation of the average monthly income for the household of two persons whose only income is pension:

|                 | March        | April        | May          | Total for quarter |
|-----------------|--------------|--------------|--------------|-------------------|
| <b>Person 1</b> | UAH 6,471.11 | UAH 6,471.11 | UAH 6,471.11 | UAH 19,413.33     |

|                                     |   |               |               |               |
|-------------------------------------|---|---------------|---------------|---------------|
| <b>Person 2</b>                     | UAH 6,471.11  | UAH 6,471.11  | UAH 6,471.11  | UAH 19,413.33 |
| <b>Total</b>                        | UAH 12,942.22   | UAH 12,942.22 | UAH 12,942.22 | UAH 38,826.66 |
| <b>Average total monthly income</b> | Of the household: UAH 38,826.66 / 3 = UAH 12,942.22<br>Per person: UAH 12,942.22 / 2 persons = UAH 6,471.11 |               |               |               |

### Social benefits that included to or excluded from the calculation of the average monthly family income.

Social benefits provided by social protection authorities are generally included in the calculation of a family's average monthly income, except for certain cases listed in the table below. However, state social assistance programs that require income assessment for eligibility are **not** included in this calculation.

| Included   | Excluded   |
|--|--|
| <b>Families with children:</b> <ul style="list-style-type: none"> <li>• Childbirth grant (monthly payment).</li> <li>• Single Parent Assistance.</li> <li>• Large-family assistance.</li> </ul>                | <b>Families with children:</b> <ul style="list-style-type: none"> <li>• Childbirth grant (one-off payment).</li> <li>• Maternity benefit.</li> <li>• Baby-box.</li> <li>• Compensation for "municipal nanny" services.</li> <li>• Assistance to children whose parents evade child support.</li> <li>• Assistance to families with three or more children, paid from local budgets.</li> </ul>   |
| <b>Low-income families:</b> <ul style="list-style-type: none"> <li>• Benefits for housing and communal services, purchase of solid fuel and liquefied gas.</li> <li>• Low-income Family assistance.</li> </ul> | <b>Low-income families:</b> <ul style="list-style-type: none"> <li>• HUS.</li> <li>• Assistance in gaining economic independence for low-income families.</li> </ul>   |
| <b>Elderly people:</b> <ul style="list-style-type: none"> <li>• Pension.</li> <li>• Social assistance to persons not entitled to pension and people with disabilities.</li> </ul>                              | <b>People with disabilities:</b> <ul style="list-style-type: none"> <li>• Assistance to people with disabilities since childhood and children with disabilities under the age of 18.</li> <li>• Assistance to a person caring for a child with a serious rare disease.</li> <li>• One-time compensation to people with disabilities and children with disabilities affected by explosive ordnance.</li> <li>• Annual rehabilitation allowance for people with disabilities and children with disabilities affected by explosive ordnance.</li> </ul> |
| <b>Unemployed:</b> <ul style="list-style-type: none"> <li>• Unemployment benefit.</li> <li>• Partial unemployment benefit.</li> </ul>  | <b>IDPs:</b> <ul style="list-style-type: none"> <li>• Social Assistance for Evacuated Persons and Persons Living in newly Accessible Areas</li> <li>• Housing Allowance for IDPs.</li> <li>• Compensation of expenses for temporary accommodation of internally displaced persons who moved during the period of martial law.</li> </ul>   |

## Heating and non-heating period

General provisions on the heating season are stipulated in the Cabinet of Ministers Decree #830 of 21 August [«On approval of the Rules for the provision of heat supply services and standard contracts for the provision of heat supply services»](#).

The procedure for calculating the cost of district heating services:

1. In the case of installation of house heat metering devices, the consumer pays for services according to their readings in proportion to the heated area (space) of the apartment or house.
2. In the case of installation of apartment heat metering device, the consumer pays for services according to consumption.
3. In the absence of heat metering devices payment for the services provided is charged in accordance with the established consumption standards per 1 sq. m. of heated area of the apartment or house and taking into account the actual outside temperature and the actual number of days of provision of this service in the month that is the billing month.

Heat in buildings is generated when two conditions are met:

- ✓ It is the right time of year. Usually, heating is started between 1 and 15 October.
- ✓ The average daily temperature is less than +8 degrees for five days. Of course, a prolonged cold snap can also occur in the summer, but no one will run the heating for just a week - it's simply impractical. But it's not wise to delay the heating season either because if the system freezes, you will have to spend a lot of money and time on emergency repairs.

Three factors are considered when switching off the heating:

- ✓ Season. Heating is usually switched off between April and mid-May, depending on the region.
- ✓ Weather forecast. Before making a decision to shut down the heating systems, the weather forecast is reviewed - if a severe cold snap is expected in the coming days, the shutdown is not carried out. In addition, if there are prolonged frosts, the heating is also not switched off.
- ✓ For the heating season to end, the average daily temperature must be above +8 degrees. Moreover, this parameter must be observed for the last five days.

## How to apply HUS/HUP

- ✓ In person by visiting the nearest service centre of the Pension Fund of Ukraine.
- ✓ In person through authorised officials of the executive body of the village, town or city council of the respective territorial hromadas.
- ✓ In person at administrative service centres (ASCs).
- ✓ Through the post by sending documents to the Fund's body.
- ✓ Online - through the web portal of electronic services of the Pension Fund of Ukraine, the Pension Fund mobile application or the Diia portal.

|                            | Subsidies  | Privileges   |
|----------------------------|--|--|
| <b>Necessary documents</b> | <ul style="list-style-type: none"><li>✓ Application for the appointment and provision of a housing subsidy;</li><li>✓ Declaration of income and expenses of persons applying for housing subsidies;</li><li>✓ Aa housing lease agreement (if any);</li></ul> | <ul style="list-style-type: none"><li>✓ Application for privileges for housing and utilities services, purchase of solid fuel and liquefied gas;</li><li>✓ Copies of documents confirming the right of the beneficiary to privileges;</li><li>✓ Copy of the document certifying the registration of the person in the State Register of Individuals - Taxpayers (taxpayer card);</li></ul> |



|  |   |   |
|--|---|---|
|  | <ul style="list-style-type: none"> <li>✓ Income certificates (if the declaration indicates income that is not available in the registers);</li> <li>✓ Other documents necessary for consideration, for example, documents confirming that the person does not live at the place of registration.</li> </ul> | <ul style="list-style-type: none"> <li>✓ Passport of a citizen of Ukraine.</li> </ul> |
|--|---|---|



### **Access to HUS and HUP in occupied territories**

After the full-scale invasion, the Cabinet of Ministers adopted Decree №214 of 7 March 2022, extending the term of payment of state social benefits and privileges previously granted for the period of martial law and one month after its termination or cancellation. The respective payments are made without the necessity to re-apply to the social protection authorities.

In 2024, due to budgetary restrictions, the Government has decided to restore the general procedure for the allocation and payment of housing subsidies and benefits for people who received such payments.

To continue payments, people had to reapply to the Pension Fund of Ukraine by 1 July 2024. This amendment is applicable to people who lived in 2022 under occupation or in territories of active hostilities where social protection units could not operate and who have continued to receive privileges and subsidies since 2022.



At the same time, people in occupied territories can apply online through the web portal of electronic services of the Pension Fund of Ukraine, the Pension Fund mobile application or the Diia portal. This might still become an access barrier to some categories of people who have low access to the internet, are digitally illiterate or have some other concerns.

### **Key Take-aways:**

Housing and utilities subsidies and housing and utilities privileges are two different types of payments:

- A housing and utilities subsidy is an assistance from the state to those families whose income does not allow them to fully pay for the housing and utility services consumed. It is means-tested.
- A privilege is a statutory advantage granted to certain categories of people, such as war veterans, family members of deceased war veterans, large families, etc. In this case, the privilege can be granted both with and without taking into account the average monthly total family income.



If a person is simultaneously entitled to a subsidy and a privilege for the same purpose (housing and utilities), they can choose only one type of assistance provided.

Given the limited state budget, the Government has decided to change its approach. Under the new approach from 2024, subsidies and privileges will be granted based on the financial situation of the family. This step should ensure equal conditions for everyone. Previously, certain categories received assistance regardless of income, but now it will be directed to those who really need it. However, this change may cause dissatisfaction among those who are used to receiving benefits regardless of their financial capabilities.

A significant challenge lies in the use of monetised payments. While many individuals receive financial assistance intended for utility bills, some allocate these funds to other pressing needs. As previously mentioned, the Government has proposed a draft law to address this issue. This approach aims to ensure that state support is used as intended, helping to cover essential expenses rather than serving as additional discretionary income and resulting in situations where households have debts to utility companies.

### Recommendations:

- ❖ The humanitarian sector should conduct a legal analysis and research on where people use these funds and for what purpose. This will help identify the most critical expenses of the affected population and prioritise such assistance.
- ❖ The state should establish a system for monitoring the use of monetized payments - personalized accounts or automatic debiting for utility bills. The state can create special accounts from which funds will be automatically debited to pay for utilities. However, the balance on the account can be accumulated and used to pay for the following months, rather than returned to the state.

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