

# Benefits and Compensation Framework - Poland

## Salary Structure, Social Security, and Employee Benefits

### Introduction

This document outlines the primary components of employee benefits and compensation in Poland. It is designed to provide employers with a comprehensive understanding of the legal requirements and market trends that shape remuneration packages. The framework is governed by the **Polish Labour Code of 2024** and regulations issued by the **Ministry of Family, Labour and Social Policy** and the **Social Insurance Institution (ZUS)**. Adherence to these standards is mandatory for all employers operating within the country.

### Salary Structure

The salary structure in Poland is comprised of a base salary and may include various supplementary components. All remuneration must be clearly stipulated in the employment contract.

#### ### National Minimum Wage

The Polish government establishes a national minimum wage annually. As of 2025,

the mandatory minimum gross salary for a full-time employee under an employment contract is **PLN 4,550 per month**. For individuals working under specific civil law contracts (e.g., contract of mandate), a minimum hourly rate also applies. This rate is set at **PLN 29.80 gross per hour**. Employers are legally obligated to meet this threshold, regardless of the industry or region.

### ### Payment Frequency

According to the Labour Code, salaries must be paid at least **once a month**, on a fixed and pre-established date. The payment must be made no later than the 10th day of the following calendar month. Payments are typically made via bank transfer to the employee's designated account.

### ### Salary Components

A typical salary package in Poland is composed of several elements:

- •       **Base Salary (Wynagrodzenie zasadnicze):** The fixed, gross amount agreed upon in the employment contract for the standard execution of duties. This component cannot be lower than the national minimum wage.
- •       **Variable Components:** These are performance-related and not always guaranteed. They include:
  - ◦       **Bonuses (Premie):** Can be discretionary or regulated by internal company policies or bonus agreements.
  - ◦       **Commissions (Prowizje):** Common in sales and business development roles, typically calculated as a percentage of generated revenue or achieved targets.
- •       **Allowances (Dodatki):** Additional payments for specific working conditions, such as overtime pay, night work supplements, or allowances for work in hazardous conditions.

## Mandatory Bonuses

While the concept of a universally mandated 13th-month salary is not present in the private sector, certain bonuses are either legally required under specific conditions or have become standard practice in many sectors.

### ### Year-End Bonus / Additional Annual Salary

Known as the "**trzynastka**" (the thirteenth), this additional annual salary is mandatory for employees in the **public sector** (budgetary sphere). It is typically equivalent to 8.5% of the employee's total remuneration received during the previous calendar year and is paid out by the end of the first quarter of the following year. In the private sector, a year-end or Christmas bonus is a discretionary benefit, although it is a common practice in many large corporations and is often regulated by internal collective labor agreements.

### ### Seniority Bonuses (Dodatek stażowy)

A seniority bonus is an obligatory component of remuneration in the public sector, rewarding employees for their length of service. It typically starts after 5 years of employment at 5% of the base salary and increases by 1% for each subsequent year, up to a maximum of 20%. In the private sector, seniority bonuses are not legally required but may be offered as part of a company's internal compensation policy to foster employee loyalty.

### ### Vacation Bonus (Świadczenie urlopowe)

Employers with fewer than 50 full-time employees who do not establish a **Company Social Benefits Fund (ZFŚS)** may choose to pay a vacation benefit. This is a lump-sum payment provided to an employee who takes a minimum of 14 consecutive calendar days of annual leave. The amount is proportional to the employee's working time and cannot exceed a legally defined limit tied to the national average salary.

## Social Security

Both employers and employees are required to make monthly contributions to the Polish **Social Insurance Institution (Zakład Ubezpieczeń Społecznych - ZUS)**.

These contributions fund pensions, healthcare, and other social benefits.

### ### Employer Contribution Percentage

The employer's total contribution is approximately **20.48%** of the employee's gross salary. This is a synthetic aggregate figure broken down as follows:

- **Pension Insurance:** 9.76%
- **Disability Insurance:** 6.50%
- **Accident Insurance:** Varies by industry risk, from 0.67% to 3.33% (average used here is 1.67%)
- **Labour Fund:** 2.45%
- **Guaranteed Employee Benefits Fund (FGŚP):** 0.10%

### ### Employee Contribution Percentage

The employee's share is deducted directly from their gross salary and amounts to approximately **13.71%**. This consists of:

- **Pension Insurance:** 9.76%
- **Disability Insurance:** 1.50%
- **Sickness Insurance:** 2.45%

In addition, a mandatory **health insurance contribution** of **9%** of the assessment base is deducted from the employee's salary and transferred to the **National Health Fund (NFZ)**.

### ### Coverage Included

The social security system provides comprehensive coverage, including:

- **Public Healthcare (NFZ):** Access to public doctors, specialists, and hospitals.
- **Pensions:** Old-age retirement benefits.
- **Disability Benefits:** Payments for individuals unable to work due to health conditions.

- • **Sickness and Maternity Pay:** Compensation during sick leave and parental leave.
- • **Unemployment Benefits:** Financial support for a limited period after job loss.
- • **Workplace Accident Insurance:** Covers benefits related to accidents at work.

## Common Additional Benefits

To attract and retain talent in a competitive market, Polish employers often offer a range of supplementary benefits beyond the legally required minimums.

- • **Private Health Insurance:** This is one of the most popular benefits, providing employees and often their families with faster access to private specialists, diagnostics, and medical facilities.
- • **Group Life Insurance:** Provides financial security for employees' families in the event of death or serious injury.
- • **Sports and Recreation Cards (e.g., MultiSport Card):** Highly sought-after benefit providing subsidized access to a wide network of gyms, swimming pools, fitness classes, and other sports facilities.
- • **Meal Vouchers or Lunch Subsidies:** Co-financing for meals through pre-loaded cards or vouchers is a common and tax-efficient perk.
- • **Training and Development:** Budgets for professional courses, industry certifications, language classes, and co-financing for postgraduate studies are standard in many professional sectors.
- • **Flexible Work Arrangements:** The option for remote or hybrid work has become a key non-financial benefit, along with flexible working hours.
- • **Company Car:** Typically offered for sales, senior management, and executive positions.

## Payroll Taxes

Employers are responsible for calculating, withholding, and remitting personal income tax (PIT) on behalf of their employees.

### ### Tax Withholdings

Poland uses a progressive tax scale for personal income. For 2025, the rates are:

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| 1 | 1 | 12% on income up to <b>PLN 120,000</b> per year.     |
| 2 | 2 | 32% on income exceeding <b>PLN 120,000</b> per year. |

A tax-free allowance of **PLN 30,000** per year is applied, effectively reducing the tax burden for lower earners. Employers calculate and withhold monthly tax advances from employees' salaries.

### ### Required Declarations

- **PIT-11:** By the end of February each year, the employer must provide each employee with a PIT-11 form. This document summarizes the employee's total income earned and taxes paid in the previous tax year.
- **Annual Tax Return (PIT-37 or PIT-36):** Each employee is responsible for filing their own annual tax return with the tax authorities by April 30th. The PIT-11 form is used as the basis for this declaration.

## Market Trends

Compensation and benefits packages in Poland are increasingly influenced by market dynamics, particularly in high-growth sectors.

### ### Average Salaries by Sector

The following are estimated average gross monthly salaries for experienced professionals in major Polish cities (e.g., Warsaw, Kraków, Wrocław):

- **Information Technology (IT):** PLN 13,000 - 22,000. Roles in software development, cybersecurity, and data science command the highest salaries.

- • **Finance and Banking:** PLN 10,000 - 18,000. Professionals in risk management, investment banking, and financial analysis are in high demand.
- • **Manufacturing and Engineering:** PLN 8,000 - 14,000. Experienced engineers, plant managers, and supply chain specialists are key roles.
- • **Business Process Outsourcing (BPO/SSC):** PLN 7,500 - 13,000. Multilingual specialists and team leaders are highly valued.

### ### Competitive Benefits in the Local Market

Beyond salary, the most competitive benefits packages currently include a combination of:

- • A comprehensive **private medical care** plan for the employee and their family.
- • A **MultiSport card** or similar wellness benefit.
- • Generous **remote/hybrid work** policies.
- • A clear budget for **professional development** and training.
- • **Performance-based annual bonuses.**

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