

SOCIAL SECURITY CONTRIBUTIONS

Employer's obligations concerning ZUS

Polish employers have the obligation to incur the costs of social security insurance to the Social Insurance Institution and are payers of contributions to the Social Insurance Institution and the National Health Fund.

The contributions for social insurance for employees and employers are calculated on the basis of the employee's gross income.

The employer is responsible for withholding and remitting the full amount of social security contributions (employee's share and employer's share) to the relevant authorities. The rates of social security contributions are:

| Insurance | Employer | Employee |
|---|---------------------------------------|----------------|
| Retirement Pension | 9.76% | 9.76% |
| Disability | 6.5% | 1.5% |
| Sickness | Not applicable | 2.45% |
| Work Accident | Between 0.65% and 3.33% | Not applicable |
| Health | Not applicable | 9.00% |
| Labour Fund (LF) | 2.45% | Not applicable |
| Fund of Guaranteed Employee Benefits (FGEB) | 0.10% | Not applicable |

The contribution calculation basis for the retirement and social security insurance in **2020** cannot exceed **156,810.00 PLN**.

Social security in Poland

The social insurance system in Poland is universal and compulsory. Social insurance covers people who are, among others, employees, persons working on the basis of contracts of mandate or run a business activity.

NOTE:

Social security in Poland covers the EU citizens on the same basis as Polish citizens.

PENSION INSURANCE

Pension insurance

The retirement and social security insurance aims to provide:

- payment of retirement benefits for persons who have reached the retirement age (retirement pension),
- payment of benefits in the event of inability to work due to sickness (disability pension).

The employer is the payer of due contributions to the Social Insurance Institution.

Pension is granted to women who are at least 60, and men who are at least 65. There is no minimum insurance period required for granting the pension.

Decisions about granting pensions are made by the Social Insurance Company's bodies which are of proper jurisdiction due to the place of living of the person who is applying for the benefit. The proceedings for granting pensions start after submitting the application by an applicant.



DISABILITY INSURANCE

Disability insurance

Disability insurance guarantees cash benefits in case of losing income connected with the risk of disability (inability to work) or death of a breadwinner in a family. In such a situation persons who pay disability insurance premiums are granted disability pension for incapacity for work, which is a substitution for remuneration or income, and in the case of death of an insured breadwinner in a family, the members of their family are granted family pension.

The premium for disability insurance is **8%** of the basis of the assessment of the amount of premium, where **6.5%** is from the funds of the employer, and **1.5%** from the funds of the employee.

1. Disability pension for incapacity for work

Disability pension for incapacity for work can be granted to an insured person who fulfils all of the following conditions:

- Is considered a person who is partially or entirely unable to work,
- Has proven contributory and non-contributory periods,
- Inability to work started in the periods strictly set out in the Act.

A person who is entirely unable to work is a person who has lost the ability to perform any job.

A person who is partially unable to work is a person who to a considerable degree lost their ability to perform a job which is consistent with the level of that person's qualifications.

Inability to work and its level is certified by a board certified occupational medicine physician from the Social Insurance Company as the first certifying instance. An applicant has the right to raise an objection to the physician's opinion to the Social Insurance Company Medical Board - as the second certifying instance.

2. Family pension

Family pension is granted to entitled family members of the person who at the time of death:

- Had a fixed right to a pension, or fulfilled the conditions for obtaining it,
- Had an established right to a bridging pension,
- Had an established right to an inability to work pension, or fulfilled the conditions to receive it,
- They were on pre-retirement allowance,
- They were on pre-retirement benefit,
- They were receiving a teacher's compensation payment.

SOCIAL SECURITY FOR INDUSTRIAL ACCIDENTS AND OCCUPATIONAL DISEASES

Social security for industrial accidents and occupational diseases

Security for industrial accidents and occupational diseases covers, inter alia, employees, persons who work on the basis of contracts of mandate, and persons carrying out business activity.

Benefits in respect of accidents at work and occupational diseases may be granted to the insured person. They are:

- **Sickness benefit from accident insurance** - for the insured person, whose inability to work arose as a result of an accident at work or occupational disease,
- **Rehabilitation benefit** - is paid after the sickness benefit has finished, if the insured person is still unable to work, and further treatment or rehabilitation give them a chance to regain ability to work,
- **One-time compensation** - for an insured person whose health was damaged permanently or for a long period of time, or for the members of the family of a deceased insured person or a person who collected disability pension,
- **Disability pension for an industrial accident or occupational disease** - for an insured person who has become unable to work due to an industrial accident or an occupational disease,
- **Training allowance** - is granted to a person with reference to whom retraining was stated as appropriate due to the inability to work in a current profession because of an industrial accident or occupational disease,
- **Family pension** - for the family members of a deceased insured person or a person entitled to disability pension for an industrial accident or occupational disease and allowance to family pension - for an orphan.

The amount of the accident security premium varies from **0.67%** to **3.33%** of the basis of premium assessment. The accident security premium is entirely covered by the employer.

SOCIAL SECURITY FOR SICKNESS AND MATERNITY

Social security for sickness and maternity

Persons who are obligatorily insured for sickness and maternity are mainly employees. Persons covered by obligatory pension and disability pensions insurance, who, inter alia: work on the basis of an agency agreement or contract of mandate, carry out non-agricultural activity can also be insured, voluntarily, for sickness and maternity.

The amount of the sickness contribution is **2.45%** of the sum for the basis of contributions. The contribution is covered from the funds of the insured person.

The following benefits are paid due to insurance in case of sickness and maternity:

Sickness benefit

Sickness benefit / sick pay is granted to the insured person who became sick during the period of sickness insurance. The right to sickness benefit is due after the expiry of the so-called waiting period. A person who is obligatorily covered by sickness insurance is entitled to sickness benefit after **30 days** of continuous sickness insurance. A person who is covered by this insurance voluntarily, acquires the right to sickness benefit after the period of **90 days** of continuous sickness insurance.

The sickness benefit is granted to an insured person in the amount of **80%** of the basis of assessment, and for the period of being hospitalised - in the amount of **70%** of the basis of assessment.

If the inability to work which was caused due to an accident on the way to or from work, at work, started during pregnancy or concerns tissue, cell or organ donors, then the sickness benefit is paid in the amount of **100%** of the basis of assessment.

Rehabilitation benefit

The rehabilitation benefit is granted to an insured person who can no longer be given the sickness benefit but still is unable to work, and further treatment or rehabilitation give them a chance to be able to work again. The benefit is granted for the period necessary to give them a chance to regain ability to work but not longer than for the period of **12 months**.

SOCIAL SECURITY FOR SICKNESS AND MATERNITY *CONTINUATION*

Social security for sickness and maternity *(cont.)*

Maternity allowance

Maternity allowance is granted to an insured woman who at the time of sickness security or at the time of a child care leave:

- gives birth to a child,
- takes a child up to 7 years of age for upbringing, and in the case of a child with regard to whom there was a decision about an adjournment of compulsory education - up to 10 years of age, and who started legal proceedings for adoption in the Guardianship Court,
- takes for upbringing, as surrogate parents, except for professional surrogate parents not related to the child, a child up to 7 years of age, and in the case of a child with regard to whom there was a decision about an adjournment of compulsory education - up to 10 years of age.

Maternity allowance is paid during maternity leave - for **20 weeks** in the case of the birth of one child. In the case of the birth of more than one child between **31-37 weeks**.

Parental leave is granted immediately after maternity leave.



SOCIAL SECURITY FOR SICKNESS AND MATERNITY *CONTINUATION*

Social security for sickness and maternity *(cont.)*

Maternity allowance for the period specified in the Labour Code provisions as a period of parental leave is granted for up to:

- **32 weeks** - in the case of the birth of one child and for the adoption for upbringing and to apply to the guardianship court for instituting proceedings for adoption or acceptance of upbringing as a foster family with the exception of a professional foster family of one child up to the age of seven, and in the case of a child towards whom it was decided to postpone the compulsory schooling up to the age of ten,
- **34 weeks** - in the case of the birth during one delivery of two or more children and in the case of a simultaneous adoption for upbringing of two or more children.

The maternity allowance for the period corresponding to the period of parental leave can also be used by both parents at the same time, however, the total period of the leave enjoyed by both parents must not exceed **32 or 34 weeks**.

Attendance allowance

Attendance allowance is granted for the period of a special leave, when it is necessary to take care of a healthy child who is under 8, a sick child who is under 14 or other sick member of the family.

Attendance allowance is granted for not more than **60 days** in a calendar year if a person takes care of a healthy child who is under 8 or a sick child who is under 14. If a person takes care of a sick child who is over 14 or other sick member of a family, the allowance is granted for not more than **14 days**. The allowance is paid in the amount of **80%** of the basis of allowance assessment.