

Poland

1. Government requirements

Registration requirements

Registration for social security purposes — employer

There is a legal obligation to register a company for social security purposes, within seven days of employing the first individual. This is in accordance with the Act of 13 October 1998 on the Social Security System governed by the Social Security Office in Poland. The registration form for a company is called ZUS ZPA and it must be filed by the company representative or by the payroll provider. Usually, registration of the employer for social security purposes is completed by lawyers at the same time as the legal entity registration. There is no fee for registration in Poland.

Registration for social security purposes — employees

There is a legal obligation to register each employee for social security purposes, within seven days from the date of concluding the contract (date of employment stated in the contract). This is in accordance with the Act of 13 October 1998 on the Social Security System governed by the Social Security Office in Poland. The registration form for the employee is called ZUS ZUA or ZUS ZZA and it must be filed by the company, legal employer or payroll provider. The form must be filed electronically using the dedicated government software called “Platnik” — this software must be used by all employers in Poland for registration and monthly or annual social security reporting. There is no fee for registration in Poland, and the Platnik software which can be downloaded from the Social Security website is free.

Registration for the State Fund for Rehabilitation of Disabled Persons (PFRON)

An employer who employs at least 25 full-time employees must pay contributions into PFRON. The contributions can be decreased for each disabled person employed. Companies employing 6% or more disabled persons are exempted from these payments. The obligation for registration and monthly payments is based on the Act on The Rehabilitation of Disabled Persons. The respective registration forms are called DEK-Z and ZAP1 — these are to be filed in hard copy with the signature of the person recognized in the Court Register document (KRS) of the company.

Tax registration

There is no payroll registration for tax purposes in Poland. Each company is registered at the Tax Office by lawyers once the legal entity is created, so no additional registration for payroll purposes is needed.

Ongoing compliance requirements

Social Security monthly return

An employer is obliged to declare and pay monthly social security contributions for all salaries paid out. The deadline for submitting monthly returns and paying social security contributions is the 15th day of the following month (according to the Act of 13 October 1998 on the Social Security System in Poland). Monthly returns consist of the following forms:

1. ZUS DRA — monthly aggregate form
2. ZUS RCA — monthly individual form
3. ZUS RSA — monthly sickness absences form
4. ZUS RZA — monthly healthcare contributions form (for civil contractors only)

All declaration forms should be submitted to the Social Security Authorities via Platnik. Social security contributions are payable at rates of 13.71% by employees and 14.93% – 17.86% by employers.

Contributions consist of four elements as follows:

Social security	Paid by employer	Paid by employee	Total
Retirement	9.76%	9.76%	19.52%
Disability	4.50%	1.50%	6.00%
Sickness	-	2.45%	2.45%
Accidents	0.67%– 3.60%	—	0.67%– 3.60%

The rate for accident insurance depends on the type of business activity conducted. Retirement and disability insurance are payable by employees and employers up to the specified limit. Sickness insurance is only paid by employees and accident insurance only by employers. Both are uncapped.

The maximum annual remuneration, which is the basis for calculating the contributions to retirement and disability insurance funds, is limited to 30 times the national average monthly salary.

Employers must also pay contributions of 2.45% to the Labor Fund and 0.10% to guarantee the salaries of employees of bankrupt companies (for employers from abroad with no Polish address, the contributions toward the guarantee of salaries are not required).

According to Article 79 of the Act of 27 August 2004 on benefits from the national health fund, healthcare contributions amount to 9% (in 2020) of the employment income which is decreased from the employee social security contribution assessed. About 7.75% of healthcare contributions may be deducted from the tax payment (which decreases tax liability) and the remaining part of the healthcare contribution (1.25% of the assessment basis) is left as an additional non-deductible cost (decreasing the after-tax income).

Social security — annual return

Each employer with an average annual employment of 10 employees or more is obliged to file an annual social security return ZUS IWA by 31 January of the following year. This includes information on the average number of employees in the company and number of workplace accidents reported during a year. It is also submitted via the Platnik software. On the basis of the Zakład Ubezpieczeń Społecznych (ZUS) IWA form, ZUS informs the employer on an applicable rate of contribution for the next period (1 April to 31 March).

Monthly tax payments

According to the Personal Income Tax (PIT) Act, all Polish employers must withhold tax on their employees' taxable salary and make payments to the Tax Office by the 20th day of the month following the month of payment. No monthly tax return is filed.

The basic rates for taxpayers whose income is subject to taxation under general terms are defined in accordance with the progressive tax scale, differentiating two income thresholds. These tax rates amount to 17% and 32%.

Income tax for 2020 is payable at progressive rates as follows (the thresholds may be indexed annually):

The following are the Tax Assessment basis in PLN Tax rate

- Up to PLN85,528: 17% of assessment basis minus 525.12
- Over PLN85,528: PLN14,539.76 plus 32% of amount exceeding PLN85,528

For employees under 26 years, tax rate is zero (no tax is deducted).

Self-employed individuals who work in Poland, or expatriates working for and paid by a foreign entity, are personally responsible for meeting monthly filing requirements. The deadlines are the 20th day of the following month for employment income.

Annual tax information — employer

Once a year, an employer is obliged to file an annual tax return PIT-4R or (PIT-8AR) by 31 January of the next year. PIT-4R includes cumulative information on monthly tax calculated and advances paid for all employees in a monthly split. The annual PIT-8AR form includes information on the lump sum tax paid during a year. All annual tax forms must be submitted to the Tax Office electronically by the authorized person (using an electronic signature).

Annual tax information on employees

Each employer is obliged to provide each employee and the Tax Office with annual information on income earned and tax advances paid. The form is called PIT-11 and the deadline for submission is the end of January (to the Tax authority) and end of February (for employees) of the year following the tax year to which the information relates. Annual information and returns must be submitted to the Tax Office via electronic software (there are different software providers and the fee can also differ).

Monthly PFRON return

According to Article 21 of Act on The Rehabilitation of Disabled Persons, each employer who employs at least 25 people must pay contributions to PFRON and submit a monthly tax return (DEK-I-0 form). The calculation is based on an average rate of employment in a given month and average salary issued by the Polish Government body on a quarterly basis. The form must be submitted via a dedicated web-based application — access is granted by the PFRON Authority. The deadline for payment and the PFRON returns submission is the 20th day of the following month.

Annual PFRON return

At the end of the year, by 20th of January of the following year, an annual PFRON return must be filed (in the same way as monthly returns). The form is called DEK-R and it includes the cumulative amount of all contributions paid during a year.

2. Pension requirements

Employee Capital Plans (ECP) - new obligation for employers

Each Polish employer whose employees are subject to social security system in Poland, is obliged to implement the Employee Capital Plan (ECP; in Polish – Pracowniczy Plan Kapitałowy – PPK) by arranging cooperation with a chosen financial institution eligible to run ECP in Poland.

The main goal of ECP is to increase the level of pension received by the individuals after their retirement. The most important impact on the employer is an obligation to sign the respective agreements on managing and running ECP, pay obligatory contributions (at least 1.5% of an employee's salary) and withhold obligatory deduction from employee's salary (at least 2%).

3. Employment obligations

Personal file administration

As per Article 94 of the Polish Labor Code, each employer in Poland is obliged to set up, keep and update a personal file for each employee. All the documents regarding employment (i.e., personal questionnaires, employment contract and health certificate) must be kept within the file in chronological order, including proper descriptions of each document. The employer is obliged to store the personal file of each employee for 10 years - there is a new regulation which reduced the period from 50 to 10 years and allow electronic versions of the files to be stored – under certain conditions).

Health certificates

As per Article 229 of the Polish Labor Code, prior to starting work, an employee must obtain a health certificate stating that he or she is able to work in the specified position. Such a certificate should be issued by a physician specializing in workplace health on the basis of a referral issued by the employer. The certificate is issued for a limited period of time, depending on the conditions of work. After that period, the certificate must be renewed. A new certificate has to be issued if an illness lasts longer than 30 days. The employer bears all the costs of issuing a health certificate. The necessary physical examinations should be undertaken, if possible, within the working hours of an employee.

Health and safety regulations course

As per Article 237 of the Polish Labor Code, each employer is obliged to organize a health and safety regulations course for each new employee. The course should take place within working hours. A training company specializing in this type of workplace training should be used. The costs of this training are borne by the employer.

Working regulations and remuneration regulations

Under the Polish Labor Code Act, an employer who employs at least 50 people is obliged to create working regulations (i.e., on working hours, discipline at work etc.) and remuneration regulations. If there are less than 50 employees, the employer is obliged to inform them in writing about the basic regulations within the company.

4. Payroll requirements

According to the Polish Labor Code, employees must be paid monthly by the end of a given month or at the beginning of the next month but no later than the 10th day of the following month. If 10th falls on a Saturday, Sunday or bank holiday, the salaries must be paid by the previous working day. Salaries can be paid to the employee's bank account and can also be paid in cash.

Payslips

There is no legal obligation to provide payslips to employees but the common practice in Poland is to provide them on a monthly basis after the payroll run is confirmed and closed. Payslips can be electronic or hard copy — there is no regulation on this.

5. Banking requirements related to payroll

There are no legal restrictions regarding salary transfer — it can be paid into a Polish bank account or a foreign bank account.

Payments to authorities

There are no legal restrictions, so payments can be made from a Polish or a foreign bank account number. However, it is recommended to use a Polish bank account as this is easily recognized by the authority

