

# Social security in Poland

EN



Warsaw 2022

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Warsaw 2022

Social Insurance Institution

Compilation

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International Cooperation Department

in cooperation with

Fund Finance Department

ZUS Finance Department

Legislation and Legal Department

Customer Service Department

Medical Certification Department

Prevention and Rehabilitation Department

Income Realisation Department

Foreign Pensions Department

Statistics and Actuarial Forecasts Department

Pension Benefits Department

Insurance and Contributions Department

Allowances Department

ZUS President Office

and

Ministry of Family and Social Policy

Ministry of Health

Ministry of National Defence

Ministry of Justice

Pension Office of the Ministry of the Interior and Administration

National Prosecutor's Office

Agricultural Social Insurance Fund

National Health Fund

Translation

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Graphic design

Printomato

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Warsaw 2022

Typesetting: ZUS Publishing in Warsaw. Order No 1282/23

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# Introduction

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We are pleased to present you with the publication *Social Security in Poland*.

The guide covers the organisation and legal framework of the Polish social security system as well as the role and tasks performed by the Social Insurance Institution (*Zakład Ubezpieczeń Społecznych, ZUS*) – Poland’s largest public institution operating in the framework and in favour of this system.

In particular, we present social insurance benefits provided by the Social Insurance Institution, i.e. pension benefits as well as sickness and maternity benefits.

The basic operating rules of social security areas not administered by ZUS are also discussed; they refer to the following types of benefits:

- benefits for the family,
- benefits in respect of unemployment,
- social assistance benefits,
- benefits from the social insurance of farmers,
- benefits from the health insurance system.

We also present the pension provision system for uniformed services, officers and for prosecutors and judges.

In this way we wish to show our Readers in Poland and abroad a complete picture of the Polish social security system.

The guide is published in Polish and English.

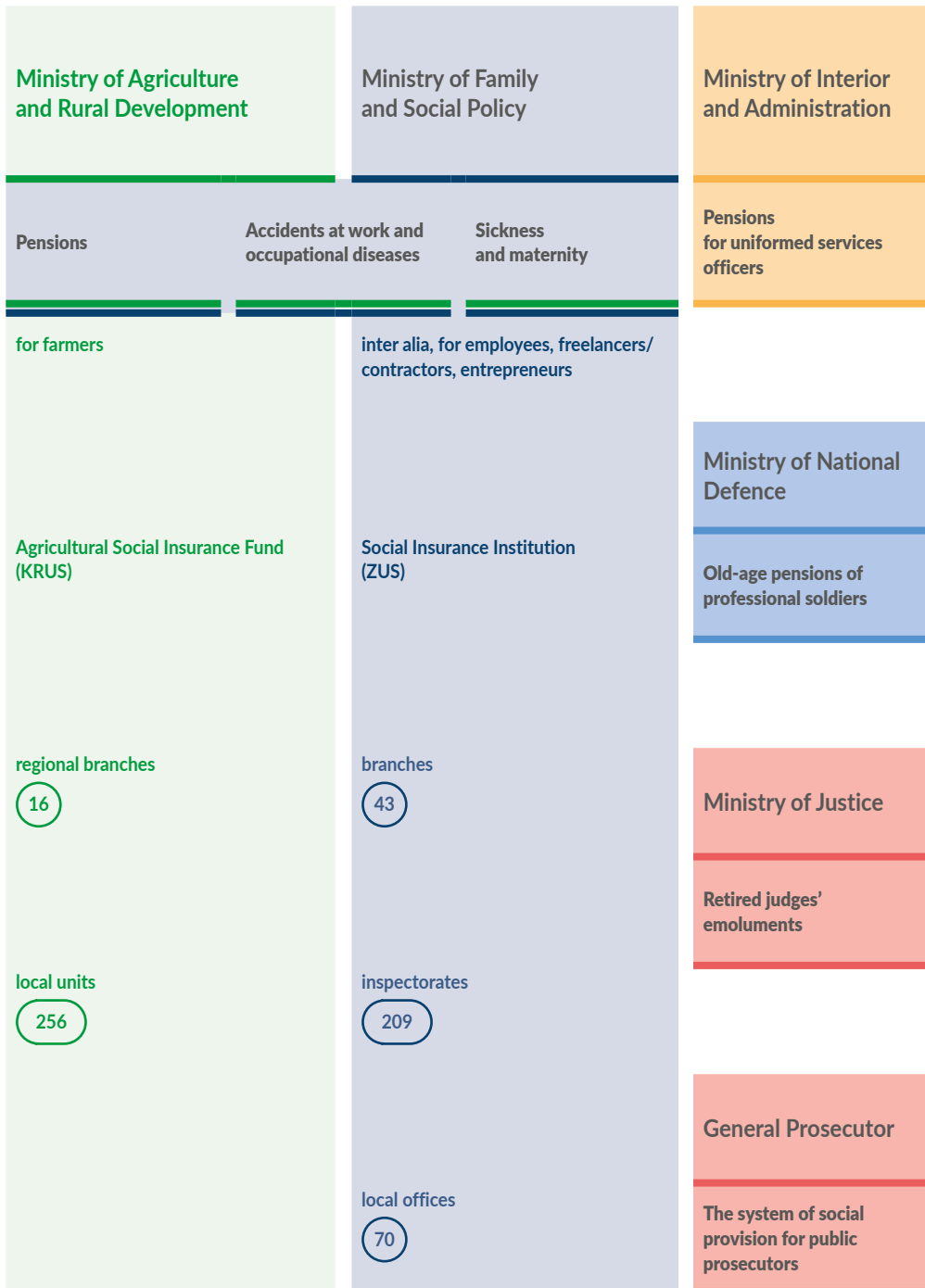
The publication was intended for popularisation purposes only. Therefore it cannot be treated as a source of law nor can it be the basis of any claims.

More detailed information about ZUS and the Polish social insurance system is available on our website – [www.zus.pl](http://www.zus.pl).



# 1. Organisation of the Polish social security system

# 1.1. Organisational chart



**Ministry of Family and Social Policy**

**Ministry of Health**

**Unemployment**

**Benefits for the family**

**Social assistance**

**Health protection**

voivodship labour offices

16

social policy departments of voivodship offices

16

social policy departments of voivodship offices

16

National Health Fund (Narodowy Fundusz Zdrowia, NFZ)

poviat (municipal) labour offices

340

marshal offices or regional social policy centres

16

regional social policy centres

16

NFZ voivodship branches

16

competent authorities (municipal and city offices, social assistance centres, other organisational units of local government)

2497

poviat centres of family assistance

380

voivodship branches' representatives

35

social assistance centres

2497

## 1.2. Governmental administration sections

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The Act of 4 September 1997 on governmental administration sections (Journal of Laws of 2020, item 1220, 2327) defines the tasks and powers of competent ministers, inter alia in various spheres connected with the social security.

According to the Act, the **social security section** falls under the competence of the minister in charge of social security and covers issues related to:

- social insurance and social provision,
- old-age pension funds,
- social assistance and benefits for persons and households in a difficult material and social situation,
- counteracting pathologies,
- government programmes in the area of social assistance, in particular for persons and households in a difficult material and social situation, as well as for groups threatened with social exclusion,
- social benefits, employment, social and vocational rehabilitation of people with disabilities,
- social economy, social entrepreneurship, including social cooperatives,
- combatants and victims of repressions,
- coordination of social security systems, except for health benefits in kind.

Most of the space in the study *Social security in Poland* is devoted to **social insurance and benefits paid by the Social Insurance Institution**.

In addition, the chapter on social assistance describes **cash benefits and other forms of social assistance**.

In turn, the **rural development** section falls under the competence of the minister in charge of rural development. The scope of this section covers, inter alia, social insurance of farmers. In this area the minister in charge of rural development cooperates with the minister in charge of social security. In our study we describe the functioning of the **social insurance system for farmers**.

And the **health** section covers inter alia issues of medical care and public health, including organisation of health care, supervision over medicinal products and medical devices, treatment in health resorts and coordination of the social security systems in the field of health benefits in kind. This section falls under the competence of the

minister in charge of health issues. We describe some of these issues in the chapter on **public health insurance**.

The **family** section covers, inter alia, issues related to the protection of and support for families in a difficult material and social situation, in particular families with children. It falls under the competence of the minister in charge of family issues. The chapter on **material support for families** describes, inter alia, family benefits.

The problems of employment and counteracting unemployment are covered by the **labour** section, administered by the minister in charge of labour issues. In our study we describe **benefits in respect of unemployment**.

The minister in charge of the interior supervises the **pension provision system for officers** of the Police, the Internal Security Agency, the Foreign Intelligence Agency, the Military Intelligence Service, the Military Counterintelligence Service, the Central Anti-Corruption Bureau, the Border Guard, the State Protection Service, the State Fire Service, the Customs and Tax Service and the Prison Service.

The **pension provision system for professional soldiers** falls under the competence of the minister in charge of national defence.

The **social provision system for judges** falls under the competence of the minister in charge of justice, and the **social provision system for prosecutors** falls under the competence of the General Prosecutor.

## 2. Legal framework of the social security system

## 2.1. National legislation

---

The social security system in Poland is composed of: the social insurance and welfare system, health insurance system, benefits in respect of unemployment and family benefits.

Tasks in the sphere of social security are exercised by many institutions, including:

- **Social Insurance Institution (*Zakład Ubezpieczeń Społecznych, ZUS*)** – pays cash benefits and provides benefits in kind as part of disability pension prevention from social insurance,
- **Agricultural Social Insurance Fund (*Kasa Rolniczego Ubezpieczenia Społecznego, KRUS*)** – pays cash benefits and provides benefits in kind as part of disability pension prevention from social insurance of farmers,
- **Ministry of Family and Social Policy (*Ministerstwo Rodziny i Polityki Społecznej, MRiPS*)** – provides family and social benefits (from social assistance),
- **National Health Fund (*Narodowy Fundusz Zdrowia, NFZ*)** – finances benefits in kind from health insurance,
- **Director of the Military Pension Office in Warsaw** – the body competent in respect of officers dismissed from the Military Counterintelligence Service and the Military Intelligence Service,
- **Director of the Prison Service Pension Office** – the body competent in respect of officers dismissed from the Prison Service,
- **Director of the Pension Office of the Ministry of Interior and Administration** – the body competent with respect to officers dismissed from other uniformed services.

Many legal instruments govern an obligation of insurance against certain social contingencies and benefits guaranteed upon occurrence of such contingencies. Such a provision already appears in the highest legal act, the Constitution of the Republic of Poland.

The detailed regulations governing individual areas of social security are contained in separate Acts of Parliament. The most important of them include:

- § Act of 13 October 1998 on the social insurance system (Journal of Laws of 2022, item 1009, 1079 and 1115) – the so-called System Act,
- § Act of 17 December 1998 on pensions from the Social Insurance Fund (Journal of Laws of 2022, item 504) – the so-called Pension Act,
- § Act of 20 April 2004 on Individual Pension Accounts (*Indywidualne Konta Emerytalne, IKEs*) and Individual Pension Security Accounts (*Indywidualne Konta Zabezpieczenia Emerytalnego, IKZEs*) (Journal of Laws of 2019, item 1808, of 2022, item 904) – the so-called IKE and IKZE Act,
- § Act of 20 April 2004 on Occupational Pension Schemes (*Pracownicze Programy Emerytalne, PPEs*) (Journal of Laws of 2022, item 904) – the so-called PPE Act,

- § Act of 4 October 2018 on Employee Capital Plans (*Pracownicze Plany Kapitałowe, PPKs*) (Journal of Laws of 2020, item 1342, of 2022, item 1079) – the so-called PPK Act,
- § Act of 21 November 2008 on funded pensions (Journal of Laws of 2018, item 926),
- § Act of 28 August 1997 on organisation and operation of old-age pension funds (Journal of Laws of 2022, item 1488),
- § Act of 19 December 2008 on old-age bridging pensions (Journal of Laws of 2022, item 1340),
- § Act of 25 June 1999 on cash social insurance benefits in respect of sickness and maternity (Journal of Laws of 2021, item 1133, as amended) – the so-called Sickness and Maternity Act,
- § Act of 30 October 2002 on social insurance in respect of accidents at work and occupational diseases (Journal of Laws of 2019, item 1205, of 2021, item 1621, 1834, of 2022, item 755) – the so-called Accident Insurance Act,
- § Act of 27 June 2003 on social pension (Journal of Laws of 2022, item 240),
- § Act of 30 April 2004 on pre-retirement benefits (Journal of Laws of 2021, item 1867),
- § Act of 31 January 2019 on supplementary parental benefit (Journal of Laws of 2022, item 1051),
- § Act of 31 July 2019 on supplementary benefit for persons incapable of independent existence (Journal of Laws of 2022, item 1006),
- § Act of 23 January 2008 on the transfer of pension rights of officials of the European Communities (Journal of Laws of 2008, No 47, item 274 and of 2011, No 75, item 398 and No 171, item 1061).

**Health care benefits** are provided pursuant to:

- § Act of 27 August 2004 on health care benefits financed by public funds (Journal of Laws of 2021, item 1285, as amended) – the so-called Health-Care Act.

**Benefits in respect of unemployment** are provided pursuant to:

- § Act of 20 April 2004 on employment promotion and labour market institutions (Journal of Laws of 2022, item 690).

**Benefits from the social insurance of farmers** are provided pursuant to:

- § Act of 20 December 1990 on social insurance of farmers (Journal of Laws of 2022, item 933) – the so-called Agricultural Insurance Act.

**Social assistance benefits** are provided pursuant to:

- § Act of 12 March 2004 on social assistance (Journal of Laws of 2021, item 2268, as amended).

**Benefits for the family** are provided pursuant to:

- § Act of 11 February 2016 on state aid in raising children (Journal of Laws of 2022, item 1577),
- § Act of 17 November 2021 on family care capital (Journal of Laws of 2021, item 2270) – this Act is the basis for the provision of family care capital and for co-financing of



the fee for a child's stay in a nursery, children's club or at a day carer in the amount of PLN 400.

**Benefit under the 'Good Start' programme** is provided pursuant to:

§ Regulation of the Council of Ministers of 15 June 2021 on detailed conditions for the implementation of the government's programme 'Good Start' (Journal of Laws of 2018, item 1092).

**Family benefits** are provided pursuant to:

§ Act of 28 November 2003 on family benefits (Journal of Laws of 2022, item 615, as amended).

**Carer's allowance** is provided pursuant to:

§ Act of 4 April 2014 on the establishment and payment of allowances for carers (Journal of Laws of 2020, item 1297).

**Benefits from the Maintenance Fund** are provided pursuant to:

§ Act of 7 September 2007 on assistance for persons entitled to the maintenance allowance (Journal of Laws of 2022, item 1205).

**The vocational and social rehabilitation and employment of the disabled persons** are provided pursuant to:

§ Act of 27 August 1997 on vocational and social rehabilitation and employment of the disabled persons (Journal of Laws of 2021, item 573, as amended).

**Benefits from the military pension provision scheme** are provided pursuant to:

§ Act of 10 December 1993 on pension provision for professional soldiers and their families (Journal of Laws of 2022, item 520, as amended).

**Benefits from pension provision scheme for officers** are provided pursuant to:

§ Act of 18 February 1994 on the old-age pensions of officers of the Police, the Internal Security Agency, the Military Intelligence Service, the Military Counterintelligence Service, the Central Anti-Corruption Bureau, the Border Guard, the Marshal's Guard, the State Protection Service, the State Fire Service, the Customs and Tax Service and the Prison Service as well as their families (Journal of Laws of 2022, item 1626, 2476) – the so-called Pension Provision Act.

**Benefits from the system of social provision for judges**, in particular the principles of judges' retirement are described in:

§ Act of 27 July 2001 – Law on the Common Courts System (Journal of Laws of 2020, item 2072, as amended),

§ Regulation of the Minister of Justice of 21 June 2018 on the retired judges' emoluments and survivors' emolument of judges' and retired judges' family members and the dates of transferring social insurance contributions to the Social Insurance Institution (Journal of Laws of 2022, item 1626).

**Benefits from the system of social provision for public prosecutors**, in particular the principles of prosecutors' retirement are described in:

- § Act of 28 January 2016 – Law on the Public Prosecutor’s Office (Journal of Laws of 2022, item 1247, as amended),
- § Act of 27 July 2001 – Law on the Common Courts System (Journal of Laws of 2020, item 2072, as amended).

## 2.2. Instruments of international law binding on Poland

Article 87(1) of the Constitution of the Republic of Poland mentions – among the sources of universally binding law – inter alia ratified international conventions/agreements. Thus, these conventions/agreements form a part of the domestic legal order and have precedence over national laws in the event of potential collision with these laws, if they have been ratified upon consent expressed in the Act of Parliament (Article 91(1) and (2) of the Constitution of the Republic of Poland).

### 2.2.1 Instruments of international law binding on the Member States of the European Union

Since 1 May 2004, that is from the moment of Poland’s accession to the European Union, the EU legal acts, and first of all treaties, regulations and directives, have become national legal standards. Pursuant to Article 91(3) of the Constitution of the Republic of Poland they have precedence over the national legislation if the latter governs a given issue in a different way than the EU legislation.

Provisions of EU treaties and regulations become *ipso jure* a part of the legal order of the Member States, including Poland. Regulations are directly applicable without the need for ratification. Directives, on the other hand, should be transposed into national law over a period of one to three years.

Nationals of the Member States of the **European Union (EU)** or the **European Free Trade Association (EFTA)** may move freely within these communities and take up employment in the Member States of these communities. An individual who has lived and worked in several EU or EFTA countries, has been covered by several different national social security systems.

Issues related to coverage by several different national social security systems in EU or EFTA Member States are governed by the **social security coordination**, which is based on fundamental principles of:

- equal treatment,
- free movement of persons,

- unity of applicable legislation,
- retention of acquired rights,
- aggregation of periods.

**The principle of equality of treatment** guarantees nationals of EU or EFTA Member States working in other Member States of those communities the same rights to benefits as nationals; it also imposes on them the same obligations to which nationals of the country in which they work are subject. This principle excludes any discrimination in granting the right to benefits on the basis of nationality.

**The principle of free movement of persons** allows citizens of EU or EFTA Member States to move freely within these communities for the purpose of work or business. Such a person is subject to social insurance in the country of employment or self-employment; he/she is also entitled to the same social insurance benefits as nationals of that country.

**The principle of unity of the applicable legislation** means that a person who takes up employment or runs business in another EU or EFTA Member State is subject to social insurance in only one state, i.e. the one where he/she performs work.

**The principle of acquired rights retention** guarantees that the rights to social insurance benefits shall be retained when moving to another EU or EFTA Member State.

**The principle of aggregation of insurance periods** allows to take into account periods of insurance in another EU or EFTA Member State when determining entitlement to social security benefits. This principle applies in situations where the insured person does not have a sufficiently long period of insurance or residence in one country.

Issues related to the social security coverage in different states and the rights to benefits under different systems are regulated in detail by the European Union legislation.

**Legal acts of the European Union regulate the coordination of the following social security benefits:**

- old-age pensions and pre-retirement benefits,
- disability and other pensions,
- sickness and maternity benefits,
- family benefits,
- health benefits,
- unemployment benefits,
- death benefits.

**The basic EU legal acts in the social security sphere** include the European Community treaties and the following acts issued on their basis:

- Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems, enabling individuals to receive benefits under a social security scheme when moving within the EU/EFTA Member States,

- Regulation (EC) No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems,
- Regulation (EU) No 1231/2010 of the European Parliament and of the Council of 24 November 2010 extending Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009 to nationals of third countries who are not already covered by these Regulations solely on the ground of their nationality,
- Council Directive (EEC) No 7/79 of 19 December 1978 on the progressive implementation of the principle of equal treatment for men and women in matters of social security,
- Directive 24/2011/EU of the European Parliament and of the Council of 9 March 2011 on the application of patients' rights in cross-border healthcare.

Besides, the following regulations still remain in force:

- Regulation (EEC) No 1408/71 of the Council of 14 June 1971 on the application of social security schemes to employed persons and their families moving within the Community,
- Regulation (EEC) No 574/72 of the Council of 21 March 1972 fixing the procedure for implementing Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons and their families moving within the Community.

They allow to:

- implement the Council Regulation (EC) No 859/2003 of 14 May 2003 extending the provisions of Regulation (EEC) No 1408/71 and Regulation (EEC) No 574/72 to nationals of third countries who are not already covered by those provisions solely on the ground of their nationality – provisions of this Regulation apply solely to nationals of third countries who are legally resident in the territory of the United Kingdom or to nationals of third countries who have completed insurance periods in the United Kingdom and are resident in the territory of other Member State,
- determine the applicable legislation for a period prior to the date of entry into force of Regulations (EC) No 883/2004 and No 987/2009, namely 1 May 2010.

Moreover as a result of the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union, relations between the Member States of the European Union (including Poland) and the United Kingdom of Great Britain and Northern Ireland are governed by:

- Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (the agreement entered into force on 1 February 2020),
- Agreement on Trade and Cooperation between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part (**the agreement is applied since 1 January 2021**).

From the moment of Poland's accession to the European Union, the Community Regulations on the coordination of the social security systems have superseded bilateral

international conventions/agreements on social security, which had earlier bound Poland with the Member States. However, some specific regulations of the agreements between Poland and Austria and between Poland and Germany, which are beneficial to Polish citizens, still apply:

- Article 33(3) of the Convention between the Republic of Poland and the Republic of Austria on social security, made in Warsaw on 7 September 1998 (reckoning insurance periods completed before 27 November 1961); application of this provision is limited to persons covered by this Convention,
- Agreement between the Polish People's Republic and the Federal Republic of Germany on old-age pensions and on accident insurance, signed in Warsaw on 9 October 1975, within the scope covered by Article 27(2)-(4) of the Agreement of 8 December 1990 between the Republic of Poland and the Federal Republic of Germany on social security (maintenance – based on the Agreement of 1975 – of a legal status for persons who have been residents of Germany or Poland before 1 January 1991 and who still reside there),
- Article 27(5) and Article 28(2) of an Agreement between the Polish People's Republic and the Federal Republic of Germany on social security made in Warsaw on 8 December 1990 (maintenance of rights to pensions paid pursuant to Agreement of 1957 concluded between Poland and the former German Democratic Republic; reckoning insurance periods completed by Polish employees pursuant to Agreement of 1988 concluded between the former German Democratic Republic and Poland),
- Agreement between the Republic of Poland and the Republic of Germany on export of specific benefits for eligible persons who reside in the territory of the Republic of Poland, signed in Warsaw on 5 December 2014; it concerns persons persecuted by the National Socialist regime and members of their families who, due to their place of residence in the territory of the Republic of Poland, have not received benefits for periods of employment in a ghetto under German pension regulations (the Agreement entered into force on 1 June 2015).

## 2.2.2. Instruments of international law binding on the non-EU states

Poland is bound by the following bilateral social security agreements with non-EU states:

- Agreement of 16 January 1958 between the Government of the Polish People's Republic and the Government of the Federal People's Republic of Yugoslavia on social insurance (the Agreement is effective with regard to Bosnia and Herzegovina, Montenegro and Serbia),
- Agreement between the Republic of Poland and the Republic of Macedonia on social insurance, signed in Warsaw on 6 April 2006, and the Administrative Arrangement for the implementation of the Agreement, signed on 27 June 2007 (the Agreement is effective from 1 July 2007),

- Agreement on social security between the Republic of Poland and the United States of America, signed in Warsaw on 2 April 2008, and Administrative Arrangement on its application, signed on the same day (the Agreement is effective from 1 March 2009),
- Agreement on social security between the Republic of Poland and Canada signed in Warsaw on 2 April 2008, and the Administrative Arrangement on its application, signed in Warsaw on the same day (the Agreement is effective from 1 October 2009),
- Agreement on social security between the Republic of Poland and the Republic of Korea [South Korea], signed in Warsaw on 25 February 2009, and the Administrative Arrangement for the implementation of the Agreement, signed in Warsaw on the same day (the agreement is effective from 1 March 2010),
- Agreement between the Republic of Poland and Australia on social security, signed in Warsaw on 7 October 2009, and the Administrative Arrangement for the implementation of the Agreement, signed on the same day (the Agreement is effective from 1 October 2010),
- Agreement between the Republic of Poland and Ukraine on social security, signed in Warsaw on 18 May 2012, and the Administrative Arrangement for the implementation of the Agreement, signed on the same day (the agreement is effective from 1 January 2014),
- Agreement between the Republic of Poland and the Republic of Moldova on social insurance, signed in Warsaw on 9 September 2013, and the Administrative Arrangement for the implementation of the Agreement, signed on the same day (the Agreement is effective from 1 December 2014),
- Agreement on social security between the Government of the Republic of Poland and the Government of Quebec [Province of Canada], signed in Quebec on 3 June 2015, and the Administrative Arrangement for the implementation of the Agreement, signed on the same day (the Agreement is effective from 1 September 2018),
- Agreement between the Republic of Poland and Mongolia on social security, signed in Warsaw on 24 January 2018, and the Administrative Arrangement for the implementation of the Agreement, signed on the same day (the Agreement entered into force on 1 July 2019),
- Agreement between the Republic of Poland and the State of Israel on social security, signed in Warsaw on 22 November 2016, and the Administrative Arrangement for the implementation of the Agreement, signed on the same day (the Agreement entered into force on 1 May 2021),
- Agreement between the Republic of Poland and the Republic of Turkey on social security, signed in Warsaw on 17 October 2017, and the Administrative Arrangement for the implementation of the Agreement, signed on the same day (the Agreement entered into force on 1 June 2021),
- Agreement between the Republic of Poland and the Republic of Belarus on social security, signed in Warsaw on 13 February 2019, and the Administrative Arrangement

for the implementation of the Agreement, signed on 2 June 2020 (the Agreement entered into force on 1 April 2022).

Poland is also bound by the recommendations of the International Labour Organisation, the provisions of the European Social Charter and international conventions. One of the most important is the UN Convention on the Rights of Persons with Disabilities, which was ratified by Poland on 6 September 2012 and entered into force on 25 October 2012.

# **3. The Social Insurance Institution – general information**



The Social Insurance Institution was established in 1934 by means of an Ordinance of the President of the Republic of Poland of 24 October 1934 on the amendment of the Act of 28 March 1933 on social insurance. At that time, five insurance institutions have been merged (Social Insurance Chamber, Sickness Insurance Institution, Accident Insurance Institution, White-Collar Employees' Insurance Institution, Blue-Collar Workers' Insurance Institution).

The Social Insurance Institution (ZUS) is the state organisational unit and holds legal personality. Its tasks are defined in the Act of 13 October 1998 on the social insurance system. ZUS also fulfils numerous functions entrusted by virtue of other laws.

The social insurance and health care systems reforms, which entered into force on 1 January 1999, and their structural nature, strengthened the position of the Social Insurance Institution as the main element of the administration of the Polish social security system.

## 3.1. ZUS tasks

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The Social Insurance Institution:

- establishes entitlements to:
  - old-age pensions,
  - disability pensions,
  - survivors' pensions,
  - child-care benefit,
  - 'Good Start' benefit,
  - family care capital,
  - co-financing of the child's stay in a nursery, children's club or at a day carer,
  - sickness allowances,
  - maternity allowances,
  - care allowances,
  - compensatory allowances,
  - rehabilitation benefits,
  - funeral grants,
- pays the benefits for which it has established entitlement,
- issues decisions required to establish entitlement to social insurance benefits, other benefits payable by ZUS and for non-insurance purposes,
- controls the correctness of certifying temporary incapacity for work;
- authorises doctors to issue medical certificates of temporary incapacity for work, and revokes such authorisations if there is evidence of irregularities,

- performs disability pension prevention tasks, including medical rehabilitation and accident prevention,
- establishes the social insurance obligation, assesses and collects social insurance contributions,
- credits part of the old-age pension contribution to the insured person's account and the remaining part to a sub-account, unless the insured person has made a declaration to transfer part of the contribution to an Open Pension Fund (*otwarty fundusz emerytalny, OFE*), in which case ZUS divides the part allocated to the sub-account and sends the statutory amount to the appropriate fund,
- distributes and pays out to beneficiaries the funds credited to the sub-accounts of insured persons,
- collects and settles the health insurance contribution and transfers it to the National Health Fund (NFZ),
- collects a contribution to the Labour Fund (*Fundusz Pracy, FP*) and the Solidarity Fund (*Fundusz Solidarnościowy, FS*) and transfers it to the Ministry of Family and Social Policy,
- collects the contribution for the Fund of Guaranteed Employee Benefits (*Fundusz Gwarantowanych Świadczeń Pracowniczych, FGŚP*),
- collects and accounts for the contribution to the Bridging Pensions' Fund (*Fundusz Emerytur Pomostowych, FEP*),
- keeps accounts of contribution payers and credits contributions to the insured persons' individual accounts,
- checks whether the contribution payers pay the compulsory contributions and properly perform the tasks imposed on them by law (such as the payment of various allowances), and enforces dues in respect of social insurance and health insurance contributions,
- keeps the insured person' individual accounts with sub-accounts and the Insured Persons' Central Register,
- keeps the Central Register of Open Pension Funds' Members,
- keeps the contribution payers' records and the Contribution Payers' Central Register,
- administers the financial resources of the Social Insurance Fund and the Maintenance Fund,
- manages the Demographic Reserve Fund (*Fundusz Rezerwy Demograficznej, FRD*),
- on behalf of pensioners, transfers personal income tax to tax offices and health insurance contributions to the National Health Fund,
- grants and pays social pensions,
- grants and pays pre-retirement benefits,
- disseminates knowledge about social insurance in Poland, implements its own educational initiatives for schoolchildren and partnership projects for students,
- cooperates with government administration bodies, with foreign insurance institutions and international organisations,
- plays a role of a competent institution and a liaison body in implementation of international conventions and agreements in the field of social insurance, and handles benefits provided in accordance with these conventions and agreements,

- plays a role of a competent institution and a liaison institution in the field of the EU coordination of social security systems in the area covered by ZUS competence (universal insurance).

The range of tasks performed by ZUS makes it one of the largest public institutions in Poland. On the one hand, it performs the functions of a financial institution, e.g. collecting contributions, paying benefits and transferring taxes on behalf of pensioners. On the other hand, it strives to be an institution that gives its customers – insured persons, beneficiaries and contribution payers – a sense of security and provides efficient, friendly and reliable services.

## 3.2. ZUS structure

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The organisation, operation and financing of the Social Insurance Institution is regulated by the Act of 13 October 1998 on the social insurance system.

The activities of the Social Insurance Institution are managed by its President. The President is appointed and dismissed by the President of the Council of Ministers at the request of the minister in charge of social security. Before applying for the appointment, the minister must consult the ZUS Supervisory Board.

ZUS President heads the Management Board consisting of 2–4 members. They are appointed and dismissed by ZUS Supervisory Board at the request of ZUS President.

The Supervisory Board is a consultative and decision-making body. It is appointed for a 5-year term by the President of the Council of Ministers. Members of the Supervisory Board are delegated by social dialogue partners. These are representatives of the government, trade union organisations, employers' organisations and a representative of pensioners' organisations. The rules of functioning of the ZUS Supervisory Board result mainly from the Act of 13 October 1998 on the social insurance system and from the Regulation of the President of the Council of Ministers of 28 December 1998, which was issued on the basis of the Act.

The number of Board members depends on the number of representative (nationwide) employers' and employees' organisations existing at a given time. During the current term of office (October 2022 – October 2027) the number of Board members is ten.

The current service of the insured persons is provided by employees of branches and their subordinate units.

ZUS organisational structure includes:

- headquarters,
- 43 branches,
- 209 inspectorates,
- 70 local offices.

## 3.3. Types of social insurance and rules of coverage

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Types of social insurance and rules of coverage are governed by the Act of 13 October 1998 on the social insurance system.

The Polish social insurance system consists of:

- old-age pension insurance,
- disability pension insurance,
- sickness insurance,
- accident insurance.

**An insured person** is an individual, who is covered by at least one of the social insurance schemes.

The Act on the social insurance system distinguishes between compulsory and voluntary insurance.

**Persons covered by compulsory pension insurance** include:

- employees, excluding public prosecutors,
- members of agricultural production cooperatives,
- freelancers/contractors,
- persons running non-agricultural business activity and persons cooperating with them,
- non-professional soldiers on active military service,
- persons who give up their employment to take direct care of a chronically or seriously ill family member,
- recipients of the nursing allowance or carer's allowance,
- clergy,
- Members of Parliament receiving remuneration,
- recipients of unemployment benefits,
- persons who are on child-care leave or who are receiving maternity allowance or an allowance equal to the maternity allowance,
- members of supervisory boards.

Persons who cannot be covered by pension insurance because they do not meet the necessary requirements have the right to join such insurance on a voluntary basis.

The number of insured persons in 2021 equalled 16,077.8 thousand.

**Compulsory sickness insurance** covers persons subject to compulsory pension insurance, being:

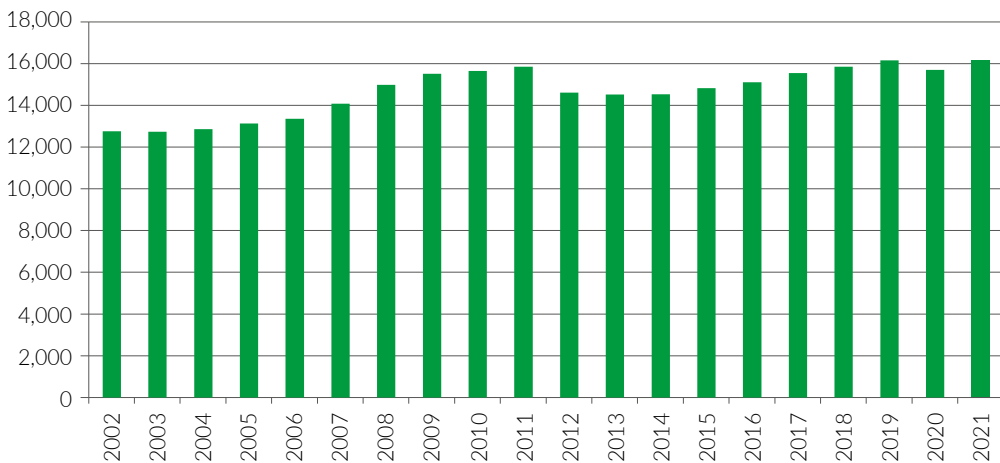
- employees, excluding public prosecutors,
- members of agricultural production cooperatives and rural circles cooperatives.

**Sickness insurance may be joined, on a voluntary basis (on request)**, by persons covered by compulsory pension insurance, including persons running non-agricultural business activity or persons who cooperate with them, members of the clergy and persons performing work on a basis of civil law mandatory or agency contracts

**Compulsory accident insurance** covers persons subject to compulsory pension insurance, being:

- employees,
- freelancers/contractors,
- members of agricultural production cooperatives,
- persons running non-agricultural business activity,
- persons cooperating with persons running non-agricultural business activity,
- clergy.

### Number of insured persons in 2002–2021 (in thousand)



### Number of insured persons in 2002–2021

Year	Number of insured persons (in thousand)
2002	12,761.0
2003	12,739.3
2004	12,857.4
2005	13,130.9
2006	13,354.1
2007	14,074.5
2008	14,512.7
2009	14,535.0
2010	14,656.5
2011	14,666.1

Year	Number of insured persons (in thousand)
2012	14,603.9
2013	14,519.8
2014	14,525.0
2015	14,821.0
2016	15,109.6
2017	15,543.8
2018	15,847.6
2019	16,111.5
2020	15,781.3
2021	16,077.8

## 3.4. Benefits for which ZUS is responsible

Pursuant to the Act of 13 October 1998 on the social insurance system, the Social Insurance Institution establishes entitlements to insurance benefits and pays them. It also pays other benefits under separate legislation.

The following benefits are payable in various life situations:

### 1. In respect of sickness and maternity:

- sickness allowance,
- maternity allowance,
- care allowance,
- compensatory allowance,
- rehabilitation benefit.

### 2. In respect of the long-term incapacity for work:

- disability pension,
- training pension.

### 3. In respect of old age:

- old-age pension,
- nursing compensatory allowance to pensions,
- additional annual cash benefit for pensioners (the so-called 13th old-age pension).

### 4. In respect of death of a breadwinner:

- survivors' pension,
- supplementary allowance to survivors' pension for double orphan.

## 5. In respect of accident at work and occupational disease:

- lump-sum compensation,
- sickness allowance,
- rehabilitation benefit,
- compensatory allowance,
- disability pension,
- training pension,
- survivors' pension,
- supplementary allowance to survivors' pension for double orphan,
- nursing supplementary allowance,
- benefit to cover costs of dentist services and prophylactic vaccinations as well as provision of orthopaedic appliances.

## 6. Other:

- parental supplementary benefit (Mama 4+),
- funeral grant,
- social pension,
- pre-retirement benefit,
- supplementary benefit for persons incapable of independent existence (500+ for persons incapable of independent existence),
- medical rehabilitation within the framework of ZUS disability pension prevention,
- subsidising, as part of ZUS accident prevention, activities of contribution payers intended to help maintain earning capacity throughout the period of professional activity.

## 7. State aid benefits for raising children:

- child-care benefit,
- 'Good Start' benefit,
- family care capital,
- co-financing of the child's stay in a nursery, children's club or at a day carer.

# 4. Finance of the social insurance



Pursuant to the Act of 13 October 1998 on the social insurance system, the Social Insurance Institution administers the Social Insurance Fund, the Bridging Pensions' Fund and the Demographic Reserve Fund.

Family and health benefits, as well as unemployment benefits and benefits from the social insurance of farmers and pension provision for professional soldiers, officers, judges and prosecutors are financed from other sources and their payment is handled by other institutions.

## 4.1. Social Insurance Fund

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**The Social Insurance Fund (*Fundusz Ubezpieczeń Społecznych, FUS*)** is the special-purpose state fund. It was established on 1 January 1999 by virtue of the Act of 13 October 1998 on the social insurance system. The Fund is administered by the Social Insurance Institution.

Revenues of the Social Insurance Fund come, inter alia, from:

- social insurance contributions which are not transferred by ZUS to Open Pension Funds,
- financial resources compensating the Social Insurance Fund for contribution amounts transferred to Open Pension Funds,
- payments from the state budget and from other institutions, intended for benefits that the Social Insurance Institution has been commissioned to pay, with the exception of benefits financed under other budgetary chapters and payments from foreign institutions,
- interest on FUS bank account,
- state budget allocations,
- resources of the Demographic Reserve Fund,
- payments from Open Pension Funds due to reaching by the insured person the age lower by 10 years than the retirement age.

Within the limits defined by the Budget Law, the Social Insurance Fund may receive allocations and no-interest loans from the state budget. It is only entitled to use them in order to supplement the funds for the payment of state-guaranteed benefits. It receives them only when the revenues in the FUS bank account and the funds from the reserve fund do not ensure full and timely payment of benefits financed from FUS.

With the consent of the minister in charge of public finance, FUS may also take out loans.

The following funds are distinguished within FUS:

- **old-age pension fund**, which is intended to finance:
  - old-age pensions – based on contributions credited to the insured person's account in ZUS,
  - funded pensions – based on contributions credited to the sub-account in ZUS,
- **disability pension fund**, which is intended to finance:
  - disability pensions,
  - training pensions,
  - survivors' pensions,
  - supplementary allowances to survivors' pensions for double orphans,
  - nursing supplementary allowances,
  - old-age pensions awarded by ZUS *ex officio* in place of disability pensions,
  - funeral grants,
  - disability pension prevention,
  - benefits financed from the state budget, whose payment was commissioned to the Social Insurance Institution,
- **sickness fund**, which is intended to finance:
  - sickness allowances,
  - maternity allowances,
  - care allowances,
  - compensatory allowances,
  - rehabilitation benefits,
- **accident fund**, which is intended to finance:
  - accident pensions,
  - supplementary allowances to pensions,
  - lump-sum compensations,
  - sickness allowances in respect of incapacity for work due to accident at work or occupational disease,
  - refunds of health services in the field of dentistry and prophylactic vaccinations,
  - reimbursement of costs of medical examinations and products,
  - subsidising such contribution payers' activities, which are intended to help employees maintain their earning capacity throughout the period of professional activity,
  - compensatory allowance,
  - rehabilitation benefit,
  - training pension,
  - survivors' pension,
  - accident prevention costs.

## 4.1.1. Contributions

### The rate of social insurance contributions in 2022

Type of insurance	Total contributions (%)	Payer (%)	Insured person (%)
old-age pension insurance	19.52	9.76	9.76
disability pension insurance	8.00	6.50	1.50
sickness insurance	2.45	–	2.45
accident insurance	0.67–3.33 <sup>a</sup> 1.67 <sup>b</sup>	0.67–3.33 1.67	–

<sup>a</sup> Differentiated contribution for groups of activities applies during the contribution year from 1 April to 31 March of the following year. In the case of payers for whom the accident insurance contribution rate is set by ZUS, the rate determined for their group of activities is additionally multiplied by a correction index of between 0.5 and 1.5.

<sup>b</sup> Contribution for payers who report on average no more than 9 insured persons per month for accident insurance, and for payers who are not registered in the National Official Business Register (REGON) – contribution effective from 1 April 2018.

The percentage rates of pension and sickness insurance contributions are uniform for all persons insured. However, rules for financing contributions differ depending on the entitlement to insurance. Those described below apply inter alia to employees or freelancers/contractors.

Contributions for **old-age pension insurance** (19.52% of the assessment basis) are paid by the insured and the contribution-payer in equal parts – 9.76% of the assessment basis each. The contribution of an insured person, who is a member of an Open Pension Fund and has submitted a statement of contributions transfer there, is divided by ZUS into 3 parts. Two parts go to FUS: one is credited to the insured person's account, and the other is credited to the sub-account. The smallest part goes to OFE. The situation is different if the insured person has not made such a statement. In that case, ZUS divides the contribution into 2 parts and the smaller part is credited in its entirety on the sub-account in ZUS.

### Division of the old-age pension contribution (19.52%) between

Contributions' transfer to OFE	FUS (%)	FUS – sub-account (%)	OFE (%)
Yes	12.22	4.38	2.92
No	12.22	7.30	–

ZUS adjusts pension insurance contributions credited to the insured person's account, i.e. multiplies their value by an adjustment rate. This applies to the amount of contributions credited up to 31 January (inclusive) of the year for which the adjustment is carried out, increased by amounts from previous adjustments. ZUS adjusts contributions every year, starting from 1 June.

Contributions to **disability and survivors' pension insurance** (8%) are financed by insured persons from their own resources (1.5% of the assessment basis) and by contribution payers (6.5% of the assessment basis).

Contributions to **sickness insurance** (2.45%) are fully financed by insured persons. Contributions to **accident insurance** are fully financed by the contribution payer.

### 4.1.2. Insured persons' accounts

The Social Insurance Institution keeps accounts of all persons notified to social insurance. They are established on the basis of the first notification document submitted by the contribution payer for a given insured person.

Within the insured person's account, ZUS additionally maintains a sub-account to which it credits contributions from a part of the reduced contribution to OFE. The ZUS sub-account is kept for every insured person born after 1948 who has been an OFE member, as well as every insured person born after 31 December 1968 who has been covered by the old-age pension insurance.

During the period from 1 April to 31 July 2016, an insured person who has been an OFE member, could decide whether he/she wanted a part of his/her contribution to continue to be transferred to OFE or to a sub-account in ZUS. In the case of opting for OFE, an appropriate statement had to be made. If the insured person failed to do so, the part of his/her old-age pension contribution, which would have been transferred to OFE, was credited to the insured person's sub-account in ZUS.

#### **The following, inter alia, are recorded in the insured person's account:**

- identification data of the person insured, i.e. name and surname, date of birth, statistical identification number (PESEL),
- registration data, i.e. second name, family name, nationality,
- address data, i.e. residence address, correspondence address,
- information on the amount of due contributions paid to the pension insurance and the sickness, accident and health insurance and information on the amount of due contribution transferred to OFE,
- information on the amount of old-age pension contributions after adjustment, excluding contributions credited to the sub-account and transferred to OFE,
- initial capital and initial capital after adjustment,
- information on OFE and NFZ membership,
- non-insurance facts affecting the right to social insurance benefits and their amount,

- information necessary to award and pay social insurance benefits, as well as benefits financed by the state budget, and information on executed payments,
- information on periods of employment in special conditions or in special character, included in a notification of data on employment in special conditions or in special character referred to in the Act on the old-age bridging pensions,
- information on matrimonial property regime and on individuals to whom, following the death of a person not being an OFE member, ZUS will pay out funds from the sub-account (following the death of an OFE member, funds from the sub-account are paid out in accordance with the member's instructions submitted to OFE),
- amount of funds credited to the sub-account on the last day of the month before the month in which ZUS has established the right to an old-age pension,
- information on beneficiaries who, in accordance with the pensioner's will, will receive a guaranteed payment if his/her death occurs within 3 years of the month in which he/she has first received his/her pension,
- a statement about the transfer of old-age pension insurance contributions to OFE.

**The following, inter alia, are recorded in the sub-account:**

- an amount of old-age pension insurance contributions due and paid which have not been transferred to OFE,
- the adjusted amount of paid old-age pension insurance contributions, together with default interest and a prolongation fee enforced on these contributions,
- information on the value of resources equivalent to the value of 51.5% of redeemed accounting units transferred by OFE in 2014, credited to the account of each OFE member,
- information on the amount of resources equivalent to the value of redeemed accounting units, accumulated on the account of an OFE member, transferred by OFE due to reaching by the insured person the age lower by 10 years than the retirement age.

Since 1 November 2014, the so-called **security slide** has been in place. Funds from an OFE member's account are gradually transferred to the Social Insurance Institution every month and credited to the insured person's sub-account. This mechanism is activated 10 years before the insured – an OFE member – reaches the normal retirement age.

The security slide is supposed to protect against the so-called 'bad date risk', i.e. a collapse of market rates in the year of retirement. This would translate into a reduction of the old-age pension capital and, consequently, a lower pension benefit. In the month in which the insured person reaches the normal retirement age, all the accounting units of the insured person (OFE member) will be transferred to ZUS, which will pay out an annuity. From the month in which the security slide is activated, ZUS stops transferring pension contributions to OFE. It credits them to the insured person's sub-account.

By 31 August each year, ZUS makes available on the ZUS Electronic Services Platform (PUE) to insured persons born after 31 December 1948 the *Information on the status of the insured person's account* as at 31 December of the previous year. The information is also made available in paper form at the request of the insured person.

**ZUS Information... shows amounts of:**

- the initial capital after adjustment, if it has been already calculated,
- contributions paid to the old-age pension insurance after adjustment, excluding contributions to Open Pension Funds and to the sub-account,
- old-age pension contributions in nominal value (i.e. without adjustment), by months, excluding contributions to OFE and to the sub-account,
- contributions credited to the sub-account: due (i.e. based on the clearing documents delivered to ZUS by contribution payers) and paid;
- total amount of adjusted contributions, interest, funds and prolongation fee recorded on the sub-account,
- contributions to OFE: due and actually transferred to OFE,
- hypothetical old-age pension – for insured persons who were at least 35 years old by 31 December of the year for which the information is made available, it is provided in 2 variants:
  - according to the balance of the account and sub-account as at 31 December of the year to which the *Information...* refers, taking into account the hypothetical amount of contributions which the insured person could have accumulated in the account if he/she had worked until the retirement age,
  - only on the basis of the account and sub-account balance as at 31 December of the year for which the *Information...* is made available.

ZUS provides additional information to an insured person who is no more than 10 years short of the normal retirement age. This is the amount of a hypothetical pension which the insured person would receive if he/she has retired one, two, three, four and five years after reaching the normal retirement age.

The insured person who had exceeded the normal retirement age and has not claimed the old-age pension is informed about the hypothetical old-age pension amount that he/she would acquire in his/her actual age. Additionally, he/she will find there an amount of a hypothetical old-age pension he/she would receive if he/she has retired one, two, three, four and five years after reaching the normal retirement age.

**ZUS provides the *Information...*** to allow the insured persons to check whether the records on their accounts and sub-accounts are correct and to intervene if they find any irregularities (with the contribution payer, ZUS, OFE or the institution which handles the payments, respectively).

To have access to the ZUS Electronic Services Platform (PUE), the insured person must authenticate his/her profile with a certified qualified signature or with a trusted profile or using the electronic banking. He/she may also confirm his/her identity within seven days at any ZUS facility or during an e-visit on the basis of a photo ID.

### 4.1.3. Revenues of the Social Insurance Fund

#### Expenditure of the Social Insurance Fund in the years 2020–2021 (in million PLN)

	2020	2021	Percentage of 2021 revenue
<b>Total revenue, of which:</b>	<b>290,808.6</b>	<b>274,049.7</b>	<b>100.0%</b>
contributions write-up	209,139.0	228,709.6	83.5%
state budget allocation	33,522.0	34,990.1	12.8%
payments from OFEs	5,731.1	7,325.2	2.7%
other revenues, of which	30,347.5	3,024.7	1.0%
including resources from the COVID-19 Counteracting Fund	28,300.0	-	-
Payment from the state budget	12,000.0	-	-

### 4.1.4. Costs of the Social Insurance Fund

#### Costs of the Social Insurance Fund in the years 2020–2021 by types (in million PLN)

	2020	2021	Percentage of 2021 expenditure
<b>Total cost, of which:</b>	<b>277,290.0</b>	<b>284,467.5</b>	<b>100.0%</b>
<b>Cash benefits, of which:</b>	<b>260,467.3</b>	<b>276,205.4</b>	<b>97.1%</b>
pensions	229,085.2	245,505.5	86.3
<b>Accident and pension prevention, of which:</b>	<b>140.9</b>	<b>180.7</b>	<b>0.1%</b>
pension prevention	67.4	100.9	0.0%
work accident prevention	73.5	79.8	0.0%
<b>Deduction for ZUS current operation</b>	<b>3,865.5</b>	<b>3,865.5</b>	<b>1.4%</b>
<b>Other expenditure</b>	<b>7.4</b>	<b>7.3</b>	<b>0.0%</b>

A total Social Insurance Fund cost in 2021 was PLN 284,467.5 million, including:

- **expenditure for cash benefits** amounted to PLN 276,205.4 million, which accounted for 97.1% of FUS expenditure; the largest being expenditure on pensions, which amounted to PLN 245,505.5 million, i.e. 86.3% of FUS expenditure,

- **expenditure on disability pension and accident prevention** amounted to PLN 180.7 million, i.e. 0.1% of FUS expenditure,
- **expenditure in respect of deduction for ZUS current operation** amounted to PLN 3865.5 million, i.e. 1.4% of FUS expenditure.

### Costs of cash benefits from the Social Insurance Fund in 2021 by types of funds

	in PLN billion	in %
<b>Total, of which:</b>	<b>276.4</b>	<b>100.0</b>
old-age pension fund	193.2	69.9
disability fund	51.2	18.5
sickness fund	27.0	9.8
accident fund	5.0	1.8

#### 4.1.5. Anti-Crisis Shield

In 2021, the Social Insurance Institution, on the basis of the regulations of the Anti-Crisis Shield, continued the support of the contribution payers on account of counteracting the adverse social and economic effects of the pandemic in the form of:

- exemption from payment of contributions – at the end of 2021, 2.7 million requests were registered and contributions of over PLN 15.6 billion were remitted,
- downtime benefit payment – at the end of 2021, this applied to 3.3 million people for an amount of PLN 6.5 billion, with further payments being made in 2022,
- relief in payment of contributions – in the period from 16 March 2020 to 31 December 2021 there were:
  - 294,770 requests for deferral of the deadline for payment of contributions, of which 69% have been accepted,
  - 79,816 requests for payment in instalments of dues in respect of contributions, of which 82% have been accepted,
- waiver of interest for late payment – by the end of December 2021, nearly 31 thousand requests had been submitted, 96% of which were considered, including 73% of them positively, for the amount of PLN 59 million.

#### 4.1.6. Enforcement of dues from contribution payers

The task of the Social Insurance Institution is, inter alia, to recover the unpaid contributions. ZUS performs this task both by means of execution proceedings (compulsory enforcement) and by means of non-execution (contractual) forms of dues enforcement provided by law.



In 2021, despite the ongoing COVID-19 pandemic, there was no increase in the debt in respect of unpaid contributions to social insurance, which as at 31 December 2021 amounted to PLN 26,098,860 thousand and decreased by 1% compared to the balance at the end of 2020, and namely:

- for the period to 31 December 1998 it amounted to PLN 345,869 thousand and decreased by 9.2% compared to 2020,
- for the period from 1 January 1999 it was PLN 25,752,991 thousand and increased by 0.7% compared to 2020.

The share of contribution payers by groups in the debt structure also decreased in 2021. Compared to 2020:

- the share of micro-entrepreneurs (i.e. those employing up to 10 insured persons or operating as sole traders) decreased by 1%,
- the share of large entrepreneurs (i.e. those employing more than 250 insured persons) decreased by 2%.

Using its powers and available legal means, the Social Insurance Institution has carried out activities aimed at recovering dues for contributions through their compulsory enforcement. Payers in a difficult financial situation were encouraged to voluntarily repay their arrears in the form chosen thereby.

In 2021, 903,282 instruments were addressed permitting enforcement of arrears in respect of social insurance contributions amounting to PLN 3,865,941 thousand. This amount was 49.3% higher than in 2020. Recoveries amounted to PLN 1,073,055 thousand. These were payments received under the execution procedure and voluntary payments by payers after the execution procedure had been initiated. The recovered dues under the execution procedure were lower by 24.7% compared to 2020.

## Proceeds from enforcement of dues in social insurance in 2020–2021

Proceeds from enforcement of dues in social insurance	2020	2021
	amount in PLN' 000	
Total (under 'own' enforcement, tax offices' execution, under court and insolvency proceedings)	860,727	1,073,055

The Social Insurance Institution has consistently pursued a policy of granting reliefs. In 2021 ZUS provided assistance in the repayment of dues by entering into instalment arrangements and deferring the contribution payment dates. In 2021:

- 60.4 thousand instalment arrangements were concluded for a total amount of PLN 3,364,491 thousand, with the number of instalment arrangements concluded being 10.5% higher than in 2020; however, the amount covered by this type of relief was 7% lower; 86.5 thousand requests for instalment arrangements were received (7% more than in 2020),
- 70.3 thousand deferrals were granted for the amount of PLN 952,990 thousand, which means a decrease in the number of granted deferrals by 43.8% in relation to 2020 and a decrease by 83% in the amount covered by this type of relief; 109.9 thousand requests for deferral of the contribution payment date were received (42.9% less than in 2020).

In 2021, payers continued to predominantly apply for deferral of the contribution payment date, which was, inter alia, related to the fact that they waited for the processing of their requests for exemption from contributions payment. On the other hand, requests for payment in instalments of dues in respect of contributions were mainly submitted by payers who could not benefit from the forms of assistance provided for in the Anti-Crisis Shield, as well as payers who found themselves in financial difficulties due to the epidemic situation in the country.

Depending on the character of liabilities, the Social Insurance Institution may remit dues in respect of social insurance contributions in full or in part. Dues in respect of contributions in the part financed by insured persons who are not contribution payers are an exception. They are not subject to remission pursuant to Article 30 of the Act on the Social Insurance System. Dues may also be remitted on the basis of the Abolition Act, after fulfilling the conditions for remission provided for in that Act. The amount of dues remitted on the basis of the applicable legislation is presented in the table below.

### Amounts of dues remitted in 2020–2021

Basis for remittance	in 2020	in 2021
	contributions with additional fee in PLN '000	
Articles 28 and 28(3a) of the Act on Social Insurance System and Article 17 of the Act amending the Act on the social insurance system	4,038	3,186
separate legal acts	22,347	32,988
<b>Total</b>	<b>26,385</b>	<b>36,174</b>

## 4.2. Demographic Reserve Fund

**The Demographic Reserve Fund (*Fundusz Rezerwy Demograficznej, FRD*)** was established in 2002 by virtue of the Act of 13 October 1998 on the social insurance system and is a reserve fund for the old-age pension fund separated from FUS. It has legal personality and the Social Insurance Institution is the administrator of its resources.

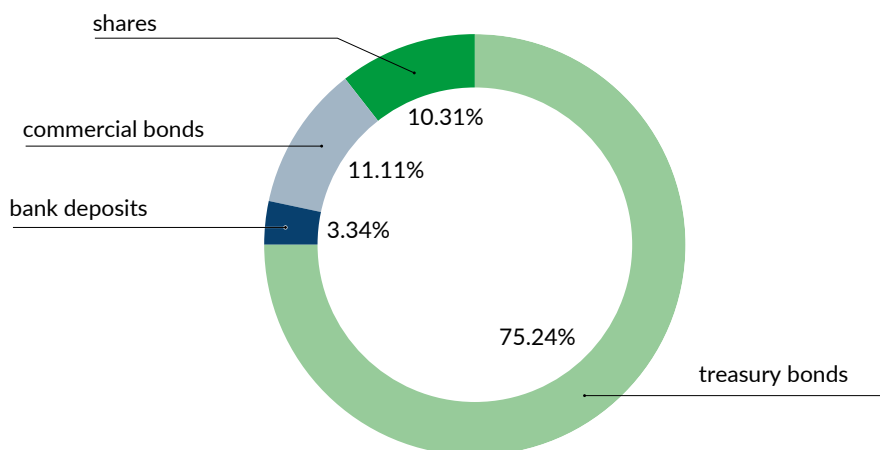
The Council of Ministers or – up to the amount specified in FUS financial plan – the Management Board of the Social Insurance Institution may take a decision on releasing FRD resources. In such a case the Council of Ministers orders the use of FRD resources to ensure the payment of benefits financed from the old-age pension fund.

The revenues of the FRD consist of:

- part of the old-age pension contribution,
- resources from the privatisation of the State Treasury property,
- amounts due to interest on ZUS bank accounts on funds obtained from enforcement, in respect of which the director of the ZUS branch is the enforcement authority in the event of concurrent enforcement,
- profits from investments,
- interest on deposits which do not constitute FUS and ZUS revenue,
- revenue from other sources.

The Social Insurance Institution invests FRD resources in specific financial instruments to ensure that they are as safe and profitable as possible.

### Structure of the FRD investment portfolio – as at 31 December 2021



The structure as at 31 December 2021 was defined according to the catalogue of financial instruments listed in the Regulation on investments of the Demographic Reserve Fund – and does not include the cash remaining in the bank account in the amount of PLN 3.9 thousand.

The sharp increase in yields on the debt market in the fourth quarter of 2021, caused by the interest rates increase by the Monetary Policy Council, coupled with the significant share of debt instruments in the Demographic Reserve Fund's portfolio, translated into a negative return on total Fund's assets of -3.53% at the end of the year.

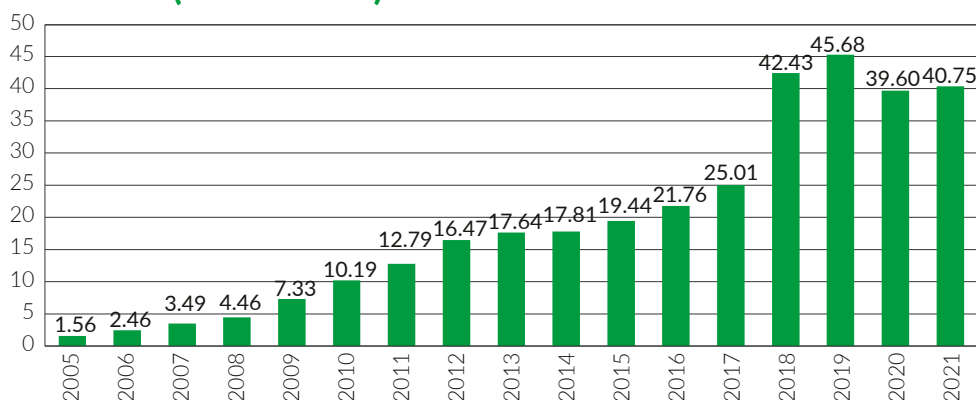
In the debt part of the portfolio, the rate of return was -5.80% and the average year-end exposure to fixed-income instruments accounted for 90.62% of the Demographic Reserve Fund's total assets under management.

The equities held in the Fund's portfolio generated a return of 26.78%. In comparison, the WIG index rose by 21.52% and the WIG20 index by 14.26% over the same period. The average annual share of equities in the Fund's portfolio was 8.13%.

In the period from 2009 to the end of 2021 an account of FRD was credited with a total of PLN 20.97 billion in respect of the State Treasury assets privatisation. Out of this amount, the FRD transferred PLN 19.39 billion to the old-age pension fund account between 2010 and 2014. Moreover, in 2019, FRD paid back a part of the funds paid by virtue of privatisation of State Treasury property in the amount of PLN 427 thousand, in accordance with the letter of the Ministry of Entrepreneurship and Technology.

As at 31 December 2021, the value of FRD funds amounted to PLN 40,751,947 thousand.

### Assets in the Demographic Reserve Fund at the end of the year in 2005-2021 (in PLN billion)



### Assets in the Demographic Reserve Fund at the end of the year in 2005-2021

Year	Assets value as at the end of the year (in PLN billion)
2005	1.56
2006	2.46
2007	3.49
2008	4.46
2009	7.33
2010	10.19
2011	12.79
2012	16.47
2013	17.64
2014	17.81
2015	19.44
2016	21.76
2017	25.01
2018	42.43
2019	45.68
2020	39.60
2021	40.75

## 4.3. Bridging Pensions' Fund

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**The Bridging Pensions' Fund (*Fundusz Emerytur Pomostowych, FEP*)** is the appropriated state fund. It was established on 1 January 2010 by virtue of the Act on the old-age bridging pensions to finance this type of benefits. The Fund is administered by the Social Insurance Institution.

FEP revenues come inter alia from:

- contributions to the Fund,
- state budget allocation,
- interest on FEP bank accounts,
- investment of available FEP funds.

Within the limits fixed by the Budget Law, FEP may receive allocations from the state budget, which allow to supplement funds for payment of bridging pensions.

Available FEP funds may be invested by ZUS in bank deposits and in Treasury securities.

The payer pays FEP contributions for an employee who meets all of the following conditions:

- was born after 31 December 1948,
- performs works in special conditions or in special character.

The obligation to pay FEP contributions for an employee arises on the day on which he/she begins to perform work in special conditions or in special character, and ceases on the day on which he/she ceases to perform such work.

FEP contributions are payable at a rate of 1.5% of the contribution assessment basis. They are fully financed by the contribution payer. The contribution is calculated based on the assessment basis of the pension insurance contribution. When determining the assessment basis, the annual basis limitation is applied as for calculating the contribution to pension insurance (the thirty-fold amount of the projected average monthly wage/salary for a given calendar year in the national economy).

Total amount of contributions transferred to FEP in 2021 was PLN 345.7 million.

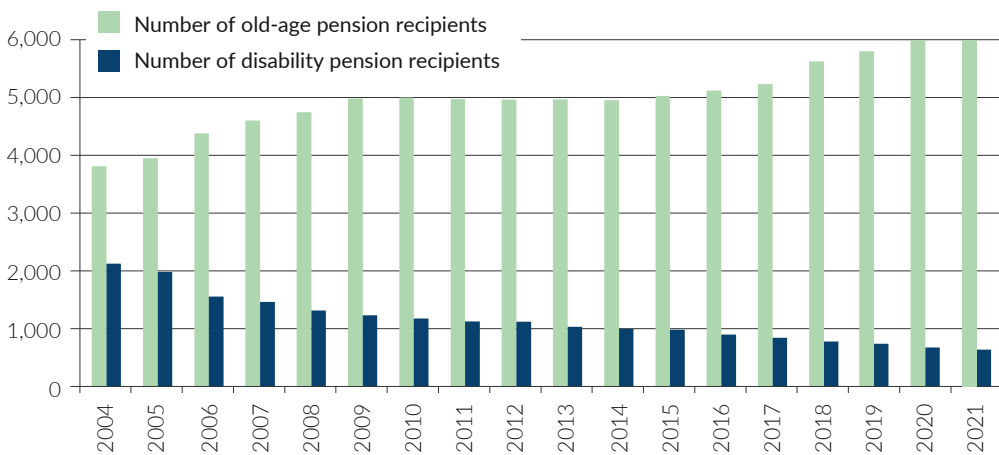
# 5. Benefits provided by ZUS

## 5.1. General information on pensions from the Social Insurance Fund

In 2021, the Social Insurance Institution paid pensions to an average of 7.8 million people every month. The total amount of pensions was PLN 240.4 billion.

The diagram below illustrates how the number of persons who receive long-term benefits: old-age pensions and disability pensions, has changed over the past several years. The number of old-age pension recipients is slowly increasing, while the number of disability pension recipients is decreasing.

### The number of old-age pension recipients and the number of disability pension recipients in 2004–2021 (in thousand)



### The number of old-age pension recipients and the number of disability pension recipients in 2004–2021

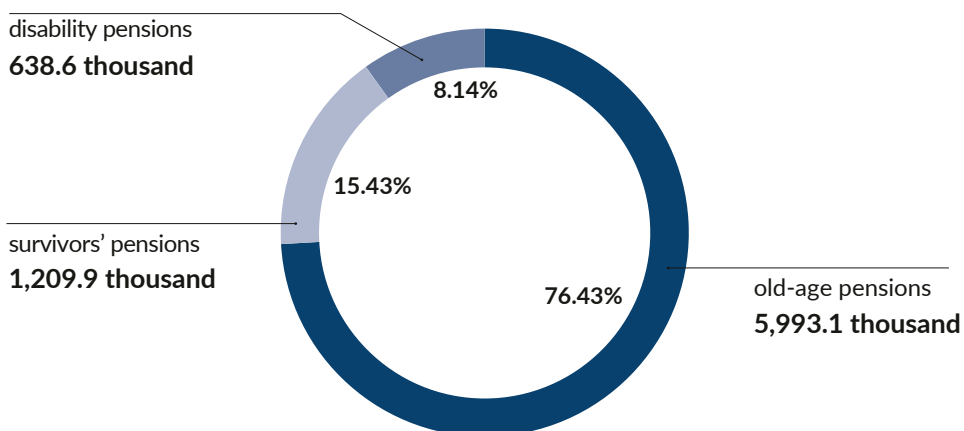
Year	Number of old-age pension recipients (in thousand)	Number of disability pension recipients (in thousand)
2004	3,792	2,119
2005	3,940	1,975
2006	4,390	1,556
2007	4,559	1,474
2008	4,765	1,381

Year	Number of old-age pension recipients (in thousand)	Number of disability pension recipients (in thousand)
2009	4,981	1,288
2010	4,996	1,228
2011	4,973	1,174
2012	4,960	1,121
2013	4,964	1,075
2014	4,953	1,034
2015	5,026	983
2016	5,119	934
2017	5,231	876
2018	5,624	779
2019	5,798	726
2020	5,995	664
2021	5,993	639

### Average amount of the pension in 2021

Type of benefit	Average amount of the benefit in PLN
Total pensions	2554.59
Old age pension	2644.84
Disability pension	2088.27
Survivors' pension	2353.63

### Beneficiaries' structure by types of benefits received in 2021





### 5.1.1. Pensions adjustment

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Every year from 1 March, ZUS carries out pensions adjustment. The pension amount after adjustment is calculated by multiplying an individual amount of the benefit by the adjustment rate. It is an average annual index of consumer goods and services in the preceding calendar year, increased by at least 20% of real growth of average monthly wage/salary in the preceding calendar year. The adjustment rate is announced in the communication of the minister in charge of social security issues published in the Official Gazette of the Republic of Poland 'Monitor Polski'.

The following are covered by adjustment:

- old-age pensions,
- disability pensions,
- survivors' pensions,
- pre-retirement benefits and allowances,
- supplementary allowances and benefits payable with pensions,
- periodic funded pensions,
- bridging pensions,
- teachers' compensatory allowances,
- amounts of maximum reductions in pensions,
- guaranteed minimum amount of the pre-retirement benefit and allowance, which is applicable in the case of deriving income from gainful activity.

In 2022 pensions were adjusted by multiplying the benefit amount and the pension assessment basis in the amount due on 28 February 2022 by the **adjustment rate** amounting to 107%.

Supplementary allowances and benefits payable with the pension and amounts of maximum reductions in pensions were also adjusted by the adjustment rate of 107%.

As from 1 March 2022, amounts of minimum pensions have been also increased as a result of adjustment.

### 5.1.2. Minimum pensions

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In order to receive the minimum pension, a pensioner must have sufficient qualifying insurance period (contributory and non-contributory periods): 20 years (woman) or 25 years (man).

As from 1 March 2022 minimum benefits have been paid at a monthly rate of:

■ <b>old-age pension</b>	
■ <b>pension in respect of total incapacity for work</b>	PLN 1,338.44
■ <b>survivors' pension</b>	
■ <b>pension in respect of partial incapacity for work</b>	PLN 1,003.83

Minimum pensions in respect of work incapacity resulting from accident at work or occupational disease and work accident pensions for survivors are by 20% higher than the above given and amount to:

- PLN 1,606.13 – disability pension in respect of total incapacity for work due to accident at work or occupational disease and work accident pension for survivors,
- PLN 1,204.60 – disability pension in respect of partial incapacity for work due to accident at work or occupational disease.

### 5.1.3. Maximum pensions

**Pension calculated according to the pre-1999 rules** (see Section 5.2.1.) may not be higher than 100% of the basis for its assessment.

**Old-age pension calculated according to the new rule** (see Section 5.2.2.) may be of any amount, but depends on:

- the sum of accumulated and adjusted contributions,
- the initial capital after adjustment,
- amounts of funds credited to the sub-account,
- retirement age.

### 5.1.4. Combining pensions with work

The right to combine the old-age pension with remuneration for work without any restrictions is granted to retired persons who fulfil both of the following conditions:

- have reached the normal retirement age,
- must have terminated their employment relationship concluded before acquiring the right to the old-age pension.

ZUS suspends old-age pension payments if the person insured has become entitled to the benefit and continues to work for the same employer without terminating the employment relationship. Such a person may terminate his/her employment contract

and be re-employed with the previous employer (on the basis of a new employment contract) – then he/she will not lose the right to old-age pension payment.

Restrictions concerning benefits' combination with incomes from work relate to:

- people who are drawing an old-age pension but have not yet reached the normal retirement age (e.g. recipients of bridging pensions),
- recipients of disability pensions.

The right to draw a pension depends on the income the beneficiary receives. When the monthly income of such a person amounts on average:

- up to 70% of the average monthly wage/salary – ZUS pays the entire pension,
- between 70 and 130% of the average monthly wage/salary – ZUS reduces the pension by the amount by which the income exceeds 70% of the average monthly wage/salary, but not more than the amount of maximum reductions set for the pension,
- above 130% of the average monthly wage/salary – ZUS suspends the payment.

In 2021, the annual income limit, which corresponded to 70% of the average monthly wage/salary, amounted to PLN 46,149.50. And the annual limit, which corresponded to 130% of the average monthly wage/salary, amounted to PLN 85,706.10.

## 5.2. Old-age pension

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The old-age pension system reform came into force on 1 January 1999 under the Act of 13 October 1998 on the social insurance system.

Since then, two old-age pension schemes have been operating in parallel in Poland:

- 1) **the old pension scheme** – for persons born before 1 January 1949, in which ZUS calculates the old-age pension according to the rules from before 1999,
- 2) **the new pension scheme** – for persons born after 31 December 1948, in which ZUS calculates the old-age pension according to the new rules.

Persons born between 1 January 1949 and 31 December 1968 could choose:

- whether they preferred to remain in the pre-1999 pension system, i.e. the pay-as-you-go model, in which the contributions of economically active persons are earmarked for old-age pension payments and the value of those contributions is credited to individual accounts at the Social Insurance Institution,
- or they wanted to join the new pension scheme, which combines a pay-as-you-go model with a funded model, where contributions are collected both in the Social Insurance Fund and in an Open Pension Fund.

## Number of old-age pension recipients in 2004–2021 (in thousand)



## Number of old-age pension recipients in 2004–2021

Year	Number of old-age pension recipients (in thousand)
2004	3,792
2005	3,940
2006	4,390
2007	4,559
2008	4,765
2009	4,981
2010	4,996
2011	4,973
2012	4,960
2013	4,964
2014	4,953
2015	5,026
2016	5,119
2017	5,231
2018	5,624
2019	5,798
2020	5,995
2021	5,993

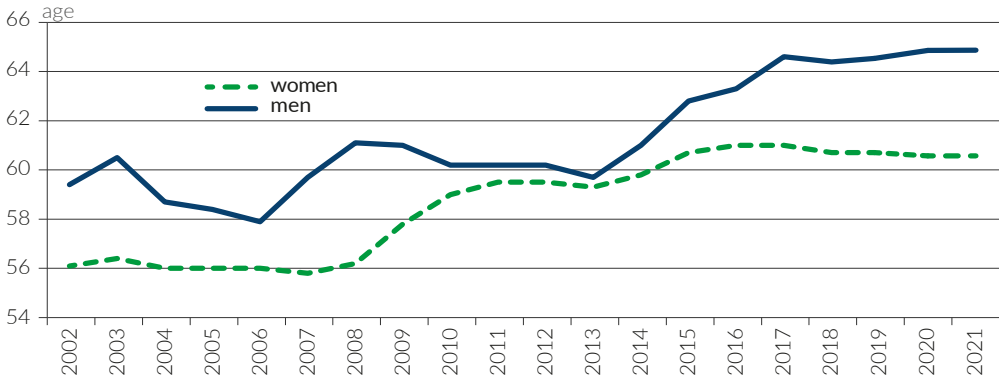
The normal retirement age amounted to:

- for women – 60 years,
- for men – 65 years.

The new rules for obtaining the right to an old-age pension have significantly reduced the right to draw a pension at an age lower than the normal retirement age. This has

increased the effective retirement age for both men and women. The diagram below illustrates the upward trend over the last 20 years.

### Actual average retirement age for men and women in 2002–2021



### Actual average retirement age for men and women in 2002–2021

Year	Women	Men
2002	56.1	59.4
2003	56.4	60.5
2004	56.0	58.7
2005	56.0	58.4
2006	56.0	57.9
2007	55.8	59.7
2008	56.2	61.1
2009	57.8	61.0
2010	59.0	60.2
2011	59.5	60.2
2012	59.5	60.2
2013	59.3	59.7
2014	59.8	61.0
2015	60.7	62.8
2016	61.0	63.3
2017	61.0	64.6
2018	60.7	64.4
2019	60.7	64.6
2020	60.6	64.8
2021	60.6	64.8

In 2021, an actual retirement age for men was 64.8 years and for women – 60.6 years.

## 5.2.1. Old-age pensions in the old scheme

Under **the old pension scheme**, the old-age pension is granted when the insured person meets both of the following conditions:

- reaches the normal retirement age (see Section 5.2.),
- has completed the required insurance period.

The required insurance period is at least:

- 20 years for women,
- 25 years for men.

The insurance period is the sum of all contributory and non-contributory periods. The non-contributory periods are taken into account only in the part that does not exceed 1/3 of proven contributory periods.

Insured persons who have reached the normal retirement age, but have completed the insurance period shorter than the required one, may receive the **pension with a reduced qualifying insurance period**.

The reduced insurance period is:

- at least 15 years for women,
- at least 20 years for men.

The pension granted on the basis of the reduced qualifying insurance period is not increased by ZUS to the amount of the minimum pension.

Certain groups of persons who work in special conditions or perform work of a special character may retire at an age lower than the normal retirement age.

### **The pension calculated under the old scheme consists of:**

- 24% of the base amount,
- 1.3% of the assessment basis for each contributory year,
- 0.7% of the assessment basis for each non-contributory year, however, non-contributory years are taken into account only in respect of that part which does not exceed 1/3 of the proven contributory periods.

**The basis for old-age pension assessment** is an average assessment basis of a contribution to pension insurance or to social insurance in one of the following variants:

- from the period of 10 consecutive calendar years that the person concerned has selected from the recent 20 calendar years,
- from 20 calendar years selected from the whole insurance period.

ZUS adds to the old-age pension assessment basis the amounts due to the insured person in a given calendar year in respect of:

- remuneration for the period of incapacity for work,
- sickness allowance,
- maternity allowance,

- care allowance,
- rehabilitation benefit,
- compensatory allowance,
- compensatory benefit or supplement,
- the value of monetary compensation for a periodic failure to increase salaries in the budgetary sphere.

The amount of unemployment benefits, training allowances or scholarships paid from the Labour Fund for a period of documented incapacity for work is also included in the pension assessment basis.

In order to establish the assessment basis, ZUS sums up the assessment basis of contributions and of the benefit in each year from the selected calendar years. It then calculates the ratio between each of the amounts so obtained and the annual amount of the average wage/salary for the given calendar year; this ratio is expressed as a percentage. ZUS then calculates the arithmetic average of the values obtained. It constitutes the **assessment basis index** (which may amount to a maximum of 250%). Finally, ZUS multiplies the base amount by this index.

**The base amount** equals 100% of average wage/salary from the preceding calendar year, reduced by the compulsory social insurance contributions deducted from earnings of persons insured. It is determined every year with effect from 1 March.

From 1 March 2021 to 28 February 2022 the base amount equalled PLN 4,512.41. Whereas from 1 March 2022 it is PLN 4,944.79.

## 5.2.2. Old-age pensions in the new scheme

The old-age pension scheme operating under the new rules consists of two subsystems:

- **general pension scheme** with the following funds:
  - Social Insurance Fund (*Fundusz Ubezpieczeń Społecznych, FUS*), managed by a public institution – the Social Insurance Institution,
  - Open Pension Funds (*otwarte fundusze emerytalne, OFEs*) managed by private institutions – general pension societies (*powszechnie towarzystwa emerytalne, PTEs*);
- **voluntary funded pension scheme**, managed by private institutions, membership of which is entirely voluntary; for an additional contribution, it is intended to provide enhanced pension benefits in the future.

**In the general pension scheme** operating under the new rules, old-age pension is available to persons who meet both of the following conditions:

- have reached the normal retirement age of 60 years for women and 65 years for men,
- at least one contribution for the old-age pension insurance has been credited by ZUS to their individual account of the person insured.

The amount of pension according to the new rules is closely related to the amount of paid contributions.

**NEW  
PENSION  
FROM FUS**

$$\begin{aligned} & \text{the total amount of the credited old-age pension insurance} \\ & \text{contributions after adjustment} \\ & + \text{initial capital after adjustment} \\ = & + \text{funds credited to the sub-account} \\ \hline & \text{average life expectancy, expressed in months, for persons in} \\ & \text{the age equal to the retirement age of a given pension claimant;} \\ & \text{according to tables published by the Statistics Poland (GUS)} \end{aligned}$$

A woman who has been granted by ZUS an old-age pension from FUS under the new rules and who is under 65 years old, i.e. has not reached the normal retirement age for men, receives a **temporary funded pension**. In order to receive such a pension, the value of funds credited to her sub-account in ZUS, on the last day of the month preceding the month from which the pension will be granted must be at least equal to 20 times the amount of the nursing supplementary allowance. From 1 March 2022 an amount equal to 20 times the amount of the nursing supplementary allowance is PLN 5,128.80 (20 × PLN 256.44).

**The amount of the temporary funded pension** is calculated by ZUS by dividing the funds credited to the sub-account by the average life expectancy for people of an age equal to that at which the insured person retires.

If the value of funds from the sub-account is lower than required, ZUS shall add them to the basis for calculating the old-age pension from FUS pursuant to the Old-Age Pension Act. ZUS then calculates the general old-age pension from FUS on the basis of the credited old-age pension insurance contributions after adjustment, the initial capital after adjustment and funds from the sub-account.

The right to a temporary funded pension expires on the day preceding that on which the woman reaches the normal retirement age envisaged for a men, i.e. 65 years. After this date, ZUS will add the funds on her sub-account to the general old-age pension from FUS.

The right to the temporary funded pension will also expire if the funds on the sub-account are exhausted or if the entitled woman dies.

In 2021, ZUS paid out an average of 527.0 thousand temporary funded pensions per month, with the average amount of this benefit being PLN 250.79.

**ZUS increases the old-age pension to the amount of the minimum benefit, if:**

- **the insured man** has reached the normal retirement age and his qualifying insurance period is at least 25 years,
- **the insured woman** has reached the normal retirement age and her qualifying insurance period is at least 20 years.

**The initial capital** is a component of the pension calculation basis. The period of contribution payments until 1 January 1999 is calculated in this way. ZUS sets the initial



capital for each insured person born after 31 December 1948, for whom a social insurance contribution has been paid before 1999.

The Social Insurance Institution calculates the hypothetical pension that such a person would have received on 1 January 1999, according to the old rules. These rules have been modified for calculation of the so-called social part of the old-age pension. A total amount – composed of a contributory part, a non-contributory part and a social part – is multiplied by average life expectancy for women and men in the age of 62 years. It equalled 209 months. The amount calculated in this way is the initial capital as at 1 January 1999.

The capital is credited to the insured person's account. It is subject to annual adjustment up to the moment of retirement. The initial capital adjustment is carried out under the same rules as the adjustment of the old-age pension contributions (see Section 5.1.1.).

Additionally, some professional groups may take advantage of the old-age pension awarded under the new rules at a lower retirement age than the normal retirement age. These are employees performing work in special conditions or in a special character, who:

- have completed the required qualifying period of a general character and the period of employment in special conditions or of a special character before 1 January 1999,
- have not joined the OFE (and if they have, they have requested the transfer of the funds accumulated in the OFE account to the state budget revenues).

### Voluntary funded pension scheme

The following institutions exist under a voluntary funded pension scheme:

- Open Pension Funds (*otwarte fundusze emerytalne, OFEs*),
- Occupational Pension Schemes (*pracownicze programy emerytalne, PPEs*),
- Individual Pension Accounts (*indywidualne konta emerytalne, IKEs*),
- Individual Pension Security Accounts (*indywidualne konta zabezpieczenia emerytalnego, IKZEs*),
- Employee Capital Plans (*pracownicze programy kapitałowe, PPKs*).

### Open Pension Funds (*otwarte fundusze emerytalne, OFEs*)

Until 31 January 2014, participation in the Open Pension Fund was compulsory for persons born in 1969 or later. Currently, people who start their first job can choose whether to join such a fund. Persons who have been already OFE members from 1 April to 31 July 2016, could choose, whether they still wanted to have their contributions transferred to OFE or credited to a sub-account in the ZUS.

Due to the obligation introduced at the very beginning of the operation of OFEs to join them for persons starting their earning activities, they accumulated the largest number of members and the highest amount of assets between 1999 and January 2014. Due to changes in the law – first in 2011 and then in 2014 (abandoning the requirement for mandatory citizen participation in this market segment), the number of OFE members is steadily declining.

At the end of 2021, there were ten Open Pension Funds. They had a total of 15.2 million members (in 2020 – 15.4 million). The value of the investment portfolio of Open Pension Funds amounted to PLN 186.6 billion.

Source of data: *Urząd Komisji Nadzoru Finansowego* (The Polish Financial Supervision Authority), *Informacja o stanie rynku emerytalnego w Polsce na koniec 2021 r.* (Information on the state of the pension market in Poland at the end of 2021).

### Occupational Pension Schemes (*pracownicze programy emerytalne, PPEs*)

Occupational Pension Schemes (PPEs) are a voluntary group form of assets' accumulation for pension purposes organised by the employer with the participation of employees. The basic contribution is financed by the employer, while the employee may declare an additional contribution, deducted from the salary. The funds are transferred by a financial institution chosen by the employer and the employees during the organisation phase of the programme. This institution manages the funds paid.

The funds accumulated on the employee's account may be withdrawn, transferred to another PPE or IKE, or paid back. The withdrawal of accumulated savings may take place:

- at the request of the employee when he/she turns 60,
- at the request of the employee, when he/she turns 55 and presents the decision on granting the right to the old-age pension,
- without the employee's request, when he/she turns 70 and has not previously requested the withdrawal of funds,
- at the request of the eligible person in the event of the employee's death.

In 2021, 30 Occupational Pension Schemes were established (more than eight times less than in 2020). The largest share of established PPEs were schemes operated in the form of an agreement with an investment fund (28 PPEs). No scheme in the form of an employee pension fund was established.

The year 2021 was characterised by low employer interest in creating new PPEs. On the one hand, the increase in the number of schemes in 2021 was marginal, while on the other hand, there was a decrease in the total number of schemes compared to previous years, due to more deletions than entrants.

In 2021, investment funds, as in previous years, were the most popular as a form of running PPE. The predominance of PPEs run in this form over the number of schemes run in insurance form has been noted for several years. The decrease in the share of insurance schemes in the total number of PPEs results not only from the lower number of entrants, but also from the changes in the financial institutions managing individual PPEs.

At the end of 2021, the value of basic contributions paid by employers running PPEs amounted to PLN 1.7 billion. Compared to last year, 135 million more basic contributions were paid to PPEs (an increase of 8%). An increase in the amounts paid to the schemes was only observed in PPE in the form of an agreement with an invest-

ment fund, where it amounted to 12%. The other forms of PPE are characterised by a decrease in the basic contributions paid, i.e. 1-2% respectively compared to the previous year.

In 2021, the account of a statistical PPE's participant was credited with an amount of PLN 3.3 thousand (as a basic contribution), i.e. PLN 276 more than in the previous year. After a decrease in the average annual basic contribution recorded in 2020 for the first time in several years, there was an increase in 2021, influenced by an increase in the amount of basic contributions paid, while the number of active participants decreased.

In 2021, the statistical PPE's participant allocated PLN 98 from his/her own funds for additional payments to PPE (additional contribution). And the average annual value of additional contributions paid, determined only for persons paying the additional contribution (and not for all PPE's participants), amounted to PLN 989, i.e. PLN 43 more than in 2020.

Source of data: *Urząd Komisji Nadzoru Finansowego* (The Polish Financial Supervision Authority), *Informacja o stanie rynku emerytalnego w Polsce na koniec 2021 r.* (Information on the state of the pension market in Poland at the end of 2021).

### Individual Pension Account (*indywidualne konto emerytalne, IKE*)

At the end of 2021, Individual Pension Accounts were maintained by:

- 15 insurance companies,
- 24 investment fund companies,
- 7 brokerage houses,
- 15 commercial banks,
- 5 general pension societies.

A total of 66 financial institutions included them in their offer.

The right to pay contributions to IKE is exercised by an individual who is over 16 years of age. A minor may pay contributions to a pension account in the calendar year in which he/she receives income from work performed on the basis of an employment contract and in the amount that does not exceed such income. One person may have only one IKE.

The contribution to IKE is taxed and the tax is levied on the income from which the IKE contribution is paid. A person who saves in IKE is exempt from capital gains tax.

At the end of 2021, IKE was held by 796 thousand people. The value of the IKE market in terms of accumulated assets amounted to PLN 13.4 billion.

There is an annual limit for contributions paid to IKE. It is an equivalent of 3 times the amount of the projected average monthly wage/salary in the national economy for a given year, specified in the Budget Law or the Provisional Budget Law. In 2021, this limit was PLN 15,777, and in 2022 – PLN 17,766.

Average balance of IKE account in 2021 was PLN 16.9 thousand.

The withdrawal of IKE funds is tax-free. In order to withdraw funds from IKE, one has to be 60 years old or obtain old-age pension rights and be 55 years old.

Source of data: *Urząd Komisji Nadzoru Finansowego* (The Polish Financial Supervision Authority), *Informacja o stanie rynku emerytalnego w Polsce na koniec 2021 r.* (Information on the state of the pension market in Poland at the end of 2021).

### Individual Pension Security Account *indywidualne konto zabezpieczenia emerytalnego, IKZE*)

At the end of 2021, Individual Pension Security Accounts were maintained by:

- 9 insurance companies,
- 21 investment fund companies,
- 6 brokerage houses,
- 3 banks,
- 7 general pension societies.

A total of 46 financial institutions included them in their offer.

The right to pay contributions to IKZE is exercised by an individual who is over 16 years of age. He/she may pay contributions to a pension account only in the calendar year in which he/she receives income under an employment contract and in the amount that does not exceed such income.

A person saving in IKZE may deduct payments to this account from his/her taxable income. One person may have one IKZE.

At the end of 2021, IKZE was held by 457 thousand people. The total value of IKZE accounts amounted to PLN 5.9 billion.

There is an annual limit for contributions paid to IKZE, which is an equivalent of 1.2 times the amount of the projected average monthly wage/salary in the national economy for a given year, specified in the Budget Law or the Provisional Budget Law. In 2021, this limit was PLN 6,310.80, and in 2022 – PLN 7,106.40.

For the withdrawal of funds from IKZE at the age of 65, a lump-sum tax of 10% of income must be paid. This taxation also applies to distributions from the IKZE to the beneficiary in the event of the death of the saver.

Source of data: *Urząd Komisji Nadzoru Finansowego* (The Polish Financial Supervision Authority), *Informacja o stanie rynku emerytalnego w Polsce na koniec 2021 r.* (Information on the state of the pension market in Poland at the end of 2021).

### Employee Capital Plans (*pracownicze plany kapitałowe, PPKs*)

The Employee Capital Plans are regulated by the Act of 4 October 2018 on employee capital plans. From 1 January 2021, PPKs automatically cover all employees between 18 and 54 years of age, for whom the employer pays pension contributions. The plan does not cover self-employed persons, uniformed services employees and farmers.

Employees between 55 and 69 years of age may participate in the PPKs on the basis of a declaration of intent.

The Employee Capital Plans constitute a compulsory package of employee benefits. The employer is obliged to select an institution running a PPK and to create a PPK for its employees.

Under the PPK, the employee and the employer pay a basic (compulsory) and an additional (voluntary) contribution to the employee's account. Moreover, a PPK participant may receive a special surcharge financed from the Labour Fund.

### **The amount of contributions paid to the account of a PPK participant:**

	Contribution from the employee's gross salary, to be paid by:	
	employer	employee
Basic (compulsory) contribution	1.5%	2%
Additional (voluntary) contribution	to 2.5%	to 2%

A PPK participant whose wage/salary, even from various sources, is less than 120% of the minimum wage/salary, may pay a reduced contribution – from 0.5% to 2% of the gross wage/salary.

### **Surcharges to PPK participant's account are financed from the Labour Fund**

Each PPK participant receives a welcome payment of PLN 250. In addition, a PPK participant will receive an annual surcharge of PLN 240 if the amount of paid basic and additional contributions is at least equal to the amount of basic contributions due from 6 times the minimum wage/salary. When a basic contribution of a PPK participant is reduced to 0.5%, he/she is entitled to an annual surcharge if the amount of basic and additional payments in a given year is equal to at least 25% of the basic payments due from 6 times the minimum wage/salary.

These payments are not included in the remuneration which is the basis for assessing the amount of pension contributions. However, they may be classified as deductible costs.

**The funds accumulated on PPK participant's account may be invested by the following institutions:**

- general pension societies,
- investment fund companies,
- employee pension societies,
- insurance companies.

**The institution that creates employee capital plans should:**

- have at least 3 years' experience in the field of management of investment (open-ended) funds, pension funds or open-ended pension funds; the insurance company should have in its offer, for at least 3 years, insurance with investment elements,
- have equity (or eligible own funds) of at least PLN 25 million, with at least PLN 10 million in liquid funds (deposits specified for money market funds),
- operate an appropriate number of defined-date funds or sub-funds.

Each institution that undertakes to operate the PPK is required to establish a minimum of 5 defined date funds. The investment portfolio in each of them should be designed in a way ensuring that the investment risk decreases with the progressive age of a PPK member.

**Investment limits apply to particular capital tools. They are the following:**

- at least 40% – WIG20 companies,
- maximum 20% – WIG40 companies,
- maximum 10% – other listed companies,
- at least 20% – foreign investment.

**In the debt part, the capital may be invested:**

- at least in 70% in:
  - securities issued or guaranteed by the Treasury, the National Bank of Poland, local authorities, public authorities or central banks of the Member States, the European Union, the European Central Bank, the European Investment Bank or other securities guaranteed by organisations with a rating recognised by the European Central Bank,
  - deposits with a maximum maturity of 180 days with domestic banks or credit institutions with a rating recognised by the European Central Bank;
- no more than 30% in other assets, of which a maximum of 10% may be invested in instruments that do not have a rating recognised by the European Central Bank.

The financial institution that manages the capital will receive remuneration amounting to a maximum of 0.5% of the Fund's net assets value and a performance bonus of a maximum of 0.1% of the value of collected assets.

Accumulated funds will be owned by a PPK participant.

**Funds may be disbursed to a PPK participant:**

- when the participant turns 60 years of age,
- before the participant turns 60 years of age.

**Funds disbursement rules when the participant turns 60**

A PPK participant who has reached 60 years of age will not incur additional costs if he/she makes a one-off withdrawal of 25% of the accumulated funds and withdraws the remaining 75% – in at least 120 monthly instalments.

It is also possible to withdraw funds in the form of a matrimonial benefit – if both persons are over 60 years old and have PPK accounts in the same institution.

PPK funds may also be transferred to a term bank deposit if there is a payment in instalments for at least 120 months.

### **Funds disbursement rules before the participant turns 60**

A PPK participant who is under 60 years old will be able to withdraw his/her funds:

- in the case of a serious illness (including malignant tumour, stroke, myocardial infarction, encephalitis, atrophic lateral sclerosis, Alzheimer's disease, Parkinson's disease) of the PPK participant, his/her spouse or child; this is a non-refundable payment of up to 25% of the funds accumulated in the PPK account;
- for own contribution [in connection with taking out a mortgage loan] – for persons under 45 years of age; it is a withdrawal of up to 100% of the accumulated capital with the obligation to return it, however, the return may not start later than 5 years from the date of withdrawal and may not last longer than 15 years from the date of withdrawal.

Funds withdrawal before the age of 60 will result in the loss of 30% of contributions paid by the employer (they will be transferred to ZUS) and all surcharges from the government. In addition, the PPK participant will have to pay income tax on capital gains (currently 19%).

Before reaching the age of 60, the PPK member may at any time transfer funds to another PPK, to IKE or to PPE – his/her own or belonging to an eligible person.

When a PPK participant reaches the age of 60 and starts withdrawing funds, neither contributions nor surcharges from the government will be transferred to his/her account anymore – even if such a person continues to work.

### **5.2.3. Bridging pension**

The right to the bridging pension is acquired by the insured person who meets jointly the following conditions:

- was born after 31 December 1948,
- has completed a qualifying period of employment in special conditions or in special character of at least 15 years,
- has reached at least the age of 55 years (woman) or 60 years (man),
- his/her (contributory and non-contributory) qualifying insurance period is at least 20 years for women and 25 years for men,
- before 1 January 1999 has performed work in special conditions or of special character,
- after 31 December 2008 has performed work in special conditions or of special character.

The amount of the bridging pension is determined by ZUS in a similar way as the amount of the old-age pension awarded under the new rules. However, the average

life expectancy for people aged 60 is always used, regardless of when the person insured actually retired.

The right to the bridging pension ceases the day before the insured person becomes entitled to a general old-age pension. If the person entitled to the bridging pension does not have the right to the old-age pension, his/her right to the bridging pension ceases on the day before he/she reaches the normal retirement age.

The bridging pensions are financed mainly by the state budget. A part of costs is covered by employers from the contribution paid to the Bridging Pensions' Fund (see Section 4.3).

In 2021, ZUS paid bridging pensions to an average of 37.0 thousand retired persons. The average amount of such a pension was PLN 3,420.47.

The bridging old-age pensions expenditure in 2021 was PLN 1,517,900.5 thousand.

#### 5.2.4. Replacement of the disability pension with the old-age pension

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ZUS will grant an *ex officio* old-age pension (without the need to submit a claim) to persons who are in receipt of a disability pension when they reach the retirement age.

The *ex officio* old-age pension is granted regardless of the insurance period. ZUS shall not grant the *ex officio* old-age pension to a person who:

- has been granted a disability pension due to an accident at work or occupational disease,
- claims a pension on reaching the normal retirement age.

The amount of the *ex officio* old-age pension may not be less than:

- the amount of the disability pension the person is receiving,
  - the amount of the minimum old-age pension if the person has a period of insurance.
- In 2022, the minimum old-age pension is PLN 1,338.44.

The *ex officio* pension is paid out by ZUS from the day on which a person reaches the normal retirement age. This also applies to those cases where ZUS has previously suspended payment of the disability pension, e.g. due to exceeding the income limit. With the granting of the right to the *ex officio* pension, the right to the disability pension ceases.

#### 5.2.5. Parental supplementary benefit 'Mama 4+'

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The supplementary benefit 'Mama 4+' is granted to a person who has raised at least 4 children and does not have the necessary means of subsistence. This benefit is provided under the Act of 31 January 2019 on supplementary parental benefit. ZUS has been paying this benefit from March 2019.



The aim of the programme is to provide income to persons who have given up employment or have not taken up employment due to bringing up children in multi-children families.

**If all the following conditions are met, the supplementary parental benefit may be granted to:**

- a mother who has given birth to and brought up at least 4 children or a father who has brought up at least 4 children, in the event of the death of children's mother or abandonment of the children by the mother,
- a person who does not have the necessary means of subsistence and has reached the retirement age, which is 60 years for women and 65 years for men,
- a person who lives in Poland and has a so-called centre of interests here – for at least 10 years from the age of 16,
- a national of Poland or a person who has the right of residence or the right of permanent residence in Poland or a national of a Member State of the European Union, a Member State of the European Free Trade Association (EFTA) or a foreigner legally residing in the territory of Poland,
- irrespective of whether the social insurance contributions have been paid for that person.

The benefit for a person who is not entitled to any benefit, is equal to the amount of the minimum old-age pension, which is PLN 1,338.44 from 1 March 2022. For a person who already receives a benefit lower than the minimum pension, the parental benefit complements the benefit received to the amount of the minimum pension.

The benefit is paid by the Social Insurance Institution or the Agricultural Social Insurance Fund. The benefit and its costs are financed from the state budget.

The supplementary parental benefit is adjusted on an annual basis.

## 5.3. Disability pension

The disability pension is a benefit available to people who cannot be gainfully employed on ill health grounds.

**The disability pension** is available to a person who:

- is incapable of work,
- has completed a qualifying insurance period (the sum of contributory and non-contributory periods) of at least 5 years during 10 years before the date on which the claim was submitted or the incapacity for work arose; if the incapacity arose when the person concerned was under 30 years of age, the required insurance period is correspondingly shorter; a person whose incapacity results from an accident on the way to or from work does not have to fulfil this condition,

- has become incapable of work during a contributory and non-contributory period specified in the Old-Age Pension Act, or within 18 months of the end of that period; a person who has at least 20 years (woman) or 25 years (man) of contributory and non-contributory periods and is totally incapable of work does not need to fulfil this condition,
- does not have the established right to an old-age pension from the Social Insurance Fund (FUS) or does not fulfil the conditions to have it established.

The requirement of documenting 5 years of qualifying insurance period within 10 years before the incapacity for work arose or the person concerned submitted the claim does not have to be fulfilled also by a person who meets both of the following conditions:

- has been recognised as completely incapable of work,
- his/her insurance period was at least 25 years (woman) or 30 years (man).

Decisions (certificates) for the purposes of social insurance benefits and other benefits paid by the Social Insurance Institution are issued by ZUS certifying doctors and ZUS medical boards. They assess incapacity for work and its degree on the basis of the insured person's medical records and examination. They also establish:

- the day when the incapacity for work occurred,
- whether the incapacity for work is permanent, and if not, how long it is likely to last,
- potential causality of incapacity for work or death with certain circumstances,
- whether the insured person is incapable of independent existence,
- whether the insured person can and should retrain.

**Person incapable of work** means a person who has lost, completely or partly, earning capacity due to disturbance of body fitness and retraining does not promise restoration of his or her earning capacity.

**Completely incapable of work** is a person who has lost capability for any work.

**Partly incapable of work** is a person who has lost – to a considerable degree – capability for work corresponding to his or her qualifications.

ZUS certifying doctor or ZUS medical board certifies incapacity for work for a maximum of 5 years. This period may be longer if, according to medical knowledge, there is no prognosis as to restoration of earning capacity by the insured person before the lapse of this period. The pension is due to the insured person during the period of certified incapacity for work, which is indicated by ZUS in the decision.

ZUS medical board examines the case if:

- the person concerned disagrees with the decision of ZUS certifying doctor and has lodged an objection within 14 days of the day on which he/she had received the decision,
- ZUS President raises an objection that the decision is defective within 14 days of the date on which ZUS certifying doctor issued the decision.

The following constitute the basis for ZUS decision on the disability pension:

- ZUS certifying doctor's decision which has not been opposed or claimed defective,
- ZUS medical board's ruling.

**The right to disability pension due to accident at work or occupational disease** is granted irrespective of the duration of accident insurance period and irrespective of the date of occurrence of this incapacity.

**Pension in respect of total incapacity for work amounts to:**

- 24% of the base amount,
- 1.3% of the assessment basis for each contributory year,
- 0.7% of the assessment basis for each non-contributory year (non-contributory periods are taken into account only in respect of that part which does not exceed 1/3 of the proven contributory periods),
- 0.7% of the assessment basis for each year of the period which the pensioner lacks to reach the full 25-year insurance period – from the day of submitting the pension claim to the day on which the pensioner would have reached 60 years of age, i.e., the retirement age for women.

**Accident at work** means a sudden occurrence, arising out of external cause and resulting in injury or death, which was associated with work:

An **occupational disease** is a disease specified in a list of occupational diseases, if it was caused by harmful agents in the working environment or by a manner in which the work was performed.

**The pension for a person who is partly incapable of work** is payable at a rate of 75% of pension for a person completely incapable of work.

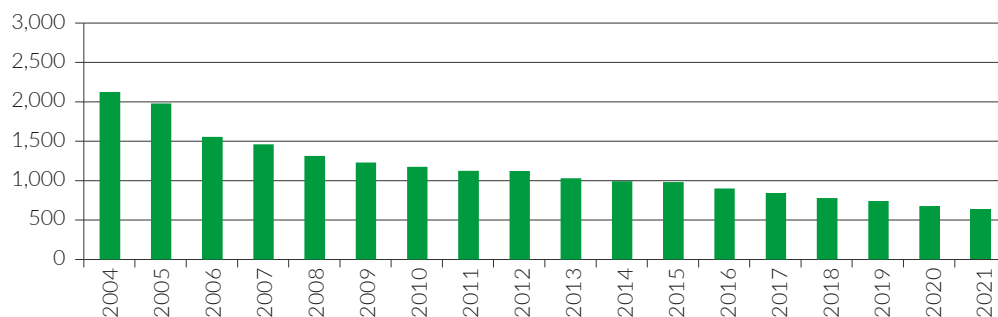
The person entitled to the pension who has been recognised by ZUS certifying doctor as being completely incapable of work and of independent existence is entitled to a nursing supplementary allowance (see Section 5.14.).

**The amount of pension in respect of accident at work or occupational disease** is calculated as the amount of the disability pension. However, it cannot be lower than:

- 60% of the pension assessment basis – for a person partly incapable of work,
- 80% of the pension assessment basis – for a person completely incapable of work,
- 100% of the pension assessment basis – for a person eligible for the training pension.

The basis of assessment of the pension in respect of incapacity for work due to accident at work or occupational disease may be determined by ZUS using the basis assessment index higher than 250%. If ZUS applies such an index, the stated guarantees do not apply.

## The number of disability pension recipients in 2004–2021 (in thousand)



## The number of disability pension recipients in 2004–2021

Year	Number of disability pension recipients (in thousand)
2004	2,119
2005	1,975
2006	1,556
2007	1,474
2008	1,381
2009	1,288
2010	1,228
2011	1,174
2012	1,121
2013	1,075
2014	1,034
2015	983
2016	934
2017	876
2018	779
2019	726
2020	664
2021	639

In 2021, ZUS paid out disability pensions to 638.6 thousand insured persons. Their average amount was PLN 2,088.27 per month.

In 2021, a monthly average of 148.3 thousand persons received a pension in respect of accidents at work and occupational diseases, of which

- 72.2 thousand persons due to occupational diseases,
- 66.8 thousand persons due to accidents at work,
- 9.3 thousand persons due to accidents on the way to or from work.

### 5.3.1. Supplementary benefit '500+' for persons incapable of independent existence

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**Supplementary benefit '500+'** is granted to a person who is incapable of independent existence, on the basis of the Act of 31 July 2019 on supplementary benefit for persons incapable of independent existence.

The benefit is granted to a person who:

- is at least 18 years old,
- is incapable of independent existence (which has been established by a decision on incapability of independent existence or total incapacity for work and incapability of independent existence),
- does not have the right to pension, does not have the right to another cash benefit financed from public funds, e.g. permanent allowance or periodic allowance (this condition does not apply to one-off benefits), or does not have the right to a benefit from a foreign institution competent for pension matters, or has the right to these benefits but their total gross amount does not exceed PLN 1,896.13,
- lives in Poland,
- has Polish citizenship or the right to reside or reside permanently in Poland, if he/she is a citizen of one of the Member States of the European Union or of the European Free Trade Association (EFTA), or has a legalised residence in Poland if he/she is a citizen of a country outside the EU or EFTA.

The supplementary benefit is not available to a person who is under temporary arrest or serving a prison term. The benefit may be provided in the case of serving the prison sentence under electronic surveillance.

The supplementary benefit in the amount of PLN 500 is granted to a person who:

- has no established right to an old-age pension, disability pension or other cash benefit financed from public funds,
- receives such a benefit, but its amount does not exceed PLN 1,396.13 gross.

In the case of a person who receives a pension or other benefits financed from public funds and the total gross amount of these benefits is more than PLN 1,396.13 but is less than PLN 1,896.13, the amount of the supplementary benefit will be less than

PLN 500. This will be the difference between the amount of PLN 1,896.13 and the total amount of benefits due.

The income includes pensions and other cash benefits from public funds, as well as benefits paid by foreign institutions competent in pension matters. However, the income does not include the survivor's pension granted to a child who has become completely incapable of working, incapable of independent existence or completely incapable of working before reaching the age of 16 years or while learning at school before reaching the age of 25 years.

The benefit is paid by the Social Insurance Institution or the Agricultural Social Insurance Fund. The benefit and the costs of its service are financed from the Solidarity Fund resources.

## 5.4. Training pension

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Training pension is granted to a person who fulfils the conditions required for the award of the disability pension if ZUS certifying doctor or ZUS medical board has stated that he/she should retrain because he/she is incapable of work in current occupation.

The training pension is usually granted for 6 months. However, this period may be shortened or extended.

ZUS extends it at the starost's request for the time necessary to retrain. However, it may not last longer than another 30 months.

ZUS shortens the period when it receives information from the starost that a person concerned cannot be retrained to another profession or that he/she does not submit to vocational retraining.

The training pension amounts to:

- 75% of the pension assessment basis,
- 100% of the pension assessment basis if incapacity for work was caused by accident at work or occupational disease.

The pension may not be lower than the minimum pension for a person who is partly incapable of work.

A person who receives remuneration or income is not entitled to the pension. The amount of remuneration or income is not relevant.

## 5.5. Survivors' pension

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The survivors' pension is granted to eligible family members of a person who, at the time of death, held the established entitlement to the old-age pension or met the requirements to receive it, held the established entitlement to the bridging pension, or held the established entitlement to the disability pension or met the requirements for its award. When the right to the survivors' pension is established by ZUS, it is assumed that the deceased person was completely incapable of work.

The survivors' pension is also awarded to eligible family members of a person who – at the time of death – was a recipient of the pre-retirement benefit, the pre-retirement allowance or teachers' compensatory allowance. In such case ZUS assumes that the person deceased has fulfilled the conditions to be awarded the pension in respect of total incapacity for work. The survivors' pension is not granted if the deceased person was a recipient of the periodic funded pension.

### The following persons have the right to the survivors' pension:

- own children, children of the spouse, adopted children:
  - until they reach 16 years of age,
  - until completion of school education, if they are older than 16, but not longer than until they reach the age of 25 (if a child reaches the age of 25 in the last year of study at a tertiary level school, the right to the survivors' pension is extended until the end of that year of study),
  - irrespective of age, if they have become completely incapable of work before reaching the age of 16 or, if they continue their school education, before the age of 25,
- grandchildren, siblings and other children, if they meet the same conditions as own children and in addition:
  - have been taken in for upbringing and maintenance before reaching the age of majority at least one year before the death of the insured person or the pensioner, unless the death was the result of an accident (except for children taken in for upbringing and maintenance as part of a foster family or family home),
  - are not entitled to a pension after the death of their parents, and when the parents are alive, they cannot provide for their maintenance, or the insured/pensioner or his/her spouse was the guardian of the children appointed by the court,
- spouse (widow or widower of an insured person, of a pensioner) if he/she meets one of the following conditions:
  - at the time of the spouse's death was over 50 or was incapable of work,

- brings up at least one of the children, grandchildren or siblings who is entitled to a survivors' pension after the spouse's death and is under 16 or – if studying – under 18 years of age,
- is caring for a child who is completely incapable of work and of independent existence or completely incapable of work and entitled to a survivors' pension,
- is over 50 years old or has become incapable of work within 5 years after the death of his/her spouse or after he/she had ceased to raise eligible children,
- divorced spouse, or a widow or widower who was not in a statutory marital community with the spouse at the time of his/her death, if they meet the conditions for a widow or widower and, in addition, were entitled to maintenance allowance from the spouse on the date of his/her death as determined by a court; and a former wife or separated wife if she proves that immediately before the death of the deceased she had been receiving maintenance allowance on the basis of an agreement between her and the deceased,
- spouse (a widow or widower) who does not meet the conditions but does not have the necessary sources of maintenance; the right to the pension may be granted:
  - for a maximum of one year after the death of the spouse,
  - for a maximum of 2 years after the death of the spouse if the widow or widower is attending a training course after which he/she is to be qualified for gainful employment,
- parent of the deceased (mother, father, stepfather, stepmother, adoptive person) who fulfils the conditions for a widow and widower if the deceased contributed to their maintenance immediately before death.

**The survivors' pension is granted** to all eligible family members in one total amount. ZUS divides it equally between the eligible persons:

- for one eligible person – 85% of the benefit that the deceased would be entitled to,
- for two eligible persons – 90% of the benefit that the deceased would be entitled to,
- for more than two eligible persons – 95% of the benefit that the deceased would be entitled to.

The recipient of the survivors' pension may be granted a supplementary allowance for double orphan.

At the end of 2021, survivors' pensions were usually collected by women (89.09% of the total number of beneficiaries).

In 2021 survivors' pensions were received by 1,209.9 thousand persons, and an average monthly amount of the pension was PLN 2,353.63.



## 5.6. Benefits related to disability pension prevention and accident prevention

The Social Insurance Institution performs tasks in the field of disability pension prevention and accident prevention.

### 5.6.1. Disability pension prevention

As part of the disability pension prevention, the Social Insurance Institution:

- refers to medical rehabilitation,
- disseminates knowledge about activities preventing incapacity for work.

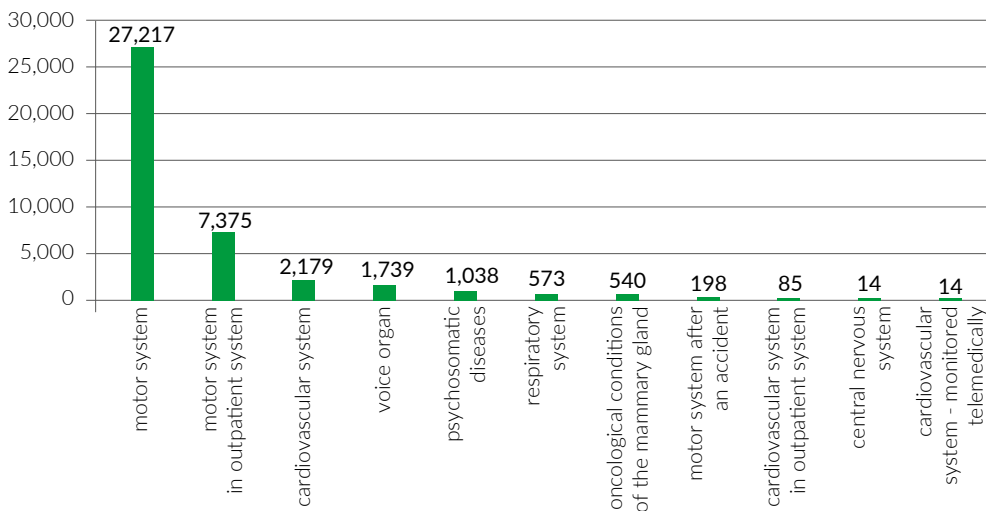
The Social Insurance Institution provides medical rehabilitation for insured persons at risk of incapacity for work due to specific diseases. ZUS covers rehabilitation costs in full: costs of treatment, accommodation and meals, and additionally reimburses travel expenses. Eligible persons are referred for rehabilitation in an in-patient system (24-hour stay in a rehabilitation centre) or out-patient system (daily commuting to the rehabilitation, at designated times). In a rehabilitation centre, treatments and activities are individually determined by a doctor, depending on the disease. The Social Insurance Institution enters into contracts with centres that must meet specific legal, staffing, premises and medical requirements. The centres are located throughout Poland, including in health resorts. The centres are selected through a competitive bid announced by ZUS with a fixed maximum price.

Rehabilitation takes place:

- in an in-patient system for the following diseases:
  - motor system diseases,
  - motor system after accidents (early post-accident rehabilitation),
  - cardiovascular system diseases,
  - psychosomatic diseases,
  - respiratory system diseases,
  - oncological diseases – after the mammary gland cancer treatment,
  - voice organ,
- in an out-patient system for the following diseases:
  - motor system diseases,
  - cardiovascular system diseases, including telemedically monitored diseases.

In 2021 the medical rehabilitation was completed by 40,972 persons. The Social Insurance Institution covered the costs of rehabilitation in the total amount of PLN 100.8 million.

## Number of persons who have completed rehabilitation in 2021



## Number of persons who have completed rehabilitation in 2021

Scope of rehabilitation	Number of persons
motor system	27,217
motor system in outpatient system	7,375
cardiovascular system	2,179
voice organ	1,739
psychosomatic diseases	1,038
respiratory system	573
oncological conditions of the mammary gland,	540
motor system after an accident	198
cardiovascular system in outpatient system	85
central nervous system	14
cardiovascular system - monitored telemedically	14

As part of activities aimed to disseminate knowledge on the prevention of incapacity for work, ZUS commissions scientific and research works and studies, co-finances conferences, congresses and scientific symposia. In 2021, ZUS co-financed 6 scientific undertakings, mainly organised remotely. Expenditure for these purposes in 2021 amounted to nearly PLN 60.8 thousand.

## 5.6.2. Accident prevention

In 2021, expenditure on accident prevention tasks totalled PLN 79.8 million. The Social Insurance Institution carries out the following activities within the framework of accident prevention:

- subsidises the activities of contribution payers aimed at maintaining earning capacity throughout the period of professional activity,
- analyses the causes and effects of accidents at work (especially fatal, serious and collective accidents) and occupational diseases,
- disseminates knowledge of hazards causing accidents at work and occupational diseases and methods of their prevention,
- conducts scientific and research work aimed at eliminating or reducing the causes of accidents at work and occupational diseases.

From 2013, the Social Insurance Institution has been subsidising the activities of contribution payers aimed at maintaining earning capacity throughout the period of professional activity. These activities are carried out by the payers under projects that are intended to reduce or eliminate the effects of harmful and onerous factors at workplaces, and thus reduce the number of accidents and occupational diseases. Since 2018, ZUS President has been announcing an annual competition for co-financing these projects. From the launch of the programme until the end of 2021, ZUS concluded agreements on co-financing with over 7.5 thousand contribution payers for an amount of over PLN 554 million. In 2021, ZUS concluded an agreement on co-financing projects with 1,062 payers – for this purpose ZUS allocated the amount of over PLN 78.4 million. Thanks to the co-financing, the payers were able to implement projects that contributed to the improvement of working conditions of over 77.9 thousand employees, including over 8.5 thousand employees in 2021.

As part of other tasks in the field of accident prevention, the Social Insurance Institution commissions scientific and research studies and analyses of causes and consequences of accidents at work and occupational diseases. Then, on the basis of conclusions from these studies ZUS:

- sets out the directions of preventive activities,
- organises trainings on accident prevention,
- develops information materials.

The Social Insurance Institution disseminates knowledge about threats which contribute to accidents at work and occupational diseases, as well as ways of counteracting these threats by, inter alia, organising training, issuing brochures and leaflets with information about safety and protection of people in the work environment, participation in information campaigns, co-financing conferences, congresses and scientific symposia on safety in the work environment.

These activities are aimed to:

- shape the right approach of employees and employers to safety in the workplace,
- promote safe attitudes and behaviour.

In 2021, a 'Comparative analysis of causes of occupational diseases in 2016–2019 in Poland aimed at determining the dynamics of changes in this area together with the identification of recommendations for preventive measures' was carried out for ZUS; the second stage of the scientific and research work entitled 'Comprehensive assessment of psychosocial working conditions, lifestyle and psychophysical health in selected occupational groups performing shift work and development of three guides with recommendations to support the conduct of preventive actions' was also completed.

ZUS has commissioned the reproduction of information material for the campaign entitled 'Dobry przepis na bezpieczeństwo' ('Good Recipe for Safety'). In addition, it has commissioned the printing of information material on accident prevention for dissemination at mining sites.

ZUS has organised 800 training courses, attended by more than 16.5 thousand people. In 2021, the expenditure for these purposes amounted to PLN 1.37 million.

## 5.7. Social pension

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The social pension is granted to an adult recognised as totally incapable of work due to impairment of bodily functions, which had occurred before he/she reached 18 years of age, or 25 years of age if he/she was attending a school or a tertiary level school. This benefit is also granted if the impairment of bodily functions occurred during education at doctoral school, doctoral studies or scientific post-graduate studies.

The right to the social pension may be granted on a permanent or temporary basis. If ZUS certifying doctor or ZUS medical board establish that total incapacity for work is permanent, the eligible person is entitled to a **permanent social pension**. However, if they establish incapacity for work for a definite period, the person concerned is entitled to **periodic social pension** (for the period indicated in ZUS decision). Persons interested in extension of their social pension period, should apply for re-establishment of the right to this benefit.

The social pension amounts to 100% of the minimum pension in respect of total incapacity for work, i.e. PLN 1,338.44.

ZUS will reduce the social pension by the amount of the excess when the eligible person has earned in a given month an income higher than 70% of the average monthly wage/salary for the previous quarter and has not exceeded 130% of that remuneration.

ZUS will pay the social pension in full if the eligible person has earned in a given month an income lower than 70% of the average monthly wage/salary for the preceding calendar quarter. It is announced by the President of the Statistics Poland (GUS).

Starting from 1 January 2022, in the case of obtaining income from activities subject to compulsory social insurance, a social pensioner will be able, without consequences for the amount of the pension, to obtain income amounting to up to 70% of the average wage/salary (from 1 September 2022 – PLN 4,309.40), while the social pension will be suspended in the case of obtaining such income in the amount exceeding 130% of the average wage/salary (PLN 8,003.20). Income between 70% and 130% of the average wage/salary will result in a reduction of the social pension, but not more than by the maximum reduction amount (from 1 March 2022 – PLN 691.94).

ZUS issues decisions on social pensions and pays these benefits. They are financed from the state budget.

If a person is entitled to both a social pension and a survivors' pension, ZUS reduces the social pension. The total amount of both benefits may not exceed 200% of the minimum pension in respect of total incapacity for work, that is PLN 2,676.88. At the same time, the amount of social pension may not be lower than 10% of the minimum pension in respect of total incapacity for work, that is PLN 133.84. When the amount of the survivors' pension exceeds 200% of the minimum pension in respect of total incapacity for work, the social pension is not granted.

In 2021, ZUS paid social pensions to 289.4 thousand people. The total amount of benefits was PLN 4,274.3 million.

## 5.8. Pre-retirement benefit

In 2021, the total amount of pre-retirement benefits was PLN 878.3 million. They are financed by the Labour Fund. They are granted to people who have the status of an unemployed person and meet the conditions concerning, inter alia, the mode of employment relationship termination, age and insurance period.

A person who is in one of the following situations may be entitled to the pre-retirement benefit:

### Situation 1

- the employment or service relationship has been terminated due to liquidation or insolvency of the employer,
- employment with this employer had lasted at least 6 months,
- before the date of termination of employment or service relationship with that employer:
  - the person concerned had reached at least the age of 56 years (woman) or 61 years (man),
  - his/her qualifying insurance period was at least 20 years (woman) or 25 years (man).

### Situation 2

- the employment or service relationship has been terminated for reasons attributable to the work establishment,
- employment with this employer had lasted at least 6 months,
- before the date of termination of employment or service relationship with that employer:
  - the person concerned had reached at least the age of 55 years (woman) or 60 years (man),
  - his/her qualifying insurance period was at least 30 years (woman) or 35 years (man).

### Situation 3

- the person concerned had been continuously running a non-agricultural business activity for at least 24 months and had been paying the social insurance contributions for this period,
- he/she has declared bankruptcy,
- on or before the date of bankruptcy declaration:
  - he/she had reached at least the age of 56 years (woman) or 61 years (man),
  - his/her insurance period was at least 20 years (woman) or 25 years (man).

### Situation 4

- the person concerned has registered with the competent *poviat* (district) labour office within 30 days of the day of cessation of the disability pension entitlement, which he/she had been receiving continuously for at least 5 years,
- on or before the day of cessation of the disability pension entitlement:
  - he/she had reached at least the age of 55 years (woman) or 60 years (man),
  - his/her qualifying insurance period was at least 20 years (woman) or 25 years (man).

### Situation 5

- the person concerned has registered with the competent *poviat* (district) labour office within 60 days of the day of cessation of the entitlement to one of the following benefits:
  - nursing benefit,
  - special care allowance,
  - carer's allowance,
- had been receiving one of these benefits continuously for at least 365 days, provided that the loss of the entitlement was caused by the death of the person he/she had cared for,
- on or before the day of cessation of entitlement to one of these benefits:
  - he/she had reached at least the age of 55 years (woman) or 60 years (man),
  - his/her qualifying insurance period was at least 20 years (woman) or 25 years (man).

### Situation 6

- the employment relationship has been terminated for reasons attributable to the work establishment,
- the person concerned had been employed there for at least 6 months,
- before the date of termination of the employment relationship, his/her qualifying insurance period was at least 35 years (woman) and 40 years (man).

### Situation 7

- the employment or service relationship has been terminated due to liquidation or insolvency of the employer,
- the person concerned had been employed with that employer for at least 6 months,
- until 31 December of the year preceding the termination of the employment or service relationship, his/her qualifying insurance period was at least 34 years (woman) or 39 years (man).

A person who is in one of these seven situations will be entitled to the pre-retirement benefit if he/she has been receiving unemployment benefit for at least 180 days and meets all of the following conditions:

- is still registered as an unemployed person,
- within the period of receiving unemployment benefit has not refused, without justified reason, a proposal of suitable employment or other gainful work or intervention works and public works,
- within 30 days of the date of issue by the *poviat* (district) labour office of a document certifying that he/she has been receiving unemployment benefit for 180 days, he/she applied for pre-retirement benefit.

As from 1 March 2021, the amount of the pre-retirement benefit is PLN 1,262.34 and is subject to periodic adjustment.

In 2021, ZUS paid the pre-retirement benefits to 59.4 thousand people. The total amount of these benefits was PLN 878.3 million. The benefits are financed from the Labour Fund.

## 5.9. Sick pay and sickness allowance

**The sick pay** and **sickness allowance** are payable to the employee for periods of incapacity for work or isolation due to communicable disease.

The sick pay is financed by the employer. The employer pays it to the employee for the first 33 days of incapacity for work in a calendar year. In the case of an employee who has not reached the age of 50 years, sick pay is payable for the first 14 days in a calendar year (after the year in which the employee turns 50).

**The sick pay is payable in the following amounts:**

- 80% of the assessment basis (labour regulations binding a given employer may provide for a higher pay in this respect),
- 100% of the assessment basis, if incapacity for work:
  - was a result of accident on the way to or from work,
  - occurs in the period of pregnancy,
  - is a result of the employee undergoing necessary medical examinations provided for candidates for donors of cells, tissues and organs or the procedure of their collection.

The right to the sick pay is acquired by employees after 30 days of uninterrupted insurance (the so-called waiting period).

The right to sick pay in the same way as employees also applies to out-workers and persons undergoing alternative military service.

The amount of the sick pay is calculated under the rules used to calculate the sickness allowance assessment basis. The sick pay is based on the monthly remuneration from the recent 12 months preceding the month when incapacity for work occurred. If the incapacity for work occurred before the lapse of 12 months, the employer establishes the assessment basis based on the actual period of employment for full calendar months. When establishing the assessment basis, the employer takes into account the remuneration on which the sickness insurance contribution was calculated, and reduces it by the deducted social insurance contributions.

The employee is entitled to the **sickness allowance** after cessation of the sick pay period, i.e., respectively, from:

- 34th day of incapacity for work in a calendar year,
- 15th day of incapacity for work in a calendar year if the employee is over 50 years of age.

The right to sickness allowance from compulsory insurance is granted after 30 days of the waiting period.

A person who has voluntarily joined the sickness insurance (e.g. a self-employed person, a freelancer/contractor) has the right to the sickness allowance already from the first day of incapacity for work. However, he/she is entitled to the sickness allowance only after completing the waiting period of 90 days.

Previous periods of sickness insurance coverage, both compulsory and voluntary, are included in the waiting period in the following situations:

- when the interval between the current and the previous period did not exceed 30 days,
- when the interval between the current and the previous period was due to:
  - child-care leave,
  - unpaid leave,
  - active military service of a non-professional soldier.

**Certain groups of insured persons are entitled to sickness allowance from the first day of sickness insurance. These are:**

- graduates of schools or tertiary level schools if they have been covered by sickness insurance or have joined sickness insurance within 90 days of the date of graduation or obtaining a higher education diploma,
- persons whose incapacity for work was a result of accident on the way to or from work,
- persons who are compulsorily insured and have previously been covered by compulsory sickness insurance for at least 10 years,



- Members of Parliament who have joined sickness insurance within 90 days of the date of term expiry,
- persons who have completed their training at a doctoral school,
- Customs Service officers who had accepted a job offer pursuant to Articles 165(7) and 167(2) of the Act of 16 November 2016 – Provisions introducing the Act on the National Tax Administration and have become employees of organisational units of the National Tax Administration.

ZUS or the employer pays sickness allowance for a maximum of 182 days, The exceptions are situations where the incapacity for work is due to tuberculosis or falls during pregnancy – then the period for which the allowance is paid is 270 days. As of 1 January 2022, for the period of incapacity for work or inability to perform work falling after the lapse of the sickness insurance coverage, sickness allowance is payable for no more than 91 days with the exception of:

- incapacity for work occurring during pregnancy,
- incapacity for work due to tuberculosis,
- incapacity for work as a result of undergoing the necessary medical examinations provided for candidates for donors of cells, tissues and organs and the procedure of collection of cells, tissues and organs.

Sickness allowance amounts to:

- 80% of the allowance assessment basis,
- 100% of allowance assessment basis, also during a period of hospital stay, if the incapacity for work:
  - was a result of accident on the way to or from work,
  - occurs during pregnancy,
  - is a result of the employee undergoing necessary medical examinations provided for candidates for donors of cells, tissues and organs or the procedure of their collection.

If incapacity for work was caused by accident at work or occupational disease, the insured person is entitled to sickness allowance from accident insurance. This benefit is due from the first day of insurance and from the first day of incapacity for work. It amounts to 100% of the assessment basis.

The basis of assessment of sickness allowance payable to an employee is an average monthly remuneration from 12 calendar months preceding the month when incapacity for work had occurred. A sickness insurance contribution had to be calculated on this remuneration, and the remuneration had to be reduced by social insurance contributions.

And the assessment basis of allowance payable to an insured person who is not an employee is the average monthly income from 12 calendar months before the incapacity for work has occurred. The income on which the sickness insurance contribution was calculated is taken into account, and reduced by social insurance contributions.

If incapacity for work occurred before the lapse of 12 calendar months, allowance assessment basis is calculated based on actual employment or insurance period for full calendar months.

The right to sick pay or sickness allowance is vested in persons to whom a doctor issues a certificate of temporary incapacity for work. Since 1 December 2018, certificates may be issued only in electronic form (the so-called e-ZLA).

The Social Insurance Institution pays sickness allowance to employees of work establishments that report no more than 20 employees for sickness insurance. However, in work establishments with more than 20 employees reported for sickness insurance, sickness allowance is paid by the employer during the period of insurance.

In 2021, an amount of PLN 24,527.0 million was paid due to sickness absenteeism.

In 2021, the Social Insurance Fund paid for 154.7 million days of absence due to sickness.

### 5.9.1. Control of correctness of certifying temporary incapacity for work

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The Act on cash social insurance benefits in respect of sickness and maternity introduced provisions aimed at strengthening the control of correctness of certifying the incapacity for work and control of taking advantage of sick leaves. Their aim was also to rationalise expenditure on these benefits. To achieve this aim, the following measures have been introduced:

- the right to allowance due to incapacity for work after cessation of sickness insurance has been restricted,
- the basis for allowance assessment after cessation of sickness insurance has been limited to 100% of the average wage/salary from the previous quarter,
- a waiting period has been introduced:
  - 30 days for persons insured compulsorily,
  - 90 days for persons insured voluntarily.

The Social Insurance Institution controls the correctness of certifying temporary incapacity for work and the correctness of use of sick leaves. The use of sick leaves may be also monitored by allowance payers.

In 2021, ZUS carried out 353.2 thousand such inspections. Due to improper use of sick leaves, it suspended payment of sickness allowances to 18.3 thousand people in the amount of PLN 15.1 million.

ZUS must also reduce the assessment basis for sickness allowance and rehabilitation benefit when the insurance entitlement has ceased. The total amount of benefits reduced in this respect in 2021 for 155.9 thousand people was PLN 176.2 million.

The total amount of sickness insurance benefits reduced and withdrawn in 2021 was PLN 191.2 million.

## 5.10. Rehabilitation benefit

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**The rehabilitation benefit** is granted to a person who is covered by sickness insurance and has already used up the entire sickness allowance, but is still incapable of work. However, the benefit will only be granted if further treatment or rehabilitation can help the person restore his/her earning capacity.

The rehabilitation benefit is payable for a maximum of 12 months, It amounts to:

- 90% of the assessment basis of the sickness allowance during the first 90 days of its receipt,
- 75% of this basis for the remaining period,
- 100% of this basis, if the incapacity for work occurs during pregnancy.

The rehabilitation benefit from accident insurance in the event of incapacity for work caused by accident at work or occupational disease is payable to persons covered by accident insurance. It amounts to 100% of the assessment basis.

The rehabilitation benefit is not available, inter alia, to persons entitled to:

- old-age pension,
- disability pension,
- unemployment benefit,
- pre-retirement allowance,
- pre-retirement benefit,
- health leave,
- teachers' compensatory benefit.

The benefit is also not available to persons on unpaid leave or parental leave, or to persons who have an established right to an old-age or invalidity pension under the Act of 10 December 1993 on pension provision for professional soldiers and their families or the Pension Provision Act.

The decision whether the health condition justifies granting the rehabilitation benefit is made by ZUS certifying doctor. The person concerned who does not agree with his/her decision, may appeal to ZUS medical board. He/she must do so within 14 days of the date the decision was received. In turn, the president of ZUS may raise an objection that the decision is defective and refer the case to ZUS medical board for consideration. He/she may do it within 14 days after ZUS certifying doctor had issued the decision.

The assessment basis for the rehabilitation benefit is equal to the assessment basis for the sickness allowance after adjustment.

In 2021, an average of 93.2 thousand people received a rehabilitation benefit per month. Its monthly average amount was PLN 2,064.14.

The expenditure on the rehabilitation benefit in 2021 amounted to PLN 2,309.2 million.

The Social Insurance Institution pays the rehabilitation benefit to employees of work establishments that report no more than 20 employees for sickness insurance. However, in work establishments with more than 20 employees reported for sickness insurance, the rehabilitation benefit is paid by the employer during the period of insurance.

## 5.11. Compensatory allowance

**The compensatory allowance** is granted to an employee whose remuneration has been reduced because he/she has undergone vocational rehabilitation aimed at adaptation or training for a specific job.

The need for rehabilitation is certified by ZUS certifying doctor or by a voivodship occupational medicine centre.

The eligible person receives the compensatory allowance from sickness insurance. An exception is a person who has undergone vocational rehabilitation as a result of accident at work or occupational disease – he/she receives the allowance from the accident insurance.

The compensatory allowance is not granted for periods of:

- incapacity for work due to sickness,
- care,
- maternity allowance,
- incapacity for work for which a rehabilitation benefit is payable,
- unpaid absence from work for other reasons.

The compensatory allowance will not be granted to a person who is entitled to an old-age pension, disability pension or teachers' compensatory benefit, as well as to a person who has an established right to an old-age or invalidity pension under the Act of 10 December 1993 on pension provision for professional soldiers and their families or the Pension Provision Act.

The amount of the allowance, payable both from sickness and work accident insurance, is equal to a difference between average monthly remuneration from the period of 12 months preceding rehabilitation and the reduced monthly remuneration for work received by the person insured in conditions of vocational rehabilitation. The allowance is payable for a maximum of 24 months.

The expenditure on the compensatory allowances in 2021 amounted to PLN 724.7 thousand.

The Social Insurance Institution pays the compensatory allowance to employees of work establishments that report no more than 20 employees for sickness insurance. However, in work establishments with more than 20 employees reported for sickness insurance, the compensatory allowance is paid by the employer during the period of insurance.

## 5.12. Maternity allowance

**The maternity allowance** is granted to a person who is covered by sickness insurance and has become a mother or a father or has taken the child to be brought up.

The maternity allowance is granted during the period defined in the Labour Code as the period of:

- maternity leave,
- leave under maternity leave conditions,
- parental leave,
- paternity leave.

The legislation does not provide for a waiting period.

The **maternity allowance for the period of maternity leave** is granted to the insured woman who gave birth to a child. The mother may resign from receiving the allowance after taking at least 14 weeks of the leave after the birth, in which case the allowance will be due to the insured father of the child who has interrupted his gainful activity to take care of the child personally.

If a woman dies or abandons the child, the maternity allowance is due to the insured father of the child or another insured member of the immediate family. However, they must cease their employment or other gainful activity in order to take care of the child personally.

These persons are also entitled to the maternity allowance if the mother holds a decision on incapability of independent existence or a decision on severe degree of disability and for this reason cannot look after her child. In this case, they must also cease their employment or other gainful activity.

The allowance may also be granted to an insured woman if she gives birth to a child after the insurance has ceased. This will be the case if the employment ceased during pregnancy, and the reason for this was the death, the declaration of bankruptcy or liquidation of the employer or a violation of the law established by a valid court decision. If the employer has died, has been declared bankrupt or liquidated and the pregnant female employee was not provided with other employ-

ment, she is entitled to an allowance in the amount of the maternity allowance until the day of childbirth.

If the insured mother of a child requires hospital care and cannot take care of the child, she may stop receiving the allowance 8 weeks after the birth. During this period, an insured father of the child may take advantage of the maternity allowance. The father and mother are entitled to one total period of the maternity allowance for the period of maternity leave.

**The maternity allowance for the period of leave on the conditions of maternity leave is payable to a person who:**

- has taken for upbringing a child under 7 years of age, or a child under 10 years of age in relation to whom compulsory schooling has been deferred – and has applied to the guardianship court for adoption,
- has taken for upbringing within a foster family a child under 7 years of age, or a child under 10 years of age in relation to whom compulsory schooling has been deferred (the person who runs a professional foster family will not receive the benefit).

The period of payment of the **maternity allowance due to the birth of a child or taking the child to be brought up for the period of maternity leave or leave under the conditions of maternity leave** depends on the number of children born in one delivery or taken to be brought up at the same time. It is equal to:

- 20 weeks – if one child is born or taken to be brought up,
- 31 weeks – if 2 children are born in one delivery or taken to be brought up at the same time,
- 33 weeks – if 3 children are born in one delivery or taken to be brought up at the same time,
- 35 weeks – if 4 children are born in one delivery or taken to be brought up at the same time,
- 37 weeks – if at least 5 children are born in one delivery or taken to be brought up at the same time.

The allowance is not granted to children taken to be brought up who are more than 7 years old or children over 10 in relation to whom compulsory schooling has been deferred. The minimum period of the maternity allowance payment when a person takes children to be brought up is 9 weeks.

The maternity allowance is also payable for the period of the **parental leave**.

Employees are entitled to the parental leave immediately after their maternity leave, while the insured persons not being employees are entitled to the leave immediately after they have used up the maternity allowance for the period corresponding to this leave.

Parents can divide the leave between themselves into up to 4 parts, each being a multiple of the week. They must fall either immediately one after other or immediately after the maternity allowance for the period corresponding to part of the parental leave.

Each of these 4 parts should last at least 8 weeks. Exceptions are the following:

- the first part; if one child is born, it must be a minimum of 6 weeks, and if the insured person has taken one child to be brought up – a minimum of 3 weeks,
- the last part, if less than 8 weeks are left until the end of the whole leave.

A maximum of 16 weeks of parental leave may be taken on a date which does not fall immediately after the previous part of the leave or after the maternity allowance has been used for the period corresponding to that part of the leave. In that case, the leave may be taken no later than the end of the calendar year in which the child turns 6.

In order to be entitled to the maternity allowance after a break, at least one part of the maternity allowance must be taken for the period of parental leave, which falls immediately after the maternity allowance for the period of maternity leave. The leave after the break is granted in maximum 2 parts. Their duration is determined on the same basis as for other parts of the parental leave.

The maternity allowance for the period of the parental leave is granted for a maximum of:

- 32 weeks – when one child is born or taken to be brought up,
- 34 weeks – when at least 2 children are born in one delivery or taken to be brought up at the same time,
- 29 weeks – when the employee has taken a child to be brought up and is entitled to leave on conditions of the maternity leave at a minimum rate of 9 weeks.

Both parents may also take advantage at the same time of the maternity allowance for the period corresponding to the period of parental leave, however, the total period of payment of the allowance to both parents may not exceed 32, 34 or 29 weeks respectively.

An insured father of the child or a man taking the child to be brought up is entitled to the **maternity allowance for the period of paternity leave**. It is up to 2 weeks. The father must take the leave before the child is 24 months old, and the man taking the child to be brought up – before 24 months have elapsed since the adoption court's decision had become final and before the child turns 7 or 10 – with regard to the child in relation to whom compulsory schooling has been deferred.

Paternity leave and maternity allowance for the duration of this leave may be taken by the father either once or in 2 parts. Each of these must last at least one week. The parts do not have to be taken directly one after other or after the maternity allowance for the period of the leave.

The **amount of the maternity allowance** is 100% of the basis of assessment for the period corresponding to the period of:

- maternity leave,
- leave under maternity leave conditions,
- paternity leave,

- parental leave for:
  - the first 6 weeks of the parental leave – when one child was born in one delivery or taken to be brought up,
  - the first 8 weeks of the parental leave – when at least 2 children were born in one delivery or taken to be brought up at the same time,
  - the first 3 weeks of parental leave with a minimum of 9 weeks – when the insured person takes advantage of the maternity allowance because he/she has taken the child to be brought up.

However, for the remaining period of the parental leave after taking 6, 8 or 3 weeks, the allowance is granted in the amount of 60% of the basis of its assessment.

The maternity allowance may amount to 80% of the basis of assessment for the whole period of the maternity leave (or the leave under the conditions of the maternity leave) and the parental leave. This is the case if, no later than 21 days after the birth, the insured person has submitted a written request to be granted full parental leave immediately after the maternity leave.

This rule also applies to:

- insured persons who are not employees,
- persons who receive the maternity allowance for the period after the cessation of insurance,
- persons who receive the maternity allowance during the parental leave and a request of payment of this allowance for the period of the maternity leave and the parental leave in full-time is submitted no later than 21 days after the birth.

If the mother had been receiving an allowance in the amount of 80% of the basis of assessment, but resigned from that allowance for the period of parental leave, she may receive a one-off adjustment of the allowance up to 100% of the assessment basis. Then the allowance which has not been used by the mother may not be claimed by the insured father of the child.

An employee may simultaneously work and take the parental leave – this applies to a combination of leave and work of no more than half of full time. The amount of the maternity allowance is then reduced in proportion to the working time in which the person concerned is employed when taking the parental leave.

The basis of the maternity allowance assessment is calculated in the same way as the basis of the sickness allowance assessment. The average remuneration from 12 months preceding the birth or taking the child to be brought up is taken into account. If the insured person has not worked the full 12 months, the remuneration for the actual period of employment is taken into account.

The expenditure on the maternity allowances in 2021 amounted to PLN 9,023.0 million.

The Social Insurance Institution pays the maternity allowance to employees of work establishments that report no more than 20 employees for sickness insurance. However,



in work establishments with more than 20 employees reported for sickness insurance, the maternity allowance is paid by the employer during the period of insurance.

## 5.13. Care allowance

**The care allowance** is granted to an insured person for the period of release from work due to the necessity to take personal care of a family member.

The insured person receives care allowance when he/she takes personal care of:

- a healthy child under 8 years of age if:
  - the institution (nursery, kindergarten, school or children’s club), attended by the child, has been unexpectedly closed,
  - one of the spouses or parents of a child who is constantly taking care thereof is not able to take care of the child because of sickness, childbirth or hospitalisation,
  - a day carer or nanny, with whom parents have concluded an activation agreement, falls ill,
- a child with disabilities (who has a certificate of severe degree of disability or a certificate of disability together with the indication of: the need for permanent or long-term care or assistance of another person in connection with a significantly limited ability of independent existence and the need for permanent participation of the child’s carer in the process of his/her treatment, rehabilitation and education on a daily basis), who is under 18 years of age, when one of the spouses or parents of the child who constantly cares for him/her is not able to provide care due to sickness, childbirth or hospitalisation,
- a sick child with a disability who is under 18 years old,
- a sick child under 14 years old,
- other sick member of the family, including a child over 14 years old.

The following shall be considered as children:

- the insured person’s own children or his/her spouse’s children,
- adopted children,
- children taken for upbringing and maintenance.

The following persons shall be considered as family members if they share a household with the insured person during the period of their care:

- husband or wife,
- parents,
- other parent of the child,
- stepmother,
- parents-in-law,
- grandparents,

- grandchildren,
- siblings,
- children over 14 years old.

The right to the care allowance is acquired by the insured person immediately after being covered by sickness insurance.

The care allowance is granted to the mother and father of the child. However, it is paid only to one of the parents – the one who takes care of the child and claims the allowance for a given period. Every person who is covered by sickness insurance (both compulsory and voluntary) is entitled to the care allowance.

The person insured is awarded the allowance only in absence of other persons in the common household who could take care of the child or of other family member. The exception is care for a sick child under 2 years of age. If this is the case, the care allowance is due even if other members of the family can look after the child.

The family members living in a common household who could provide care do not include (inter alia):

- a person completely incapable of work,
- sick person or person who due to age is physically or mentally disabled,
- a person running a business.
- a person running a farm,
- a person being an employee resting after working the night shift,
- a person not obliged to provide care under the provisions of the Family and Guardianship Code, if he/she refuses to provide care.

The care allowance is granted for a maximum of:

- 60 days per calendar year if the insured person takes care of a healthy child up to the age of 8 years or of a sick child up to the age of 14 years, including a disabled child at that age,
- 14 days per calendar year if the insured person takes care of a sick family member, including a sick child over 14 years of age,
- 30 days per calendar year if the insured person takes care of:
  - a sick child with a disability who is 14 years old but is under 18,
  - a child with a disability who is over 8 years old but is under 18 if the spouse of the insured person or the parent of the child who is permanently looking after the child cannot look after him/her due to sickness, childbirth or hospitalisation.

If in a calendar year, the insured person takes care only of a disabled child and other sick family members (and there are no other children under 14 years of age), the care allowance is granted for a maximum of 30 days in a calendar year, including a maximum of 14 days for taking care of sick family members.

The total allowance period in respect of care of children and other family members may not exceed 60 days in a calendar year. It does not depend on the number of persons entitled to the allowance, number of children or family members who require care.

The insured father of the child or another insured member of the immediate family (e.g. the child's grandmother) may also be entitled to an additional care allowance.

It may be granted for a maximum of 8 weeks (56 days) after the birth of the child. Such an allowance is granted to the father or another member of the immediate family if he/she personally takes care of the new born child and has stopped working for this purpose, because the child's mother:

- is in hospital at the time,
- has a decision on incapability of independent existence or a decision on severe degree of disability,
- has abandoned the child.

The period of receipt of the additional care allowance is not included in the limit of 60 days and 14 days in the calendar year for which the care allowance is due.

In order for the insured person to be entitled to the care allowance for a sick family member, a doctor must issue an electronic medical certificate of incapacity for work, which confirms the sickness of the family member.

The maternity allowance is payable at the rate of 80% of the basis of sickness allowance assessment. The basis of assessment of this allowance is calculated in the same way as the basis of the sickness allowance assessment.

The expenditure on care allowances in 2021 amounted to PLN 1,728.8 million.

The Social Insurance Institution pays care allowances to employees of work establishments that report no more than 20 employees for sickness insurance. However, in work establishments with more than 20 employees reported for sickness insurance, the care allowance is paid by the employer during the period of insurance.

### **5.13.1. Additional care allowance**

Additional care allowance is granted to an insured person for the period of release from work due to the necessity of taking personal care of the child or a disabled adult in connection with the closure of facilities attended by children or disabled adults due to COVID-19 pandemic. The right to receive the additional care allowance is determined periodically by means of a regulation of the Council of Ministers – in 2022, additional care allowance was paid for 36 days, i.e. from 2 to 9 January and from 1 to 27 February.

#### **5.13.1.1. Care for children under 8 years of age**

Parents of children under 8 years of age are entitled to the additional care allowance if the parent provides personal care for the child in the event of:

- the closure of a nursery, children's club, kindergarten, school or other facility attended by the child due to COVID-19,

- opening of these facilities when they cannot provide care because of their limited operation during the COVID-19 (e.g. because the school operates in a hybrid system); or
- the inability of a nanny to provide care or the inability of a day carer to provide care due to COVID-19.

### 5.13.1.2. Childcare for disabled children

The additional care allowance due to the closure of a nursery, children's club, kindergarten, school or other facility attended by a child, but also in the event of their opening when these facilities cannot provide care, or when a nanny or day carer cannot provide care due to COVID-19, is available to insured parents of children:

- under 16 years of age who hold a disability certificate,
- under 18 years of age who hold a certificate of moderate or severe degree of disability,
- under 24 years of age, who hold a decision on the need for special education.

This also applies to parents or guardians of adults with disabilities released from work due to the need to provide care for such a person in the event of closure due to COVID-19 of a facility attended by an adult with disabilities, i.e. a school, a remedial and educational centre, a support centre, an occupational therapy workshop or another day-care centre of a similar nature. The additional care allowance for providing care to adults with disabilities is also granted if the facility is open, but cannot provide care, e.g. due to a limitation in the number of participants.

The period for which the additional care allowance is granted is not included in the limit of 60 days, 30 days or 14 days respectively in a calendar year for which the care allowance is granted under the general rules.

The additional care allowance is granted under the procedure and on the terms laid down for the care allowance.

## 5.14. Nursing supplementary allowance

**The nursing supplementary allowance** is granted to a person entitled to a pension when he/she is completely incapable of work and of independent existence, or has reached the age of 75 years.

The right to the nursing supplementary allowance is confirmed by a certificate of total incapacity for work and incapability of independent existence issued by ZUS certifying doctor or ZUS medical board. The right to the nursing supplementary allowance – under the general rules – is also granted to persons entitled to the bridging pension and teachers' compensatory benefit.

Persons who are over 75 years of age are granted the nursing supplementary allowance by ZUS *ex officio*.

This benefit is paid by ZUS. It is financed from the Social Insurance Fund and from the state budget.

As from 1 March 2022, the nursing supplementary allowance has been fixed at PLN 256.44 per month.

## 5.15. Supplementary allowance to the survivors' pension for double orphans

The **supplementary allowance to the survivors' pension for double orphans** is payable to a person entitled to a survivors' pension who has lost both parents or whose mother has died and the father is unknown.

From 1 March 2022 the supplementary allowance to the survivors' pension for double orphans has been fixed at PLN 481.97 per month. It is adjusted on the same dates as pensions. It is payable from the same fund from which the orphan receives a survivors' pension (disability or accident pension fund).

## 5.16. Funeral grant

The **funeral grant** is paid to cover funeral expenses.

This benefit is due in case of death of:

- the insured person,
- the retired person,
- the (disability) pensioner,
- members of their families,
- persons who have fulfilled the conditions for a pension.

The funeral grant is also awarded in respect of the death of the insured person after the end of insurance, if the death occurred during the period of receiving the sickness allowance, rehabilitation benefit or maternity allowance.

The funeral grant amounts to maximum PLN 4,000. It is granted to persons or entities that have covered the funeral costs.

If the funeral costs were incurred by a family member of the deceased, he/she is entitled to the grant in full amount. It is not important what the actual expenses were.

On the other hand, if the funeral costs were covered by a person from outside the family (e.g. neighbour, employer) or an entity (e.g. a residential care home, municipality, *poviat*, legal person, church or religious association), the funeral grant is payable in the amount of documented funeral costs, maximum PLN 4,000. If the costs were incurred by several persons or entities, the funeral grant is divided among them in proportion to their share.

In 2021, 444.7 thousand funeral grants were paid in a total amount of PLN 1,776.5 million.

## 5.17. Lump-sum compensation in respect of an accident at work

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**The lump-sum compensation** in respect of an accident at work is due to an insured person who has suffered permanent or long-term injury as a result of accident at work or occupational disease.

**The permanent bodily injury** refers to such a disturbance of the body condition which results in an impairment of body functions and excludes improvement of the patient's health condition.

In turn, **the long-term bodily injury** is such a disturbance of the body condition which results in an impairment of body functions for over 6 months. After this time, the improvement of a patient's health condition is possible.

The amount of the compensation depends on the degree of bodily injury. It is determined in percentage by ZUS certifying doctor or ZUS medical board.

From 1 April 2022, an injured person has been entitled to compensation of PLN 1,133 for each per cent of permanent or long-term bodily injury.

A person, who has been recognised as completely incapable of work and of an independent existence as a result of an accident at work or occupational disease, is entitled to a lump-sum compensation of PLN 19,819.

Lump-sum compensations are payable by ZUS. They are financed from the accident fund within the Social Insurance Fund and from the state budget.

In 2021, FUS paid out lump-sum compensations for a total of PLN 307.0 million.

## 5.18. Other benefits and refunds in respect of an accident at work or occupational disease

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The insured person who has sustained an accident at work or contracted an occupational disease, may claim an additional support from ZUS.

The Social Insurance Institution may cover the costs of:

- effects of accident at work or occupational disease connected with dentist services and prophylactic vaccinations, to which the insured person was referred by ZUS certifying doctor at the request of the attending physician (if such costs are not subject to refund under separate legislation),
- medical devices – to an amount equal to that financed by the insured person, fixed by the legislation on health care benefits financed by public funds.

# 6. Social insurance of farmers



## 6.1. System organisation

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The legal and organisational framework of the system was laid down in the Act of 20 December 1990 on the social insurance for farmers. On its basis, the Agricultural Social Insurance Fund (*Kasa Rolniczego Ubezpieczenia Społecznego, KRUS*) was established.

The Agricultural Social Insurance Fund is managed by its president, who reports to the minister in charge of rural development. KRUS president is appointed and dismissed by the president of the Council of Ministers. His/her appointment takes place at the request of the minister in charge of rural development.

The Farmers' Social Insurance Council represents the interests of all insured persons and beneficiaries, which concern insurance and the activity of the Agricultural Social Insurance Fund.

The Farmers' Council, consisting of 25 members, is appointed for a three-year term of office by the minister in charge of rural development from among the candidates proposed by social and professional organisations of farmers and the nationwide trade unions of individual farmers and by the National Council of Agricultural Chambers.

The Farmers' Council has the right to control and evaluate the activity of the Agricultural Social Insurance Fund. It may apply to state administration bodies, state institutions and bodies of local self-government units to undertake specific initiatives or actions in matters related to insurance. It also sets the amount of monthly contribution for accident, sickness and maternity insurance for one or several subsequent quarters.

The Farmers' Council gives its opinion on:

- draft legal acts regulating insurance, in particular executive acts to the Act, legal acts directly affecting the functioning of insurance,
- draft action programmes and financial plans of the Fund,
- the report on the activities of the Agricultural Social Insurance Fund and the Contributory Social Insurance Fund of Farmers.

The basic substantive activities of the Farmers' Social Insurance Council are carried out by the Praesidium and standing committees of the Farmers' Council:

- Committee for Organisation and Financial Management of the Fund,
- Committee for Prevention and Rehabilitation,
- Committee for Insurance,
- Committee for Benefits.

The Agricultural Social Insurance Fund operates on the basis of a statute appended to the Regulation No 14 of the Minister of Agriculture and Rural Development of 20 May 2010 on granting the statute to the Agricultural Social Insurance Fund (Of-

ficial Journal of the Ministry of Agriculture and Rural Development No 10, item 10, as amended) and the organisational regulations appended to Regulation No 34 of KRUS President of 21 December 2018 on adopting the organisational regulations of the Agricultural Social Insurance Fund (Official Journal of KRUS of 2018, item 35, as amended).

KRUS organisational structure includes:

- headquarters,
- 16 regional branches,
- 256 local offices,

In addition, the President of the Agricultural Social Insurance Fund is the founding and supervising authority for 6 medical rehabilitation institutions.

### **KRUS performs the following tasks:**

- dealing with matters concerning the insured persons and beneficiaries: the issues of the farmers' social insurance coverage, the assessment and collection of social insurance contributions as well as the award and payment of benefits from this insurance;
- granting and payment of pension benefits, as well as accident, sickness and maternity benefits and non-insurance benefits, which are paid in concurrence with the benefits from the farmers' social insurance;
- keeping accounts in respect of health insurance contributions for farmers and their family members, as well as farmers' helpers and agricultural pensioners;
- crediting contributions to payers' accounts;
- providing the National Health Fund with information on persons insured and the health insurance contributions paid for them;
- providing the National Health Fund with information on family members of persons insured reported for health insurance;
- collecting personal income tax advance payments in respect of pensions paid, and – after the end of the tax year – calculating the personal income tax or drawing up information about the agricultural pension income received;
- performing tasks resulting from EU regulations on the coordination of the social security systems and international social security agreements and conventions, including the handling of benefits provided under these regulations;
- performing the medical certification tasks through its own two-instance medical certification system;
- providing farmers with information on agreements they may conclude when they want to stop their agricultural business;
- cooperating with government administration bodies, with foreign insurance institutions and international organisations;
- carrying out activities aimed to prevent accidents at work in agriculture and agricultural occupational diseases, including:
  - analysing the causes of these accidents and diseases,

- disseminating among insured persons the knowledge of the principles of life and health protection on the agricultural holding and of the risks of accidents and diseases in agriculture,
- taking efforts to ensure the proper production and distribution of safety measures, equipment and clothing used in agriculture;
- carrying out activities in favour of insured persons at risk of total incapacity for work on the agricultural holding or persons entitled to insurance benefits showing total incapacity for work on the agricultural holding, if there is a good prognosis as to restoration of their earning capacity as a result of medical treatment and rehabilitation;
- initiating and supporting the development of voluntary insurance.

## 6.2. System operation

In 2021, the system of social insurance for farmers covered:

- 1,134,603 insured persons (as of 31 December),
- 1,036,621 pensioners (monthly average), of which:
  - 810,964 recipients of farmers' old-age pensions and of parental supplementary benefits financed from the state budget (1,172 people),
  - 183,887 recipients of farmers' disability pensions,
  - 41,704 recipients of farmers' survivors' pensions,
  - 65 recipients of an agricultural benefit of 50% due to overlapping with foreign benefits (GBRZ).

### Number of persons insured in KRUS as at the end of a given year and average monthly number of beneficiaries in 2002–2021 (in millions)



## The number of KRUS beneficiaries and persons covered by farmers' social insurance in 2002–2021 (in millions)

Year	Beneficiaries (in millions)	Persons insured in millions
2002	1.79	1.55
2003	1.75	1.58
2004	1.70	1.54
2005	1.66	1.58
2006	1.58	1.61
2007	1.50	1.59
2008	1.45	1.57
2009	1.42	1.55
2010	1.37	1.53
2011	1.32	1.51
2012	1.28	1.49
2013	1.24	1.46
2014	1.19	1.43
2015	1.20	1.37
2016	1.19	1.33
2017	1.17	1.27
2018	1.15	1.23
2019	1.12	1.19
2020	1.08	1.17
2021	1.03	1.13

### Contributions within the farmers' social insurance system are paid to:

- Farmers' Pension Fund,
- Contributory Social Insurance Fund of Farmers.

**The Farmers' Pension Fund** is a state special-purpose fund. It finances, inter alia, benefits from the pension insurance and contributions to separate health insurance for farmers.

**The Contributory Social Insurance Fund of Farmers** is in turn a legal person. It finances accident, sickness and maternity insurance. The function of the management board is held *ex officio* by the President of the Agricultural Social Insurance Fund under the supervision of the Farmers' Council.

**The monthly contribution for pension insurance** for each insured person (farmer, farmer's spouse or household member) equals 10% of the basic old-age pension applicable in the last month of the previous quarter.

After old-age pension adjustment from 1 March 2021, the basic contribution for this insurance in the second quarter of 2021 was PLN 101 per month.

Farmers whose agricultural holdings cover an agricultural area of more than 50 conversion hectares pay an additional monthly contribution for the pension insurance for themselves and their spouses at the rate of:

- 12% of the basic old-age pension – the agricultural holding of less than 100 convertible ha,
- 24% of the basic pension – the holding from 100 to 150 conversion ha,
- 36% of the basic pension – the holding from 150 to 300 conversion ha,
- 48% of the basic pension – the holding over 300 conversion ha.

Only the basic pension insurance contribution is payable by the farmer for the household members. In their case, the agricultural area is irrelevant.

If the insured farmer, farmer's spouse or household member additionally runs a non-agricultural business activity or collaborates in such activity, and if he/she meets the conditions specified in the Act on social insurance for farmers, the basic monthly pension insurance contribution is equal to twice the basic contribution for this insurance.

And if the farmer, the farmer's spouse, household member or a person who is a member of the farmer's or household member's family takes personal care of a child, the contribution for the pension insurance is financed from the state budget. This may last for a maximum of 3 years from the date of the claim, not longer than until the child is 5 years old. If this person takes care of a child with a disability, the state budget finances the contributions for a maximum of 6 years from the date of application, but no longer than until the child reaches the age of 18 years.

When a farmer or a household member insured with the Agricultural Social Insurance Fund (KRUS) ceases his/her agricultural activity to care for a relative, he/she may receive a nursing benefit, a special care allowance or a carer's allowance (based on the Act of 28 November 2003 on family benefits). To have a chance to receive a pension, such a person should claim insurance coverage in KRUS for the period during which he/she will receive a given benefit. In that case – until the qualifying insurance period has reached 25 years – the costs of the pension insurance contributions are covered by the head of the municipality, mayor or city president who pays the granted benefit.

**The amount of the monthly contribution for accident, sickness and maternity insurance** is determined by the Farmers' Council. KRUS President announces its amount in the Official Gazette of the Republic of Poland 'Monitor Polski'. For each insured person (farmer, farmer's spouse, household member and farmer's helper) the farmer pays the same rate, except for farmers and household members covered by the insurance on request to a limited extent. In the second quarter of 2021 the contribution equalled PLN 42.

If someone is covered by farmers' social insurance for less than a month, the amount of both contributions is calculated in proportion to the number of days of insurance coverage in a given month.

The farmers' social insurance system provides the following cash benefits:

■ **from pension insurance:**

- farmers' old-age pension,
- farmers' disability pension,
- farmers' training pension,
- survivors' pension,
- old-age and disability pension from the social insurance of individual farmers and members of their families,
- supplementary allowances to pensions,
- funeral grant,
- maternity allowance,

■ **from work accident, sickness and maternity insurance:**

- lump-sum compensation in respect of permanent or long-term bodily injury or death as a result of an accident at work in agriculture or an agriculturally caused occupational disease,
- sickness allowance in the event of an uninterrupted period of sickness of at least 30 days' duration, but of no longer than 180 days,
- sickness allowance of an extended duration after the lapse of the 180-day period, but of no longer than 360 days.

Moreover, an important role in the social insurance system for farmers was assigned to prevention and rehabilitation activities.

**The preventive activities** of the Agricultural Social Insurance Fund are carried out in many ways. They help to reduce the number of accidents at agricultural work, eliminate their causes and prevent occupational diseases and other occupational threats to farmers. The accident rate in individual agriculture decreased from 10.9 accidents per 1000 persons insured in 2011 to 8.4 in 2021.

**The medical rehabilitation** carried out in the Agricultural Social Insurance Fund is a health benefit in kind. It is intended for persons demonstrating total incapacity for work on the agricultural holding, if there is a good prognosis as to restoration of their earning capacity as a result of medical treatment and rehabilitation, or persons at risk of total incapacity for work on the agricultural holding. It is carried out in specialised KRUS rehabilitation centres for farmers, which have the status of independent public health care facilities. Rehabilitation is voluntary and does not limit the right to spa treatment financed by the National Health Fund. Recommendation for medical rehabilitation is issued by KRUS medical expert or KRUS medical board. Rehabilitation may also be granted at the request of the attending physician, after obtaining an opinion of a regional inspector of medical certification. In 2021, 6,718 eligible persons benefited from rehabilitation. Due to the ongoing state of the epidemic in 2021, the Agricultural Social Insurance Fund has abandoned the organisation of rehabilitation treatments for farmers' children.

**Medical certification** – legally valid certificate of KRUS medical expert or KRUS medical board is the basis for issuing a positive or negative decision on granting or refusing benefits which may be awarded only in the event of certified:

- temporary incapacity for work lasting more than 180 days,
- permanent or temporary total incapacity for work on the agricultural holding,
- incapability of independent existence,
- permanent or long-term damage to health,
- advisability of vocational retraining due to permanent, total incapacity for work on the agricultural holding,
- recommendation for medical rehabilitation.

The certificate is issued by KRUS medical expert or KRUS medical board on the basis of a direct examination of the insured person and an analysis of the documentation of the earlier treatment.

KRUS medical expert or KRUS medical board may consider the case and issue a decision without examining the person if the documentation is sufficient to issue the decision and the concerned person's health condition prevents him/her from attending the examination in person.

If the concerned person's health condition, confirmed by an appropriate medical certificate, prevents him/her from attending the examination and the completed documentation does not provide grounds for consideration of the case, the examination should be carried out by KRUS medical expert at the place of residence or other place of permanent or temporary stay of the benefit claimant.

The same rule applies to the examination carried out by one of the members of KRUS medical board for its needs. The findings of this examination form the basis for the decision of the full KRUS medical board.

KRUS medical expert or KRUS medical board may refer a sickness benefit claimant to additional examinations, specialist consultation, examination by a psychologist or observation in hospital.

A total of 165,047 decisions were made in 2021, i.e.

- KRUS medical experts (first instance) issued 144,855 decisions, including:
  - 56,812 decisions on identifying / not identifying temporary or permanent incapacity for work on an agricultural holding,
  - 62,331 decisions on incapability of independent existence,
  - 13,985 decisions on sickness allowance of an extended duration after the lapse of the 180-day period and
  - 11,727 decisions on the percentage of health damage.
- And KRUS medical boards (2nd instance) issued 20,192 decisions, including:
  - 6,482 decisions on identifying / not identifying temporary or permanent incapacity to work on an agricultural holding,
  - 9,974 decisions on incapability of independent existence,
  - 1,097 decisions on sickness allowance of an extended duration after the lapse of the 180-day period and
  - 2,639 decisions on the percentage of health damage.

In addition, specialist consultant physicians provided 752 opinions.

**System financing** – the financial management of the farmers' social insurance system is based on contributions paid by farmers and a subsidy from the state budget.

In 2021, the budgetary expenditure on tasks exercised by KRUS amounted to ca PLN 18.7 billion. In 2022, in accordance with the Budget Law, the state budget expenditure in part 72 – KRUS amounts to PLN 19.2 billion, representing 3.7% of the state budget.

In 2021, the costs of the Pension Fund amount to PLN 21.2 billion. The largest part of costs were expenses on pension benefits – PLN 16.3 billion.

In turn, 2021 revenues of the Pension Fund amounted to PLN 21.3 billion.

The share of the state budget subsidy in the Pension Fund revenues amounted to 86.3%, the share of revenues from contributions – 6.7%, the share of other revenues – 7.0%. Revenues met the demand for cash required to pay benefits and covered the deduction for the Administrative Fund as well as the demand for resources from the COVID-19 Counteracting Fund.

The 2021 revenues of the Contributory Social Insurance Fund of Farmers amounted to PLN 666 million. They included:

- revenues from insurance contributions – PLN 578 million,
- other revenues – PLN 88 million.

## Expenditure on tasks exercised by KRUS in 2021 (in million PLN)

<b>I. Pension Fund, of which:</b>	<b>21,192</b>
pension benefits	16,295
old-age and other pensions	
funeral grants	237
maternity allowances	151
other benefits	752
overlapping benefits and other transfers	1,217
contribution to health insurance financed from the state budget subsidy	1,762
deduction for the Administrative Fund	626
costs of counteracting COVID-19	149
<b>II. Contributory Fund, of which:</b>	<b>552</b>
lump-sum compensations in respect of accident	59
sickness allowances	218
expenditure on insurance development	-
deduction for maternity allowances	61
deduction for the Administrative Fund	57
deduction for the Prevention and Rehabilitation Fund	31
other expenses	126



## 6.3. Benefits from the social insurance of farmers

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### 5.2.1. Benefits from pension insurance

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In 2021 the Agricultural Social Insurance Fund paid out pensions to about 1 million people (average monthly number of pensions). Expenditure on pension benefits amounted to over PLN 16.6 billion.

**The farmers' old-age pension** is granted to an insured farmer who has reached the normal retirement age (such as in ZUS, i.e. 60 years for women and 65 years for men) and has completed a sufficient qualifying insurance period. It must be at least 25 years. If someone was born before 1 January 1949, the qualifying insurance period also includes insurance periods on which the right to an old-age pension under the general system depends. A person born after 31 December 1948 will be granted by KRUS the right to the farmers' old-age pension exclusively on the basis of periods of agricultural insurance.

In addition, some insured farmers may be entitled to the farmers' old-age pension referred to as the early old-age pension. It may be granted to persons who have met the below-mentioned conditions by 31 December 2017. These are persons who by that date:

- have reached the age of 55 years (women) or 60 years (men),
- have ceased their agricultural activities,
- have completed at least 30 years' qualifying period of agricultural pension insurance.

In 2021, KRUS granted about 16 thousand pensions, including 28 thousand early pensions, while it paid out an average of about 810 thousand agricultural pensions each month, including 21 thousand early pensions.

**The farmer's disability pension** is granted to an insured person who meets all of the following conditions:

- has been subject to pension insurance for the required period (at least 5 years within 10 years before claiming the pension for persons over 30 years of age, or shorter if the person concerned is not yet 30 years old),
- is completely incapable of working on the agricultural holding, permanently or temporarily,
- total incapacity for work on the agricultural holding occurred when the claimant was subject to farmers' pension insurance.

If total incapacity for work on the agricultural holding occurred as a result of an accident at work on the agricultural holding or of an agricultural occupational disease, it is sufficient that the person concerned was insured on the day of the accident or of contracting the agricultural occupational disease.

The qualifying periods for the pension insurance include periods subject to farmers' social insurance as well as contributory and non-contributory periods – similarly as in ZUS.

Certificates of permanent and temporary total incapacity for work on the agricultural holding, which are the basis for issuing a decision on the farmers' pension, are issued by KRUS medical experts (1st instance) and KRUS medical boards (2nd instance).

An insured person who has lost the ability to carry out work on the holding personally is considered by KRUS medical expert or KRUS medical board as completely incapable of work on the holding. If the condition of the insured person does not promise the restoration of capacity for work on the holding, KRUS medical expert or KRUS medical board declares that the complete work incapacity is permanent. The KRUS then grants a permanent agricultural pension. On the other hand, if an insured person has a chance to regain the capacity for work on the agricultural holding, KRUS medical expert or KRUS medical board certify the temporary incapacity for work on the agricultural holding. In such situation KRUS grants an agricultural pension for the period indicated in the certificate.

If KRUS medical expert or KRUS medical board does not establish total incapacity for work on the agricultural holding, KRUS may restore the right to the pension if, within 18 months of the date on which entitlement to the pension ceases, the insured person again becomes completely incapable of work on the agricultural holding.

When a person who receives the farmers' pension due to incapacity for work reaches the retirement age, KRUS may grant him/her the old-age pension *ex officio*. For this to happen, the person concerned must have sufficient qualifying period of pension insurance. The old-age pension granted *ex officio* will not be lower than the disability pension that the person has been receiving.

In 2021, KRUS paid out an average of 184 thousand disability pensions every month, of which 12 thousand were pensions for disability resulting from an accident at agricultural work or an agricultural occupational disease. It means that accident pensions account for 6.5% of the total number of agricultural disability pensions.

The structure of the pensions paid is as follows: 41% of farmers' pensions are temporary pensions, and 59% – permanent pensions.

In 2021, KRUS granted ca 50 thousand pensions, including ca 2 thousand disability pensions in respect of accident at work.

The right to survivors' pensions and supplementary allowances to all types of pensions and funeral grant is acquired by the insured persons on the same principles as in ZUS.

**The survivors' pension** is the sum of 85% of the basic old-age pension and 50% of the contributory part of the benefit that the deceased was or would be entitled to.

The amount of supplementary allowances to all types of pensions and of the funeral grant is identical to that in the general system (see Sections 5.14.-5.16.).

In 2021, KRUS paid a monthly average of:

- ca 7.4 thousand supplementary allowances for double orphans,

- ca 416 thousand nursing supplementary allowances, including:
  - 211 thousand supplementary allowances due to reaching 75 years of age,
  - 205 thousand supplementary allowances due to total incapacity for work accompanied by incapability of independent existence.

In 2021, KRUS paid ca 59 thousand funeral grants.

### 6.3.2. The amount of farmers' pensions and other benefits from pension insurance

Farmers' pensions consist of 2 parts: contributory and supplementary. When someone acquires the right to a benefit, KRUS always pays out the contributory part. But it may suspend the payment of the supplementary part: in full, in 1/2 or 1/4. This is the case when the beneficiary still runs an agricultural business. What part of the pension will be suspended depends on the person's situation.

The payment of the supplementary part of the pension may also be suspended by KRUS in a situation where the pensioner receives income from an activity which results in the necessity to pay social insurance contributions. The rules for suspension for this reason are the same as in the general system.

The amount of the contributory part of farmers' pensions depends on the qualifying employment period and the insurance period, as well as on the amount of contributions that the insured person was paying for agricultural insurance in the years 1983–1990.

For each year of paying contributions for agricultural insurance, KRUS grants 1% of the basic old-age pension. From 1 March to the end of 2021 the basic old-age pension amounted to PLN 1,013.63. If in the years 1983–1990 a farmer paid contributions higher than 120% of the basic pension, KRUS grants respectively more than 1% – in proportion to the amount of the contribution paid. Periods under other insurance (e.g. on account of employment or non-agricultural business activity) are calculated at a rate of one and a half, but this does not apply to all farmers. Since 1 January 2009, for those born after 31 December 1948, KRUS has been taking into account only the agricultural insurance period.

The supplementary part is from 85% to 95% of the basic old-age pension. This depends on the duration of the insurance period adopted to determine the contributory part. In the case of early farmers' old-age pension, the amount of the supplementary part is additionally reduced by KRUS by 5% of the basic old-age pension for each year which is missing until the retirement age.

In 2021, the average pension in the agricultural system amounted to PLN 1,336.48. The average old-age pension amounted to PLN 1,339.04 (the early pension – PLN 1,259.18) and the disability pension – PLN 1,287.96 (the accident pension – PLN 1,307.50). And the average survivors' pension amounted to PLN 1,500.58 (the accident pension – PLN 1,563.00).

## Maternity allowance

The maternity allowance under the agricultural scheme is awarded to a person covered by the accident, sickness and maternity insurance and the pension insurance, or by the old-age pension insurance only, who is in one of the following situations:

- is the mother or father of a new-born child,
- has adopted a child under 7 years of age, or a child under 10 years in relation to whom compulsory schooling has been deferred,
- has taken for upbringing a child under 7 years of age, or a child under 10 years of age in relation to whom compulsory schooling has been deferred – and has applied for its adoption,
- has taken for upbringing within a non-professional foster family a child under 7 years of age, or a child under 10 years in relation to whom compulsory schooling has been deferred.

The insured father of the child is entitled to the maternity allowance only if:

- KRUS shortens for the mother the maternity allowance period at her request; however, she must receive this allowance for at least 14 weeks from the date of birth of the child,
- the child's mother dies or abandons the child, and the father takes personal care of the child.

In the event of the mother's death or abandonment of the child, the maternity allowance for the remainder of the allowance period may also be due to another insured family member who will take personal care of the child.

The maternity allowance is granted for a period of:

- 52 weeks – in case of a single birth, adoption of one child or taking one child to be brought up,
- 65 weeks – if two children have been born in one delivery or have been adopted or taken to be brought up at the same time,
- 67 weeks – if three children have been born in one delivery or have been adopted or taken to be brought up at the same time,
- 69 weeks – if four children have been born in one delivery or have been adopted or taken to be brought up at the same time,
- 71 weeks – if at least five children have been born in one delivery or have been adopted or taken to be brought up at the same time.

If a person is excluded from the agricultural insurance, he/she loses the right to maternity allowance.

The amount of the allowance does not depend on the number of children. Each eligible person is entitled to the allowance at the same rate, which is PLN 1,000 per month from 1 January 2016. In 2021, KRUS paid 12.8 thousand maternity allowances monthly.

### 6.3.3. Benefits from work accident, sickness and maternity insurance

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**The lump-sum compensation** is payable to:

- an insured (farmer, household member, farmer's helper<sup>1</sup>) who has suffered the permanent or long-term damage to health as a result of an accident at agricultural work or an agricultural occupational disease,
- family members of an insured person who has died as a result of an accident at work or an agricultural occupational disease.

After recognising an event as an accident at agricultural work, KRUS will establish a lump-sum compensation for the insured person in amount proportional to permanent or long-term health damage. It is determined as a percentage.

Certificates of the permanent or long-term damage to health are issued by KRUS medical experts (1st instance) and KRUS medical boards (2nd instance). The lump-sum compensation for 1% of the damage to health is PLN 809 from 17 May 2018, previously it amounted to PLN 700.

In 2021, KRUS paid 9,889 lump-sum compensations. The average compensation was PLN 5,948.14.

**Sickness allowance** is payable to an insured person who is incapable of work continuously for at least 30 days due to sickness. KRUS pays this benefit for no longer than 180 days. The basis for the sickness allowance payment during this period is an electronic certificate (e-ZLA), issued by a doctor authorised by ZUS.

If the insured person is still incapable of work after 180 days, the allowance period may be extended. However, there must be a chance that as a result of further treatment and rehabilitation he/she will regain his/her earning capacity. In such a situation, the allowance period will be extended by the time necessary to restore the earning capacity, though for a period of no longer than 360 days. The basis for granting and payment of sickness allowance during the period of incapacity for work that lasts for more than 180 days is a certificate issued by KRUS medical expert (1st instance) or KRUS medical board (2nd instance)

The sickness allowance amounts to PLN 10 for each day of incapacity for work on the agricultural holding.

In 2021, KRUS paid out sickness allowances for ca 21.7 million days of incapacity for work.

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More information about social insurance of farmers can be found at [www.krus.gov.pl](http://www.krus.gov.pl).

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<sup>1</sup> As of 18 May 2018, the right to one-off compensation is available to an insured farmer's helper who suffers an accident while carrying out the activities specified in the harvest assistance contract.

# 7. Other old-age pension schemes

## 7.1. Military pension provision scheme

The military pension provision scheme in Poland is financed directly from the state budget.

The rules for granting benefits are set out in the Act of 10 December 1993 on pension provision for professional soldiers and their families (Journal of Laws of 2022, item 520, as amended).

Under the military pension provision scheme, professional soldiers and their family members are entitled to:

- military old-age pension,
- military invalidity pension,
- military survivors' pension,
- pension supplementary allowances,
- funeral grant.

### 7.1.1. Military old-age pension

#### The old-age pension for a soldier who has been in service before 2 January 1999

The old-age pension for a soldier who has been in service before 2 January 1999 amounts to 40% of the assessment basis for 15 years of military service and is increased by:

- 2.6% of the assessment basis for each further year of military service,
- 2.6% of the assessment basis for each year of child-care leave, not more than 3 years in total,
- 0.7% of the assessment basis for each year of child-care leave over 3 years.

The period of child-care leave granted in the course of service, not exceeding 3 years, is included in the period of service on which the acquisition of the right to an old-age pension is dependent. Further periods of the child-care leave affect only the amount of the military old-age pension.

Service in special conditions increases the pension by 2% or 1% of the assessment basis for each year of such service – depending on the type of service performed (e.g. for service on submarines, in flying squadrons, physical counter-terrorism etc.).

The military old-age pension is increased by 0.5% of the assessment basis for each month of service on battlefields during the war or in the war zone.

The pension eligibility period of a soldier who has entered the service before 2 January 1999 is further increased by:

- 2.6% of the assessment basis for each year of contributory periods preceding the service, but not more than for 3 years of those periods,

- 1.3% of the assessment basis for each year of contributory periods over 3 years,
- 0.7% of the assessment basis for each year of non-contributory periods preceding the service.

The maximum military pension is 75% of the assessment basis and is awarded after 28 years, 6 months and 1 day of service.

Periods of employment before 1 January 1999 and periods of pension insurance contributions after 31 December 1998 falling after dismissal from service are added to the pension eligibility period if:

- the old-age pension is less than 75% of the assessment basis,
- the retired person is over 55 years old (man) or 50 years old (woman) or has become an invalid.

In the case of a soldier called up to professional military service for the first time after 1 January 1999, the military old-age pension amounts to 40% of the assessment basis for 15 years of military service and is increased by:

- 2.6% of the assessment basis for each further year of military service,
- 2.6% of the assessment basis for each year of child-care leave, not more than 3 years in total,
- 0.7% of the assessment basis for each year of child-care leave over 3 years,
- 2% or 1% of the assessment basis for each year of such service – depending on the type of service performed (e.g. for service on submarines, flying squadrons, physical counter-terrorism etc.),
- 0.5% of the assessment basis for each started month of service on battlefields during the war and in the war zone.

The old-age pension amount will be determined solely for the period of military service and periods equivalent to the military service. For periods of non-military employment, soldiers will become eligible for a second benefit under the general old-age pension scheme.

The military old-age pension for the professional soldier is assessed based on the emolument due thereto in the last month of his/her professional military service. This emolument includes:

- basic emolument according to the official position,
- supplementary allowance for long service in the army,
- permanent supplementary allowances,
- 1/12 of the additional annual emolument.

### **Old-age pension for a soldier called up to professional military service for the first time after 31 December 2012**

A soldier called up to professional military service for the first time after 31 December 2012 is entitled to a military old-age pension if, as of the date of dismissal from service, he/she has a military service record of at least 25 years.



The old-age pension for 25 years of service amounts to 60% of the assessment basis and is increased by:

- 3% for each further year of service,
- 0.5% of the assessment basis for each started month of service on battlefields during the war and in the war zone.

The periods of service on which the acquisition of the right to an old-age pension depends also include the period of child care leave granted in the course of service, of total duration not exceeding 3 years.

The military old-age pension will be calculated only for periods of service and periods equivalent to military service. However, for his/her periods of professional activity outside the service, the soldier will receive a second old-age pension from the general system.

The maximum amount of the military old-age pension is 75% of the basis of its assessment.

The basis of the old-age pension assessment is an average emolument of a soldier due for the consecutive 10 calendar years chosen by the soldier.

If the soldier does not indicate the consecutive calendar years, the basis of military old-age pension assessment is an average emolument due for the consecutive 10 calendar years preceding the year of dismissal from service.

### 7.1.2. Military invalidity pension

The military invalidity pension is granted to a soldier dismissed from the professional military service who has become an invalid due to permanent or long-term physical or mental impairment:

- during service,
- within 3 months of dismissal from the service if the invalidity results from an injury sustained in the course of service or from diseases protracted during that time, or
- within 3 years of dismissal from the military service, if the invalidity results from an accident in connection with active military service or from a disease arising from specific characteristics or conditions of the military service.

With regard to the degree of the physical or mental impairment the military invalids are divided into 3 groups:

- group I – includes soldiers who, as a result of the physical or mental impairment, are incapable of the professional military service and of performing any professional work,
- group II – includes soldiers who, as a result of the physical or mental impairment, are incapable of the professional military service, but are only partially incapable of professional work,
- group III – includes soldiers who, as a result of the physical or mental impairment, are incapable of professional military service but are capable of professional work.

If the invalidity has occurred in connection with performing the military service and the military old-age pension is lower than 75% of the assessment basis, the basis of the benefit is increased by maximum 15%.

The invalidity pension for invalids included in:

- group I equals 80% of the assessment basis,
- group II – 70% of the assessment basis,
- group III – 40% of the assessment basis.

The basis of assessment of the invalidity pension is the same as in the case of the military old-age pension.

The military invalidity pension is increased by 10% of the assessment basis for invalids whose invalidity resulted from an accident related to the military service or a disease resulting from the specific characteristics of the military service, for which they are entitled to compensatory benefits. In such a case, the invalidity pension, together with an increase, will amount to:

- group I – 90% of the assessment basis,
- group II – 80% of the assessment basis,
- group III – 50% of the assessment basis.

### 7.1.3. Military survivors' pension

The military survivors' pension has most features in common with the general old-age pension scheme. Military pension regulations only regulate the basis of assessment of the survivors' pension, while the benefit is payable according to the rules and in the amount specified in the regulations on pensions from the Social Insurance Fund:

- for 1 person – 85% of the benefit that the deceased would be entitled to,
- for 2 persons – 90% of the benefit that the deceased would be entitled to,
- for 3 or more persons – 95% of the benefit that the deceased would be entitled to.

All eligible family members have the right to one joint survivors' pension. The military survivors' pension is due to eligible family members of:

- a soldier who has died or went missing during the service,
- a soldier who has died within 3 years of his/her dismissal from service, if the death occurred as a result of injuries sustained during service or diseases protracted during that time, or if the death occurred as a result of an accident related to active military service or a disease resulting from the specific characteristics or conditions of the military service,
- a deceased military pensioner.

In case of a dead or missing soldier, the survivors' pension is determined based on the amount of the group I invalidity pension, which would have been due to that soldier on the day when he/she died or went missing, without taking into account the nursing supplementary allowance.

And the survivors' pension after the death of the military pensioner is determined based on the amount of the benefit to which the deceased would have been entitled, but not less than the amount of group II invalidity pension to which the deceased would have been entitled.

In the event that the soldier died or went missing in the course of performing official tasks outside the state borders in implementation of objectives referred to in Article 2(1) of the Act of 17 December 1998 on the principles of use or stay of the Armed Forces of the Republic of Poland outside the state borders (Journal of Laws of 2021, item 396) and if the soldier died after dismissal from service as a result of an accident or due to disease protracted in the course of performing official tasks outside the state borders – the military survivors' pension is granted to a spouse irrespective of age and health condition. In these cases, the survivors' pension is granted in the amount of the emolument of the deceased soldier.

At the same time, if the death of a soldier is connected with military service and is a consequence of a criminal act, the suspension or reduction of the survivors' pension, provided for in the Old-Age Pension Act, shall not apply to the payment of a survivors' pension in the event of achieving income from activities subject to compulsory social insurance. In this case, the survivors' pension is payable to the spouse also regardless of his/her age and health condition.

The right to pension supplementary allowances and funeral grants is acquired on the same principles and in the same amount as in the general system.

The determination and payment of pension benefits is handled by 15 military pension offices (Białystok, Bydgoszcz, Gdańsk, Katowice, Kielce, Kraków, Lublin, Łódź, Olsztyn, Poznań, Rzeszów, Szczecin, Warszawa, Wrocław, Zielona Góra).

## 7.2. Pension provision scheme for uniformed services officers

The system of pension provision described in this chapter covers officers of:

- the Police,
- the Internal Security Agency,
- the Foreign Intelligence Agency,
- the Military Counterintelligence Service,
- the Military Intelligence Service,
- the Central Anti-Corruption Bureau,
- the Border Guard,

- the Marshal's Guard,
- the State Protection Service,
- the State Fire Service,
- the Customs Service,
- the Customs and Tax Service,
- the Prison Service,

who have been dismissed from service and who are collectively referred to below as 'officers'.

The rules for granting and payment of benefits under the pension provision for officers of uniformed services are set forth in the Act of 18 February 1994 on the old-age pensions of officers of the Police, the Internal Security Agency, the Military Intelligence Service, the Military Counterintelligence Service, the Central Anti-Corruption Bureau, the Border Guard, the Marshal's Guard, the State Protection Service, the State Fire Service, the Customs and Tax Service and the Prison Service as well as their families (Journal of Laws of 2020, item 720, as amended), hereinafter referred to as the Pension Provision Act.

Pursuant to this Act, officers dismissed from service are entitled to the pension provision from the state budget in respect of their length of service or in the event of total incapacity for service, and members of their families – in the event of the death of the breadwinner.

**Within the framework of the pension provision scheme for officers the following are payable:**

- police old-age pension,
- police invalidity pension,
- police survivors' pension,
- supplementary allowances to pensions,
- funeral grant,
- social benefit,

### 7.2.1. Police old-age pension

The right to the police old-age pension is acquired by an officer dismissed from service in a formation listed in the Pension Provision Act if, on the date of dismissal from such service, he/she has completed at least:

- 15 years' service period if he/she has been first admitted to service before 1 January 2013, counted together with periods equivalent to service, with the exception of an officer who holds an established right to the old-age pension specified in the Pension Provision Act taking into account periods of service and periods equivalent to service,
- 25 years' service period if he/she has been first admitted to service after 31 December 2012, counted together with periods equivalent to service.

In particular, the following periods shall be counted as periods equivalent to service in the above-mentioned formations for **officers admitted to service before 1 January 2013**:

- service as an officer of the Citizens' Militia, the State Protection Office, the Government Protection Bureau,
- military service, taken into account when establishing the right to a military old-age pension,
- service as an officer of the Railway Protection Service, if the officer went directly into service in the Citizens' Militia or the Prison Service before 1 April 1955,
- employment or service in professional fire protection units and education in fire service schools, as a member of the Fire Service Technical Corps, and as a fire service officer before 31 January 1992,
- employment of an officer from 15 September 1999 until the date of conversion of the employment relationship into a service relationship, if the person who had performed the tasks assigned to the Customs Service received the act of appointment resulting in this conversion,
- employment in the Marshal's Guard in the following positions: guard, guard specialist for logistics, guard specialist for planning and organisation, guard specialist for technical security, firefighter, firefighter specialist for fire protection, commander of the Marshal's Guard and deputy commander of the Marshal's Guard,
- employment:
  - in separate organisational units of tax control<sup>2</sup>,
  - inspectors carrying out investigative activities, in tax control<sup>3</sup>,
- employment in the Customs Inspectorate.

#### **The basis for the assessment of the police old-age pension of an officer:**

- for the first time admitted to service before 1 January 2013 is the emolument due to the officer on the last occupied position, with the exception of an officer dismissed from the Customs Service, the Customs and Tax Service or the Marshal's Guard,
- for the first time admitted to service after 31 December 2012 or dismissed from the Customs Service, the Customs and Tax Service or the Marshal's Guard is the average emolument or salary due for the period of 10 calendar years selected by the officer. If the officer does not indicate such a period, the period of the consecutive 10 calendar years preceding the year of dismissal from service will be adopted to establish the basis for pension assessment.

### **7.2.1.1. Amount of the police old-age pension**

The rules for calculating the amount of the police old-age pension depend on the date of entry into service for the first time in the formation mentioned in the Pension Provision Act or appointment to professional military service or candidate service.

<sup>2</sup> They are referred to in Article 11g(1) and (2) and Article 36 of the Act of 28 September 1991 on tax control (Journal of Laws of 2016, item 720, as amended).

<sup>3</sup> They are referred to in Article 48(4) and (5) of the Tax Control Act.

### A. Amount of the old-age pension for an officer who remained in service before 2 January 1999 (Article 15 or 15e of the Pension Provision Act)

The old-age pension for an officer who has been in service before 2 January 1999 amounts to 40% of the basis of its assessment for 15 years of service and is increased by:

- 2.6% of the assessment basis - for each additional year of such service or periods equivalent to service,
- 2.6% of the assessment basis – for each year of contributory periods preceding the service, however, not more than for 3 years of such periods,
- 1.3% of the assessment basis – for each year of contributory periods exceeding 3 years of contributory periods referred to above,
- 0.7% of the assessment basis for each year of non-contributory periods preceding the service.

The contributory and non-contributory periods taken into account for calculating the qualifying period for the old-age pension are defined in the Old-Age Pension Act.

#### 7.2.1.2. Addition of so-called civilian periods after dismissal to the old-age pension qualifying period

At the request of a pensioner admitted to service **before 2 January 1999**:

- whose old-age pension is less than 75% of the assessment basis,
- who is at least 55 years of age (man) and 50 years of age (woman) or has become invalid, the following periods after dismissal from service may be added to the qualifying period:
  - periods of employment prior to 1 January 1999 at a working time of not less than half-time,
  - periods of contribution payments to pension insurance after 31 December 1998 or periods of non-payment of contributions due to exceeding, in the course of a calendar year, the amount of the annual contribution assessment basis for such insurance,
  - periods of internment,
  - periods of detaining in prisons or other places of detention in the territory of Poland by virtue of conviction or without conviction after 31 December 1955 for political activities,
  - periods of performing work after 1956 for the benefit of political organisations and trade unions which were illegal within the meaning of the legislation in force until April 1989,
  - periods of non-performance of work before 31 July 1990 as a result of political repression.

For each year of added periods, the old-age pension is increased by 1.3% of the assessment basis.

**B. The amount of the old-age pension for an officer who has been first admitted to service after 1 January 1999 and before 1 January 2013 (Article 15a or 15d of the Pension Provision Act)**

The pension for an officer who has been first admitted to service after 1 January 1999 and before 1 January 2013 is 40% of the assessment basis – for 15 years of service – and increases by 2.6% of the assessment basis – for each additional year of such service and periods equivalent to service.

The police old-age pension of an officer who has been first admitted to service **after 1 January 1999** will be calculated only for periods of service and periods equivalent to service. For periods of employment or payment of pension insurance contributions, an officer will be able to receive, in the case of concurrence with the police old-age pension, a second pension from the Social Insurance Fund, after fulfilling the conditions specified in the Old-Age Pension Act. This principle does not apply to an officer whose old-age pension has been calculated in accordance with the rules set out in Article 15a of the Pension Provision Act – see **C**.

An officer who has been first admitted to service **after 1 January 1999 and before 1 October 2003** and who has at least 25 years of service counted together with periods equivalent to service, has the right to choose the method of determining the amount of the police old-age pension, i.e.:

- under the above-mentioned rules – see **B** or
- according to the rules described below – see **C**, i.e. taking into account contributory periods or period of payment of pension insurance contributions.

He/she should choose the method of calculating his/her old-age pension under the below-mentioned rules (**C**) no later than on the day he/she submits his/her pension claim to the pension body (Article 15ab<sup>4</sup> of the Pension Provision Act).

**C. The amount of the old-age pension for an officer who has been first admitted to service after 1 January 1999 and before 1 October 2003 (Article 15aa of the Pension Provision Act)**

The pension for an officer has been first admitted to service after 1 January 1999 and before 1 October 2003 and who has at least 25 years of service amounts to 40% of the assessment basis – for 15 years of service – and increases by:

- 2.6% of the assessment basis – for each additional year of such service and periods equivalent to service,

<sup>4</sup> By means of the provisions of the Act of 12 May 2022 on amending the Act on the old-age pensions of officers of the Police, the Internal Security Agency, the Military Intelligence Service, the Military Counterintelligence Service, the Central Anti-Corruption Bureau, the Border Guard, the Marshal's Guard, the State Protection Service, the State Fire Service, the Customs and Tax Service and the Prison Service as well as their families (Journal of Laws, item 1115), Articles 15aa and 15ab were added to the Pension Provision Act, with effect from 10 June 2022.

- 1.3% of the assessment basis – for each year of the following periods preceding service:
  - contributory periods,
  - periods of contribution payment to pension insurance after 31 December 1998 or periods of non-payment of contributions due to exceeding, in the course of a calendar year, the amount of the annual contribution assessment basis for such insurance.

At the request of a pensioner whose pension has been calculated according to the above-mentioned rules (C) and whose pension amounts to less than 75% of the assessment basis, the following periods may be added to the qualifying period – at the rate of 1.3% of the assessment basis for each year and falling after dismissal from service:

- periods of contribution payment to pension insurance after 31 December 1998, or
- periods of non-payment of contributions due to exceeding, in the course of a calendar year, the amount of the annual contribution assessment basis for such insurance.

An officer who has opted for the method of old-age pension calculation in accordance with the principles set out in Article 15aa of the Pension Provision Act (C) will not be able to collect, concurrently with the police old-age pension, a second old-age pension from the Social Insurance Fund for the completed contribution periods, periods of payment of contributions to the old-age and disability pension insurance after 31 December 1998 or periods of non-payment of contributions due to exceeding, in the course of a calendar year, the amount of the annual contribution assessment basis for such insurance.

### 7.2.1.3. Police old-age pension increase

An officer admitted to service **before 1 January 2013** shall have his/her pension increased by:

- 2% of the assessment basis for each year of service performed directly as a diver or scuba diver and in the physical fight against terrorism,
- 1% of the assessment basis for each year of direct service:
  - as a member of the flying crew of aircraft and helicopters,
  - as a member of the surface vessels,
  - as a parachute jumper and sapper,
  - in the intelligence service abroad,
- 0.5% of the assessment basis for each year of service in conditions particularly threatening life or health,
- 0.5% of the assessment basis for each started month of service on battlefields during the war and in the war zone,
- 1% of the assessment basis for the award of the Medal named after Assistant Police Commissioner Andrzej Struj,
- 15% of the assessment basis for the old-age pension – for holding a service-related invalidity certificate.



#### **D. The amount of the old-age pension for an officer who has been first admitted to service after 31 December 2012 (Article 18e of the Pension Provision Act)**

The pension for an officer who has been first admitted to service after 31 December 2012 is 60% of the assessment basis – for 25 years of service – and increases by 3% of the assessment basis – for each additional year of such service or periods equivalent to service.

The periods of service shall include the period of child care leave granted in the course of service of total duration not exceeding 3 years.

The following periods shall be counted as periods equivalent to service in the uniformed formations for officers admitted to service **after 31 December 2012**:

- service in the Government Protection Bureau,
- military service, taken into account when establishing the right to a military old-age pension,
- employment in the Marshal's Guard in the positions of:
  - guard,
  - guard specialist for logistics,
  - guard specialist for planning and organisation,
  - guard specialist for technical security,
  - firefighter,
  - firefighter specialist for fire protection,
  - commander of the Marshal's Guard,
  - deputy commander of the Marshal's Guard,
- employment:
  - in separate organisational units of tax control,
  - as inspectors carrying out investigative activities in tax control.

An officer admitted to service after 31 December 2012 shall have his/her pension increased by:

- 0.5% of the assessment basis for each started month of service on battlefields during the war and in the war zone,
- 1% of the assessment basis for the award of the Medal named after Assistant Police Commissioner Andrzej Struj.

The police old-age pension of an officer first admitted to service after 31 December 2012 will be calculated only for periods of service and periods equivalent to service. For periods of employment or payment of pension insurance contributions, an officer will be able to receive a second pension from the Social Insurance Fund, after fulfilling the conditions specified in the Old-Age Pension Act.

#### 7.2.1.4. Maximum amount of the police old-age pension

The amount of the police pension, without taking into account supplementary allowances, allowances and cash benefits, of an officer first admitted to service:

before 1 January 2013 may not exceed respectively:	after 31 December 2012 may not exceed respectively:
<ul style="list-style-type: none"><li>■ 75% of the pension assessment basis,</li><li>■ 80% of the old-age pension assessment basis, if increased due to service-related invalidity.</li></ul>	<ul style="list-style-type: none"><li>■ 75% of the pension assessment basis.</li></ul>
If the pension is increased by 1% of the assessment basis due to the award of the Medal named after Assistant Police Commissioner Andrzej Struj, it may not exceed respectively:	
<ul style="list-style-type: none"><li>■ 76% of the old-age pension assessment basis,</li><li>■ 81% of the old-age pension assessment basis if it has been increased due to service-related invalidity.</li></ul>	<ul style="list-style-type: none"><li>■ 76% of the pension assessment basis.</li></ul>

#### 7.2.1.5. Minimum amount of the police old-age pension

The amount of the police old-age pension, irrespective of the date of the officer's entry into service, without taking into account supplementary allowances and other cash benefits, may not be less than the amount of the minimum old-age pension under the provisions of the Old-Age Pension Act.

### 7.2.2. Police invalidity pension

The police invalidity pension is granted to an officer dismissed from the service who has become an invalid due to permanent or long-term physical or mental impairment:

- during the service,
- within 18 months of dismissal from the service if the invalidity results from an injury sustained in the course of service or from a disease protracted during that time, or
- within 3 years of dismissal from service, if the invalidity results from the service-related accident or a disease arising from specific characteristics or conditions of the service.

There are 3 groups of invalidity for officers who are totally incapacitated for service:

- group I – covering officers who are completely incapable of professional work,
- group II – covering officers who are partially incapable of professional work,
- group III – covering officers who are capable of professional work.

#### 7.2.2.1. Police invalidity pension amount

The invalidity pension for invalids included in:

- group I equals 80% of the assessment basis,

- group II – 70% of the assessment basis,
- group III – 40% of the assessment basis.

If the invalidity results from the service-related accident or from a disease resulting from specific characteristics or conditions of this service, for which compensatory benefits are due, the invalidity pension is increased by 10% of the assessment basis. In such a case, the invalidity pension with this increase equals, respectively, for:

- group I – 90% of the assessment basis,
- group II – 80% of the assessment basis,
- group III – 50% of the assessment basis.

### **7.2.2.2. Assessment basis of the police invalidity pension**

The basis of assessment of the police invalidity pension is the emolument due to the officer in the last occupied position. The emolument due means basic emolument together with permanent supplementary allowances and an annual bonus due to the officer in accordance with the provisions on officers' emoluments and rewards.

### **7.2.2.3. Minimum amount of the police invalidity pension**

The amount of the police invalidity pension without taking into account supplementary allowances and other cash benefits may not be lower than the respective amount of the minimum disability pension within the meaning of the provisions of the Old-Age Pension Act.

### **7.2.2.4. Issuing of invalidity decisions**

Invalidity decisions for the purposes of benefits under the Pension Provision Act are issued by the following, respectively:

- military medical boards – with regard to officers and pensioners of the Military Counterintelligence Service and the Military Intelligence Service,
- medical boards subordinate to the Head of the Security Agency – for officers and pensioners of the Internal Security Agency,
- medical boards subordinate to the Head of the Foreign Intelligence Agency – for officers and pensioners of the Foreign Intelligence Agency,
- medical boards subordinate to the minister in charge of the interior – in relation to officers and pensioners of other services listed in the Pension Provision Act.

The aforementioned medical boards, on the basis of medical knowledge and taking into consideration the prognosis of regaining fitness for service, rule on:

- invalidity of officers,
- invalidity of police pensioners,
- the relationship or lack of relationship of invalidity with service,
- the relationship or lack of relationship of death with service,
- incapacity for work and incapability of independent existence in accordance with the rules laid down in the Old-Age Pension Act.

### 7.2.3. Police survivors' pension

The police survivors' pension is due to eligible family members of:

- an officer:
  - deceased or missing in the course of service,
  - deceased within 18 months of dismissal from service, if death resulted from injuries sustained in the course of service or diseases protracted in that period,
  - deceased within 3 years of dismissal from service, if the invalidity results from the service-related accident or from a disease resulting from specific characteristics or conditions of service,
  - of Military Counterintelligence Service or Military Intelligence Service who died within 3 years of his/her dismissal from service, if the death occurred as a result of injuries sustained during service or diseases protracted during that time or if the death occurred as a result of the service-related accident or a disease resulting from specific characteristics or conditions of service,
  - deceased after dismissal from service if, on the day of his/her death, he/she fulfilled the conditions required for obtaining an old-age or invalidity pension, although his/her right to such a pension has not yet been established,
- a deceased police pensioner.

The police survivors' pension is payable in accordance with the rules and in the amount laid down in the Old-Age Pension Act, subject to the following:

- in the event that the officer died or went missing, the survivors' pension is determined based on the group I invalidity pension which would have been due to that officer on the day when he/she died or went missing,
- in the event of the death of an officer of the Military Counterintelligence Service or the Military Intelligence Service after dismissal from service if death was caused by an injury or diseases protracted during that time, the survivors' pension is determined based on the group I invalidity pension which would have been due to that officer on the day of death,
- in the event of the death of an officer of the Military Counterintelligence Service or the Military Intelligence Service after dismissal from service if death resulted from the service-related accident or a disease resulting from specific characteristics or conditions of this service, the survivors' pension is determined based on the group I invalidity pension increased by 10% of the assessment basis, which would have been due to that officer on the day of death,
- if the officer died or went missing in connection with the performance of service outside the borders of the Republic of Poland, the survivors' pension is granted in the amount of the emolument.

The police survivors' pension after the death of a pensioner is determined based on the amount of the benefit to which the deceased would have been entitled, however, based on the amount not lower than the amount of the group II invalidity pension, which would have been due to the deceased pensioner.

### 7.2.3.1. Eligibility for the survivors' pension

A police survivors' pension is available to family members of a deceased / missing officer / retired officer / pensioner if they meet the conditions set out in the Old-Age Pension Act required for the survivors' pension, provided that:

- if the officer died or went missing in connection with the performance of service outside the borders of the Republic of Poland, or if the death of the officer is connected with service and is the consequence of a criminal act, the survivors' pension is granted to a spouse irrespective of age and health condition,
- in the event of the death of an officer of the Military Counterintelligence Service or the Military Intelligence Service after dismissal from service, if death results from the service-related accident or a disease protracted in the course of performing operational and exploratory tasks or directing the performance of such operations, the survivors' pension is granted to a spouse irrespective of age and health condition.

### 7.2.3.2. Police survivors' pension amount

The police survivors' pension equals, respectively:

- for 1 person – 85% of the benefit that the deceased would be entitled to,
- for 2 persons – 90% of the benefit that the deceased would be entitled to,
- for three and more persons – 95% of benefit that the deceased would be entitled to.

All eligible family members are entitled to one joint survivors' pension, which shall be divided into equal parts for each person entitled to the survivors' pension.

### 7.2.3.3. Minimum amount of the police survivors' pension

The amount of the police survivors' pension without taking into account supplementary allowances and other cash benefits may not be lower than the minimum amount of the minimum survivors' pension within the meaning of the provisions of the Old-Age Pension Act.

## 7.2.4. Other benefits and entitlements

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### 7.2.4.1. Supplementary allowances to police pensions

The police old-age or invalidity pension is complemented with the **nursing allowance** and the police survivors' pension also with the **supplementary allowance for double orphans** under the rules and in the amount laid down in the Old-Age Pension Act.

Other allowances and cash benefits are also payable with the police pension, provided they have been granted under separate legislation which provides for the concurrence of such benefits with police benefits.

### 7.2.4.2. Funeral grant

In the event of the death of a pensioner or a member of his/her family, persons who have incurred funeral expenses are entitled to a funeral grant in the amount and according to the rules laid down in the Old-Age Pension Act.

### 7.2.4.3. Social benefits

Persons entitled to pension provision and members of their families are entitled to social benefits from a social fund created for this purpose. The social fund is created from an annual deduction of 0.5% of the annual resources planned for pensions, in order to finance social benefits. Persons entitled to police pension provision and members of their families are entitled to the following benefits from the social fund:

- cash aid,
- subsidies for medical expenses and reimbursement of part of the costs of palliative and hospice care,
- reimbursement of part of the costs of a beneficiary's funeral, irrespective of the funeral grant payable in this respect,
- subsidies to costs of accommodation, meals and treatment in sanatoriums or health resorts,
- subsidies to costs of individual and collective recreation, as well as to other forms of recreation,
- subsidies to costs of organised recreation for children and youth in the form of various camps and other forms of social activities,
- subsidies for the use of various forms of cultural and educational activities.

### 7.2.5. Adjustment of police benefits

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Police old-age and disability pensions, as well as the bases of their assessment, are subject to adjustment according to the principles and on the dates provided for in the general system. The adjustment covers police old-age and disability pensions of persons:

- to whom the right to the benefit has been established before 1 March,
- who have acquired the right to a survivors' pension after the death of officers which occurred not later than on the last day of February.

### 7.2.6. Combining police pensions with work

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The police pension benefits are reduced as a result of earning income from an activity subject to compulsory social insurance exceeding 70% or 130% of the average monthly wage/salary.

Persons with income not exceeding 70% of the average monthly wage/salary receive benefits in full amount.

### 7.2.6.1. Reduction of police old-age and invalidity pensions

In the event of earning income from an activity subject to compulsory insurance, police pensions are reduced according to the rules laid down in the Old-Age Pension Act, subject to the following:

- in the case of earning income higher than 70% of the average monthly wage/salary and not exceeding 130% of that wage/salary, the pension is reduced by the amount:
  - by which the income exceeds 70% of the average wage/salary,
  - not higher than the amount of the maximum reductions set out for the pension, referred to in the provisions of the Old-Age Pension Act,
  - not higher than the amount constituting 25% of the amount of the pension,
- in the case of earning income in an amount exceeding 130% of the average monthly wage/salary, the pension is reduced by 25% of its amount.

The amounts of the maximum reduction in benefits are set out in the Old-Age Pension Act. The amounts of maximum reductions pursuant to Article 104(9) of that Act are subject to increase by applying the rate of pensions adjustment on subsequent adjustment dates.

The principles of benefits reduction do not apply to persons whose police old-age pension amounts to at least 75% of the assessment basis without taking into account the increase on account of service-related invalidity and to persons receiving the police invalidity pension on account of invalidity resulting from a service-related accident or from a disease resulting from specific characteristics or conditions of this service, for which compensatory benefits are due.

### 7.2.6.2. Reduction or suspension of police survivors' pensions

In the event that a person entitled to the police survivors' pension earns income from an activity subject to compulsory social insurance, the survivors' pension is subject to the rules of reduction and suspension of benefits set out in the Old-Age Pension Act, with the exception of the death of an officer related to service and is the consequence of a criminal act. In this situation, with regard to a spouse entitled to the survivors' pension and earning income from an activity subject to compulsory social insurance, the rules of reduction and suspension of that benefit provided for in the Old-Age Pension Act do not apply when paying the police survivors' pension, which means that regardless of the amount of income earned, the survivors' pension is paid in full.

### 7.2.7. Pension bodies awarding and paying police pension benefits

The determination of the right and the amount, as well as the payment of pension benefits on the basis of the Pension Provision Act are carried out by the three pension bodies listed below:

- Director of the Military Pension Office in Warsaw, being the competent body with respect to officers dismissed from service in the Military Counterintelligence Service

and the Military Intelligence Service and subordinate to the Ministry of National Defence,

- Director of the Prison Service Pension Office, being the competent body with respect to officers dismissed from service in the Prison Service and subordinate to the Ministry of Justice,
- Director of the Pension Office of the Ministry of Interior and Administration, being the competent body with respect to officers dismissed from other services listed in the Pension Provision Act and subordinate to the Ministry of Interior and Administration ([www.gov.pl/zermstwa](http://www.gov.pl/zermstwa)).

### 7.2.8. Rescue benefits

The rules for granting and payment of the rescue benefit from 1 January 2022 are regulated in the Act of 17 December 2021 on voluntary fire brigades (Journal of Laws of 2021, item 2490) and the Act of 18 August 2011 on safety and rescue in the mountains and on organised ski areas (Journal of Laws of 2019, item 1084, as amended). The rescue benefit is financed by the state budget.

The following persons are eligible for the rescue benefit:

- firefighters rescuers of voluntary fire brigades,
- members of voluntary fire brigades,
- mountain rescuers,
- members of the specialist rescue organisations – Mountain Volunteer Rescue Service (*Górskie Ochotnicze Pogotowie Ratunkowe, GOPR*) and Tatra Volunteer Rescue Service (*Tatrzańskie Ochotnicze Pogotowie Ratunkowe, TOPR*).

The rescue benefit is available to eligible persons if they meet two conditions together, i.e.:

- men – if they have actively participated in rescue activities or actions for at least 25 years and have reached the age of 65,
- women – if they have actively participated in rescue or rescue activities or actions for at least 20 years and have reached the age of 60.

Active participation is understood as direct participation in rescue activities or actions at least once a year.

At the request of the person concerned or his/her statutory representative, proxy or legal guardian, the right to a rescue benefit and its amount is determined by means of a decision of the District (Municipal) Commander-in-Chief of the State Fire Service with jurisdiction over the location of the volunteer firefighter rescuer of the State Fire Service, referred to as the 'granting authority'.

The rescue benefit is paid by the Director of the Pension Office of the Ministry of Interior and Administration, referred to as the 'paying authority'.

The rescue benefit is payable from 1 January 2022 in the amount of PLN 200 per month.



The rescue benefit is subject to annual adjustment from 1 March of the year in which the adjustment is carried out, with the first adjustment from 1 March 2023. The adjustment consists in multiplying the amount of the rescue benefit due on the last day of February of the calendar year in which the adjustment is carried out by the adjustment index specified in the Old-Age Pension Act. The amount of the rescue benefit due as of the adjustment date is announced by the President of the Social Insurance Institution in a communication in the Official Gazette of the Republic of Poland 'Monitor Polski' at least 7 working days before the nearest adjustment date.

## 7.3. The system of social provision for judges

The institution of judges' retirement was introduced on 1 January 1998 by the Act of 28 August 1997 amending the Act – the Law on the organisation of common court system and certain other Acts (Journal of Laws of 1997, No 124, item 782, as amended).

On the basis of these provisions, as of 1 January 1998 all judges and public prosecutors have been excluded from the general social insurance system, and their salaries are not subject to social insurance contributions. Judges do not receive social insurance benefits – such as disability pension or survivors' pension – referred to in the Old-Age Pension Act and the Act of 24 January 1991 on combatants and certain victims of war and post-war repressions (Journal of Laws of 2022, item 2039).

The rules for determining and paying these emoluments to retired judges and survivors' emoluments to judges' and retired judges' family members are specified in the Regulation of the Minister of Justice of 21 June 2018 on the retired judges' emoluments and survivors' emoluments of judges' and retired judges' family members and the dates of transferring social insurance contributions to the Social Insurance Institution (Journal of Laws of 2018, item 1258).

Detailed regulations related to judges' retirement and rules of granting survivors' emoluments are specified in the Act – the Law on the organisation of common court system of 27 July 2001 (Journal of Laws of 2022, item 1247), hereinafter referred to as 'the Law on the organisation of common courts').

### 7.3.1. Retirement status

Under this Law, the judge may be retired in the following cases:

- after reaching the statutory retirement age, which is 65 years (Article 69(1) of the Law on the organisation of common courts), unless the judge has received a consent of the National Council of the Judiciary to further hold office; then the judge may

remain in office, but no longer than until he/she is 70 years old; in such a situation the retirement takes place in accordance with the principles set out in Article 69(3) sentences 2–4 of the Law on the organisation of common courts,

- a judge may retire upon his/her request, if he/she – as of 31 December 2017 – has the required age and the period of service as a judge or a prosecutor, amounting to 55 years of age and a minimum of 25 years of service for a woman, and 60 years of age and a minimum of 30 years of service for a man, respectively; in such a situation the retirement takes place on the principles set forth in Article 69(2) and (2a) of the Law on the organisation of common courts,
- a female judge may retire upon her request, after reaching the age of 60, regardless of the period worked on the position of a judge or prosecutor (Article 69(2b) of the Law on the organisation of common courts),
- due to illness or physical incapacity (Article 70 of the Law on the organisation of common courts),
- in case of a change in the court system organisation or in the boundaries of courts' circuits (Article 71(3) of the Law on the organisation of common courts),
- if without a justified reason, he/she has failed to undergo the examination referred to in Article 70(2) of the Law on the organisation of common courts in case the examination was requested by the Court Board or the Minister of Justice (Article 71(2) of the Law on the organisation of common courts).

The retired judge is entitled to emoluments in the amount and under the conditions specified in Article 100 of the Law on the organisation of common courts.

### 7.3.2. Survivors' emoluments

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In the event of the death of a judge or retired judge, the eligible members of the judge's family are entitled to survivors' emoluments instead of a survivors' pension.

The survivors' emolument is granted to members of the judge's family who fulfil the conditions required for obtaining the survivors' pension under the Old-Age Pension Act (Article 102 of the Law on the organisation of common courts).

### 7.3.3. Funeral grant

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The funeral grant is due to the person or institution that has covered the funeral costs of:

- the judge,
- the retired judge,
- a member of his/her family,
- a recipient of the survivors' emolument,
- a family member of that person.

This benefit is payable in the amount and on the terms and conditions specified for the funeral grant from the Social Insurance Fund.

### 7.3.4. Other benefits

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Retired judges and persons entitled to survivors' emolument may receive additional benefits such as the combatant supplement, compensatory supplement and energy lump sum allowance referred to in the Act on combatants and certain victims of war and post-war repressions of 24 January 1991 (Journal of Laws of 2018, item 276, as amended).

Persons who are entitled to survivors' emolument may receive a supplementary allowance for double orphans in the amount and on the principles set out in the Act on pensions from the Social Insurance Fund.

## 7.4. The system of social provision for public prosecutors

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Since 1 January 1998, on the basis of the Act of 28 August 1997 amending the Act – the Law on the organisation of common court system and certain other Act (Journal of Laws of 1997, No. 124, item 782, as amended), public prosecutors have been excluded from the general social insurance system, and no contributions for this insurance are paid from their salaries.

The Law on the organisation of common court system also applies to public prosecutors, although the public prosecutor's office is not considered by the Constitution of the Republic of Poland as the judicial authority. It is, however, part of the law enforcement authorities. The status of a judge and a prosecutor in terms of professional requirements, remuneration, rights and obligations and social security has always been equal.

The institution of prosecutors' retirement is regulated by the Act of 28 January 2016 on the Public Prosecutor's Office (Journal of Laws of 2022, item 1247, as amended) and the Act of 27 July 2001 – the Law on the organisation of common court system (Journal of Laws of 2020, item 2072, as amended).

### 7.4.1. The rules for prosecutors' retirement

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The prosecutor retires at the age of 65, regardless of his/her position. The General Prosecutor, at the prosecutor's request, may agree to further holding of the office by the prosecutor not longer than until he/she reaches 70 years of age. The General Prosecutor makes such a decision after consultation with the National Council of Prosecutors at the General Prosecutor and after hearing the opinion of the superior prosecutor, as well as on the basis of the prosecutor's health certificate.

The prosecutor may retire at his/her request even before reaching the age of 65 and retain his/her right to an emolument. However, he/she must meet the requirement of age and seniority of service as a judge or prosecutor. He/she must be 55 years old and have a minimum of 25 years' seniority of service (woman) or at least 60 years' (man). This entitlement may be exercised by persons who have fulfilled the required conditions by 31 December 2017.

In addition, a female prosecutor retires at her request on reaching the age of 60, irrespective of her period of service as a prosecutor or judge.

The prosecutor may be retired if:

- due to illness or physical incapacity he/she has been declared permanently incapable of performing the duties of a prosecutor by ZUS certifying doctor,
- without a justified reason, he/she has not undergone an examination by ZUS certifying doctor, in case the examination was requested by the prosecutor's superior,
- the public prosecutor's offices organisation or the boundaries of the prosecutor's offices circuits have changed, if he/she has not been transferred to another prosecutor's office.

### 7.4.2. Retired prosecutors' emoluments

A prosecutor who retires or is retired because of age, illness or physical incapacity is entitled to 75% of the basic salary and the length of service increment received in his/her last post.

A prosecutor who is retired due to the change in the prosecutor's offices system or in the boundaries of prosecutor's offices circuits is entitled, until the age of 65, to emolument in the amount of the salary received in his/her last post.

### 7.4.3. Survivors' emolument for prosecutors' family members

In the event of the death of a public prosecutor or a retired public prosecutor, members of his/her family who meet the conditions for receiving a survivors' pension under the Old-Age Pension Act are entitled to survivors' emolument.

A widow is entitled to the survivors' pension if at the moment of death of her husband she:

- is 50 years old,
- is incapable of work,
- raises at least one of the children, grandchildren or siblings entitled to a survivors' pension after the deceased husband, who has not reached the age of 16 years or, if he/she is at school, 18 years of age,
- is caring for a child who is completely incapable of work and of independent existence or completely incapable of work and entitled to a survivors' pension.

The prosecutor's parents are entitled to the survivors' pension if the prosecutor has contributed to their subsistence immediately before his/her death and if they meet the conditions set for the widow and regarding the age, incapacity for work or raising children.

The survivors' emolument equals:

- for 1 person – 85% of the assessment basis,
- for 2 persons – 90% of the assessment basis,
- for 3 or more persons – 95% of the assessment basis.

The assessment basis is the emolument which was payable at the time of death to the deceased prosecutor or the retired prosecutor.

If the right to survivors' emolument coincides with the right to an old-age or disability pension, the eligible person is entitled to one of these benefits – according to his/her request.

Double orphans are entitled to a supplementary allowance to their survivors' emolument in the amount and on the principles set forth in the Act on pensions from the Social Insurance Fund.

#### **7.4.4. Funeral grant**

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The funeral grant is due to the person or institution that has covered the funeral costs of:

- prosecutor,
- retired prosecutor,
- a member of his/her family,
- a recipient of the survivors' emolument,
- a family member of that person.

This benefit is payable in the amount and on the terms and conditions specified for the funeral grant from the Social Insurance Fund.

#### **7.4.5. Other benefits**

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The retired prosecutors and persons receiving survivors' emolument who have combatant privileges are paid the war combatant supplementary allowance, compensatory supplement or energy lump sum allowance, respectively. These supplementary allowances come from the financial resources of the Ministry of Justice.

Persons who are entitled to survivors' emolument may receive a supplementary allowance for double orphans in the amount and on the principles set out in the Act on pensions from the Social Insurance Fund.

The payment of emoluments to retired prosecutors and survivors' emoluments is carried out by competent organisational units of the public prosecutor's offices.

# 8. Public health insurance

In 1999, the Polish health care financing system was transformed into an insurance-budgetary system. It replaced the system in which funds came exclusively from the state budget.

Health services are financed by the National Health Fund (*Narodowy Fundusz Zdrowia*, NFZ). It is composed of the Headquarters and 16 voivodship branches, within which field offices (delegations) may be established.

A specific feature of the Polish social insurance system after the 1999 reform is the separation of sickness and health insurance.

**The sickness insurance** provides cash benefits in the event of sickness and maternity (see Sections 5.9.–5.16, p. 79 ff.).

And the **public health insurance** is the system responsible for public funding of:

- preventive services,
- diagnostic services,
- medical services,
- rehabilitation services,
- provision of medicinal products and medical devices.

The scope of these services is defined in:

- the Act of 2004 on health care benefits financed by public funds,
- Regulations of the Minister of Health issued on its basis.

Compulsory health insurance covers almost the entire population of our country – Polish citizens and foreigners fulfilling the conditions set out in the Act on health care benefits financed by public funds, in the EU provisions on the coordination of social security systems and in bilateral conventions and agreements on social security (see Section 2.2.2). Persons who are not subject to this obligation, but are resident in Poland, may take out voluntary insurance in NFZ. To do so, they must submit a written application to the NFZ and conclude a voluntary health insurance agreement with the NFZ voivodship branch.

Persons entitled to health care benefits under the general health insurance include also family members of the insured persons' families residing in the territory of Poland, another EU or EFTA Member State or the United Kingdom, if they are not subject to compulsory health insurance and are not entitled to health care benefits on the basis of the coordination provisions.

The main source of funding for health care are the health insurance contributions. The contribution amounts to 9% of the assessment basis, however, from February 2022, those who earn income from non-agricultural business activity and pay flat rate income tax, pay a health insurance contribution of 4.9%. Persons who have joined health insurance on a voluntary basis pay a contribution of 9% of their declared income. This income must not be less than the average monthly salary in the enterprise sector from the previous quarter, including the share in the profits.

The health insurance contribution is collected by the Social Insurance Institution and the Agricultural Social Insurance Fund and then transferred to the National Health Fund.

The contribution for certain groups of people is financed from the state budget. These groups include, inter alia:

- individual farmers running farms with an area of agricultural land under 6 conversion hectares,
- the spouses and members of the household of these farmers,
- unemployed persons without the right to benefits,
- persons in receipt of social assistance allowances.

On the other hand, farmers who run farms with an area of agricultural land of 6 or more conversion hectares and special sections of agricultural production pay contributions individually for themselves, their spouses and household members.

Farmers who have entered into a harvest assistance contract with helpers pay the health insurance contribution for these helpers.

Since 1 January 2017, the manner and procedure of determining the amount of health insurance contributions for farmers (and their spouses and household members) who conduct agricultural activity on an agricultural holding are regulated by the provisions of the Act on health care benefits financed by public funds.

Some health care tasks are still financed by the state budget. This concerns mainly epidemiological and pharmaceutical supervision, investments and medical education. In addition, the state budget finances certain healthcare services, such as obligatory preventive vaccinations carried out as part of the Protective Vaccination Programme, as well as services provided as part of preventive health programmes.

Besides, the state budget finances health policy programmes and multi-annual programmes aimed to meet the growing health needs resulting, inter alia, from the increased incidence of civilisation diseases. Currently, the following programmes are implemented:

- National Health Programme for 2021-2025,
- National Programme for the Development of Transplant Medicine,
- National Cancer Strategy,
- Government Programme of comprehensive intrauterine therapy in prevention of sequelae and complications of developmental defects and diseases of the unborn child – as an element of improving the health of unborn children and newborns for 2018-2023,
- Government programme for newborn screening in Poland for 2019-2022,
- Government programme for comprehensive protection of procreative health in Poland in 2021-2023,
- Health policy programme for the implementation of the comprehensive support programme for families 'Za życiem' (Pro-life) for 2022-2026,



- National programme for the treatment of patients with haemophilia and related haemorrhagic diathesis for 2019–2023,
- Ensuring self-sufficiency of the Republic of Poland in blood and its components for 2021–2026,
- Government Programme of Health Policy – Antiretroviral treatment of people living with HIV in Poland for the years 2022–2026,
- National Programme for the Protection of Mental Health for 2017–2022.

The state budget also finances the costs of benefits provided to specific groups of non-insured persons. These are:

- small income earners, who acquire the right to benefits on the basis of a decision of a head of the commune or a mayor,
- children and young people under the age of 18,
- women during pregnancy, childbirth and puerperium,
- drug and alcohol addicts,
- people with mental disorders,
- people with certain infectious diseases.

The National Health Fund finances the following preventive programmes:

- ‘Breast cancer prevention programme’ (mammography),
- ‘Cervical cancer prevention programme’ (cytology),
- ‘Programme for the prevention of tobacco-related diseases, including chronic obstructive pulmonary disease (COPD)’,
- ‘Cardiovascular disease prevention programme’,
- ‘Prenatal screening programme’.

NFZ may finance some pilot programmes, e.g. ‘Prevention 40 PLUS’.

In 2021 the Social Insurance Institution transferred to the National Health Fund PLN 98.5 billion in respect of contributions to the public health insurance. The Agricultural Social Insurance Fund transferred PLN 3.5 billion.

## 8.1 Methods for determining the basis of assessment for health contributions

### 8.1.1. Health contribution for self-employed persons

As of 1 January 2022, the contribution assessment basis for persons conducting non-agricultural business activity is, as a rule, the actual income of the insured person. The basis depends on the form of taxation.

### **8.1.1.1. Health contribution for persons subject to general taxation**

The contribution assessment basis for persons paying income tax according to the tax scale (Article 27 of the Act of 26 July 1991 on the Personal Income Tax (Journal of Laws of 2022, item 2647, as amended) – the so-called PIT Act), at a 19% tax rate (Article 30c of the PIT Act), and paying income tax on qualified intellectual property rights (Article 30ca of the PIT Act) is the income earned in a given month and year.

The assessment basis for the contribution for a given month may not be lower than the amount of the minimum wage/salary in force on 1 January of a given year. After the end of the year, there will be an annual settlement of the health insurance contribution.

For taxpayers subject to a flat tax, the rate of health contribution has been reduced to 4.9% of the assessment basis, which is an exception to the general rule according to which the rate of health contribution is 9% of the assessment basis.

### **8.1.1.2. Health contribution for persons paying a lump sum tax on registered income**

For persons paying a lump sum tax on registered income, the amount of annual income is important for the amount of the contribution. The health contribution is calculated in 3 thresholds depending on the average wage/salary.

### **8.1.1.3. Health contribution for persons paying fixed amount tax**

For persons conducting non-agricultural business activity paying fixed amount tax, the basis for calculating health insurance contributions is the amount of the minimum wage/salary in force on 1 January of a given year.

### **8.1.1.4. Health contribution for other self-employed persons**

For other persons conducting non-agricultural business activity, the assessment basis is the amount of the average monthly wage/salary.

### **8.1.1.5. Health contribution for co-operating persons**

For persons cooperating with self-employed persons, the contribution assessment basis is currently 75% of the average monthly wage/salary.

## **8.1.2. Health contribution for other insured persons**

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Persons subject to health insurance other than entrepreneurs pay a health contribution of 9% of the basis of its assessment (e.g. income from paid employment less social insurance contributions; the amount of old-age or disability pension, unemployment benefit, nursing benefit granted under the provisions on family benefits or permanent

benefit from social assistance, etc.). Health insurance contributions are paid by employers, the Social Insurance Institution and other pension institutions, social assistance centres, schools and universities, etc. (i.e. by the contribution payers).

### **8.1.3. Health contribution for persons voluntarily insured**

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Persons who have joined health insurance on a voluntary basis pay a contribution of 9% of their declared income. However, the amount may not be less than the amount corresponding to the average wage/salary.

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More information about the public health insurance can be found at [www.nfz.gov.pl](http://www.nfz.gov.pl).

# 9. Material support for families, in particular: families with children

## 9.1. Child-support benefit under the 'Family 500+' programme

The basic form of support for families bringing up children is the government **programme Family 500+** introduced on 1 April 2016 by the Act of 11 February 2016 on state aid in raising children (Journal of Laws of 2022, item 1577). Under the Family 500+ programme, families with children are entitled to the child-support benefit of PLN 500 per month per child until the age of 18. The child-support benefit is granted to parents, legal guardians or actual guardians of the child and in certain cases to directors of residential care homes. As of 1 July 2019, the child-support benefit is universal. It is granted for every child under 18 years of age, regardless of family income.

As of 1 January 2022, in accordance with the changes introduced to the government programme Family 500+, the rules for collecting claims for the child-support benefit have changed. According to the new rules, the Social Insurance Institution took over the handling of the process of collecting claims and granting child-support benefit.

The process of ZUS taking over the programme was carried out in two stages:

- From 1 January 2022, ZUS took over programme implementation with regard to new claims for the child-support benefit, i.e. those submitted from 1 January 2022, e.g. for newly born children or for children born before 2022, if the parents had not previously lodged a claim to the municipality. In addition, as of 1 February 2022, the Social Insurance Institution started accepting claims for establishing the right to the child-support benefit for the next benefit period, i.e. from 1 June 2022 to 31 May 2023,
- Cases concerning the right to the child-support benefit for periods prior to 1 January 2022 based on claims lodged up to 31 December 2021 until their completion, i.e. until 31 May 2022, were handled by the former authorities (in cases of the child-support benefit, payments were continued by municipalities, in cases of the child-support allowance for children in foster care – by poviats, while in cases requiring decisions related to the coordination of social security systems – by voivods).

Benefit claims addressed to ZUS may only be submitted electronically over the Internet in one of the following ways:

- Emp@tia or Electronic Services Platform (*Platforma Usług Elektronicznych, PUE*) of ZUS at [www.zus.pl](http://www.zus.pl),
- via electronic banking channels,
- via the Emp@tia information and service portal,
- via the mZUS mobile application.

Granted benefits are paid only in a non-cash form, to the bank account indicated in the claim.

The child-support benefit is usually granted for a one-year period. As of 2021, the annual benefit period is in operation, from 1 June to 31 May of the following year.

The child-support benefit is not included in income when determining the right to other benefits, e.g. from social assistance, family benefits, benefits from the Maintenance Fund, as well as scholarships for pupils and students.

In 2021, PLN 40.6 billion was spent from the state budget on child-support benefits and 6.57 million children were covered.

## 9.2. 'Good Start' benefit

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The **Good Start** programme was introduced on 1 June 2018 by the Regulation of the Council of Ministers of 30 May 2018 on detailed conditions for the implementation of the governmental programme Good Start. This is a programme of support for families with children in incurring expenses related to the start of the school year. On 1 July 2021, the Regulation of the Council of Ministers of 15 June 2021 on detailed conditions for the implementation of the government programme Good Start entered into force.

Next to the Family 500+ programme, the Good Start programme is another component of a comprehensive and long-term family policy. Under Good Start, parents or guardians of school-going children aged between 7 and 20 (up to 24 in the case of children with disabilities) receive a benefit of PLN 300 per child once a year – in connection with the beginning of the school year. The Good Start benefit is granted regardless of income.

The following persons may claim the Good Start benefit:

- parents,
- actual guardians (as defined in the Regulation, the actual guardian is a person who actually takes care of the child and has applied to the family court for child adoption),
- legal guardians of the child.

The benefit for a child placed in foster custody may be claimed by:

- foster families,
- persons running family homes,
- directors of care and educational facilities,
- directors of regional care and treatment facilities.

The Good Start benefit may also be claimed by a learner, i.e. – as defined in the Regulation – “an adult person learning at school who is not dependent on his/her parents, in connection with their death or in connection with the court judgement or court settlement on the right to maintenance allowance on their part and a person in transition to independent living, as referred to in the Act on family support and foster custody system”.

The Good Start benefit is granted upon application of a party. The tasks related to receiving and processing claims for the Good Start benefit and establishing entitlement to this benefit from 1 July 2021 are carried out by the Social Insurance Institution.

In 2021, PLN 1.3 billion was spent on the implementation of the Good Start programme. The benefit was paid to guardians of 4.4 million pupils.

## 9.3 Family care capital and subsidy for the child's stay in a child care institution for children up to 3 years

On 1 January 2022, a new financial instrument to support families – **the family care capital** – came into effect. The family care capital is available to parents for the second and subsequent child in the family, from the age of 12 to 35 months. The capital is available regardless of family income up to a total maximum of PLN 12 thousand per child, and parents can choose whether they wish to receive PLN 1,000 per month for one year or PLN 500 per month for two years.

The receipt of claims for family care capital, their processing and the granting and payment of this benefit are handled by the Social Insurance Institution.

Claims for the family care capital may be lodged from 1 January 2022, i.e. the date the Act on the family care capital came into force.

The claim for the family care capital and the attachments thereto must be lodged only in electronic form, using the same ICT systems as for claims for the good start benefit and child-support benefit under the Family 500+ programme, i.e:

- PUE ZUS,
- Emp@tia portal of the Ministry of Family and Social Policy,
- electronic banking,
- mobile application mZUS.

Parents' support in the area of institutional care takes the form of **co-financing the fee for a child's stay in a nursery, children's club or at a day carer** in the amount of PLN 400 per month. The co-financing is granted for children not covered by the family care capital and attending the above-mentioned care institutions and is granted until the end of care in the nursery, children's club or at a day carer. The co-financing is paid directly to the operator of the care institution, who is obliged to reduce the parents' fee for the child's stay in the institution. Parents may apply for the co-financing to ZUS from 1 April 2022.

## 9.4. Family benefits

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Conditions for acquiring the right to these benefits are set out in the Act of 28 November 2003 on family benefits (Journal of Laws of 2022, item 615, as amended). The family benefits are financed from the state budget.

The right to family benefits and the payment of the benefits granted is carried out by the competent municipal body, i.e. a head of the municipality, mayor or city president competent for the place of residence of the person who claims or receives the family benefit. The provision of family benefits may be entrusted to municipal (gmina) organisational unit, for example to a social welfare centre.

In order to acquire the right to family benefits and receive this type of support, a claim must be lodged with the municipality, town hall or other municipal organisational unit, such as a social assistance centre competent for the claimant's place of residence.

In cases where EU regulations on the coordination of social security systems apply – when a family member resides in another EU country, EEA or Switzerland – the right to family benefits is determined by the competent voivod (regional governor). Family benefits granted by the voivod are paid out by the competent municipal body.

Three groups of benefits are payable under the family benefits scheme:

- 1) family allowance with supplements,
- 2) child birth-related benefits,
- 3) care benefits.

### 9.4.1. Family allowance and supplements to this allowance

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The family allowance is granted if the family income per person in the family or the income of a learner does not exceed PLN 674 net per month. When a disabled child is a family member, the income threshold increases to PLN 764 net.

In the case of exceeding an income criterion for granting the right to the family allowance, and thus also to supplements to the family allowance, the 'zloty for zloty' mechanism applies. If a family claiming the family allowance together with supplements exceeds the income threshold, they will not necessarily be excluded from the family benefits system. Such a family may receive the claimed benefits, but reduced accordingly by the amount by which it exceeded the income criterion.

The family allowance is payable until the child has reached 18 years of age or until the child completes school education, however not longer than until he/she has reached the age of 21 years.



In special cases, the family allowance is granted until the child has reached 24 years of age. This is the case when the child:

- continues education at school (also a tertiary level school) and holds a certificate of moderate or severe degree of disability,
- is of legal age, is attending school (also a tertiary level school) and is not dependent on his/her parents (either because they have died or have been awarded the maintenance allowance in his/her favour).

The right to the family allowance and to supplements to the allowance is awarded to:

- child's parent,
- child's legal guardian,
- child's actual guardian who has applied to the family court for child adoption,
- an adult who is studying and is not dependent on his/her parents either because they have died or have been awarded the maintenance allowance in his/her favour.

The amounts of family allowance are the following:

- PLN 95 – for a child until he/she has reached 5 years of age,
- PLN 124 – for a child above 5 years of age until he/she has reached 18 years of age,
- PLN 135 – for a child above 19 years of age until he/she has reached 24 years of age.

The following supplements may be granted in addition to the family allowance:

- **The child-birth** supplement – is awarded in a lump sum of PLN 1,000 to the mother or father, legal guardian or actual guardian of a child, payable until the child has reached the age of one year. In order for the biological parents of the child to receive it, the mother should be under medical care from no later than the 10th week of pregnancy until the day of delivery. Fulfilment of this condition must be confirmed by a medical certificate or a certificate issued by the midwife. Such a certificate need not be provided by the child's legal guardian, actual guardian or adoptive parent who claims this supplement.
- The supplement in respect of **care of the child during the period of the child care leave** in the amount of PLN 400 per month – is granted to the mother or father, actual guardian of the child or legal guardian of the child for:
  - 24 months,
  - 36 months – if he/she takes care of at least 2 children born in one delivery,
  - 72 calendar months – if he/she takes care of a child who has a certificate of disability or severe degree of disability.
- The supplement for a **single parent bringing up a child** – is granted to the mother or father, the child's actual guardian or legal guardian in the amount of PLN 193 per month per child. The supplement may not exceed PLN 386 per month for all children. If a child is disabled, the supplement is PLN 273 per month for that child. In the case of several disabled children, the supplement may not exceed PLN 546 per month for all children. The supplement is payable if the other parent of the child is dead, the father of the child is unknown or if an action to establish a maintenance benefit from the other parent has been dismissed.
- The supplement for **bringing up a child in a multi-children family** – is granted to the child's mother or father, the child's actual guardian or legal guardian in the amount

of PLN 95 per month for the third and each subsequent child in the family entitled to family allowance.

- The supplement in respect of the **education and rehabilitation of a disabled child** – is granted to the mother or father, actual guardian of the child or legal guardian for a disabled child until the age of 16 years or for a child who holds a certificate of moderate or severe degree of disability until the age of 24. The supplement is also payable to a learner who holds a certificate of moderate or severe degree of disability. The supplement is payable in the monthly amount of:
  - PLN 90 per child until the age of 5,
  - PLN 110 per child above 5 years of age until the child has reached the age of 24 years.
- The supplement for a **child starting the school year** – is granted to the child's mother or father, the child's actual guardian or legal guardian, as well as to the learner. The supplement amounts to PLN 100 and is paid once a year, in connection with the beginning of a new school year. It is also granted for a child who starts a one-year pre-school preparation.
- The supplement for a **child starting education at school outside the place of residence** – is granted to the child's mother or father, legal guardian or actual guardian for 10 months, from September to June. It is payable at the rate of:
  - PLN 113 per month if the child or learner lives during education in a locality in which there is a post-primary school or an art school where compulsory education and schooling are performed, and in the case of a child or learner with a disability certificate or degree of disability – also a primary school,
  - PLN 69 per month if the child or the learner commutes to a post-primary school or art school where the compulsory schooling and compulsory education is performed in the scope corresponding to the education in the post-primary school.

In 2021, the state budget paid a total of PLN 3 billion for family allowances and supplements to them. On average, 1.5 million of these allowances were paid each month.

### 9.4.2. Child birth-related benefits

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The **parental benefit** is granted to persons who do not receive a maternity allowance or a maternity emolument (i.e. emolument for the period determined by the Labour Code as a period of maternity leave, a period of leave under the principles of the maternity leave, or a period of parental leave). It amounts to PLN 1,000.

The parental benefit is payable to:

- the mother or father of the child,
- the actual guardian of a child who has taken care of him/her before he/she has reached 7 years of age or 10 years of age in the case of deferred compulsory schooling,

- a foster family, with the exception of a professional foster family, if they have taken care of the child before he/she has reached 7 years of age, or 10 years of age in the case of deferred compulsory schooling,
- a person who has adopted the child before he/she has reached 7 years of age or 10 years of age in the case of deferred compulsory schooling.

Persons eligible for this benefit may include inter alia, the following persons not entitled to maternity allowance:

- unemployed persons,
- students,
- persons performing work on a basis of civil law contracts without voluntary sickness insurance,
- persons engaged in non-agricultural business activities who have not been covered by voluntary sickness insurance.

The parental benefit does not depend on the income criterion and is payable for at least one year (52 weeks) from birth, adoption or taking the child into care. If at least 2 children are born in one delivery or at least 2 children are adopted or taken into care at the same time, the benefit period is longer. It depends on the number of children born, adopted or taken into care. The benefit may be paid for up to 71 weeks.

In 2021, PLN 784.6 million was spent from the state budget on parental benefits. On average, 72.6 thousand such benefits were paid each month.

**Lump-sum grant in respect of childbirth**, the so-called baby bonus, is payable to the mother or father of the child, legal guardian or actual guardian of the child.

The claim for its payment should be lodged within 12 months of the day of the child's birth. However, if the claim relates to a child covered by legal guardianship, actual guardianship or an adopted child – within 12 months of the day on which the child had been taken into custody or adopted, not later than until he/she turns 18.

The benefit may be obtained if the family income per person does not exceed PLN 1,922 net per month. The grant is payable in a lump sum of PLN 1,000 per child.

The grant is payable only if the child's mother has been under the medical care at least during a period from the 10th week of pregnancy to the childbirth. This must be confirmed by a doctor or a midwife in an appropriate certificate. The legal guardian, the actual guardian of the child or the adoptive parent claiming the lump-sum grant in respect of childbirth do not have to submit such a certificate.

In 2021, the state budget spent PLN 189.3 million on the lump-sum grants in respect of childbirth.

Individuals living in the municipality may be entitled to a lump-sum birth grant. This benefit is financed from the municipality's own funds and the rules for its provision are determined by a resolution of the municipal council.

### 9.4.3. Supplementary benefits for the family

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The municipality may also grant a supplementary benefit to a family. The municipal council, taking into account the local needs of its inhabitants in terms of benefits for families, may establish benefits for families by means of a resolution. It is up to the municipal council to decide whether and in what amount to introduce such a supplementary benefit. The benefit is financed from the municipality's own funds.

### 9.4.4. Care benefits

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The care benefits include:

- nursing allowance,
- special care allowance,
- nursing benefit.

The **nursing allowance** is awarded to:

- a child with a disability,
- a person with a disability who is over 16 years old and has been certified as severely disabled,
- a person with a disability who is over 16 years of age and has been certified as having a moderate degree of disability if the disability had arisen before he/she reached 21 years of age,
- a person who is 75 years old.

The nursing allowance is not payable to a person who is entitled to the nursing supplement or to a person placed in an institution providing all-day maintenance.

As from 1 November 2019, the nursing allowance has been fixed at PLN 215.84 per month.

In 2021, the state budget paid a total of PLN 2.4 billion for nursing allowances. On average, PLN 911.6 thousand were paid monthly.

A **special care allowance** is granted to persons who, according to the Family and Guardianship Code, are under a maintenance obligation towards a disabled person, and to spouses. These persons will receive it if they do not take up any employment or other gainful activity, or if they have given up such activity in order to take care of a relative who has a considerable degree of disability or a certificate of disability together with the following indications: the need for permanent or long-term care or assistance of another person in connection with a significantly reduced possibility of independent existence and the need for permanent participation of the child's guardian in the child's everyday life in the process of treatment, rehabilitation and education.

The right to the special care allowance is usually established for a benefit period from 1 November to 30 October of the following calendar year. The situation is different in case if the disability certificate has been issued for a fixed period. Then the right to

this allowance is established until the end of the month in which the certificate expires, but no longer than the end of the allowance period.

The right to the special care allowance depends on the total income of the family of the person providing care and the family of the person requiring care. This income may not exceed PLN 764 per month net per person in the family of a person providing care and a person requiring care. This allowance is not due to a person who has an established right to the nursing benefit.

The special care allowance is payable at a monthly rate of PLN 620.

Contributions for pension insurance and health insurance are usually also paid for persons receiving the special care allowance.

Contributions for pension insurance and health insurance for a person receiving a special care allowance are paid by the head of the municipality, the mayor or the city president.

In 2021, the state budget spent a total of PLN 207.4 million for special care allowances (including contributions for pension and health insurance). On average, 21.9 thousand such allowances were paid each month.

**Nursing benefits** are granted to persons who do not take up employment or other gainful activity or resign from it in order to take care of:

- a disabled child with special indications of third-party care,
- a person with a severe degree of disability.

The following may claim the nursing benefit:

- parents,
- a relative who is a foster family for the child,
- an actual guardian, i.e. the person who actually takes care of the child if he/she has applied to the family court for child's adoption,
- other relatives of the disabled person obliged to provide maintenance, except for persons with a severe degree of disability.

The guardian has the right to the nursing benefit regardless of family income and for an indefinite period. However, if a certificate of disability or severe degree of disability has been issued for a fixed period, the right to the benefit is exercised to the end of the month in which the certificate expires.

The nursing benefit is granted if the disability of a person who requires care had arisen before that person reached:

- 18 years of age,
- 25 years of age if he/she was attending a school (also a tertiary level school).

In 2021, the amount of the nursing benefit was PLN 1,971 per month, and from 1 January 2022 it is PLN 2,119 per month.

Contributions for pension insurance and health insurance are paid for a person receiving a nursing benefit by the head of the municipality, the mayor or the city president.

In 2021, the state budget spent a total of PLN 5.4 billion for nursing benefits (including contributions for pension and health insurance). On average, 191 thousand such benefits were paid each month.

## 9.5. Benefits from the Maintenance Fund

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Benefits from the Maintenance Fund support children entitled to the maintenance allowance, whose parent is evading this obligation and enforcement against him/her is ineffective. The Maintenance Fund is financed from the state budget pursuant to the Act of 7 September 2007 on assistance to persons entitled to maintenance allowance (Journal of Laws of 2022, item 1205).

The proceedings to determine the right to the benefit from the Maintenance Fund are conducted by a head of the municipality, mayor, president of a city or an authorised head or employee of a social assistance centre or other organisational unit of the municipality competent for the place of residence of the person who claims the benefit.

The right to the benefit from the Maintenance Fund is established by the competent body at the request of an eligible person or his/her statutory representative. That body also effects payment of benefits from the Maintenance Fund.

The right to benefits from the Maintenance Fund is exercised by a child who has been awarded the maintenance allowance to be paid by a parent, but enforcement of due maintenance allowance is ineffective. The benefit from the Maintenance Fund is payable to the eligible person:

- until he/she reaches 18 years of age,
- until he/she reaches the age of 25, if he/she attends a school (also a tertiary level school),
- indefinitely if he/she holds a certificate of severe degree of disability.

Enforcement shall be deemed to be ineffective if the full amount of overdue and due maintenance liabilities has not been recovered within the last 2 months.

The eligible person must also meet the income criterion, which is PLN 900 net per person in the family.

At the same time, it should be pointed out that for the purpose of establishing the right to benefits from the Maintenance Fund, the 'zloty for zloty' mechanism was introduced from the benefit period starting on 1 October 2020.

The benefit from the Maintenance Fund is usually granted for the so-called benefit period. It lasts 12 months: from 1 October to 30 September of the following calendar

year. The benefit is granted in the amount of currently determined maintenance allowance, but may not exceed PLN 500 per month for each child who is entitled to the maintenance allowance.

Since 1 May 2010, benefits from the Maintenance Fund are not subject to the regulations on the coordination of social security systems.

In 2021, PLN 1 billion was spent from the state budget on Maintenance Fund benefits. On average, 207 thousand such benefits were paid each month.

## 9.6. Carer's allowance

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The carer's allowance is granted to non-active carers of adult disabled persons if the decisions on their nursing benefits have expired *ipso jure* on 1 July 2013. It is payable by municipalities on the basis of the Act of 4 April 2014 on the establishment and payment of carer's allowances (Journal of Laws of 2020, item 1297) in connection with the implementation of the judgement of the Constitutional Tribunal of 5 December 2013.

The carer's allowance may be claimed only by persons who have already held an established right to this allowance and want to continue receiving it, because the person requiring care has received a further disability certificate.

The carer's allowance is payable in the amount of PLN 620 per month.

In 2021, PLN 78.2 million was spent from the state budget on carer's allowances (including pension, disability and health insurance contributions and statutory interest). On average, 8.9 thousand such allowances were paid each month.

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More information about material support for families can be found at [www.gov.pl](http://www.gov.pl) under [Ministries] → [Ministry of Family and Social Policy].

# 10. Benefits in respect of unemployment



State tasks concerning employment promotion, mitigating unemployment effects and promoting occupational activity are specified in the Act of 20 April 2004 on employment promotion and labour market institutions (Journal of Laws of 2021, item 1100, as amended).

These tasks are performed on the basis of the 'National Action Plan for Employment', which is adopted by the Council of Ministers (it contains principles for the implementation of the 'European Employment Strategy'), and initiatives of municipal, poviát, voivodship governments and social partners.

The draft 'National Action Plan...' is drawn up by the minister in charge of labour. In doing so, the minister should cooperate with the minister in charge of economic issues, the minister in charge of education and the minister in charge of higher education. Then he/she presents the draft plan to the Labour Market Council for an opinion.

Services and instruments designed to promote employment, mitigate the effects of unemployment and increase citizens' labour force participation include:

- job placement,
- vocational guidance,
- training,
- refund of costs of equipment or additional equipment for work posts intended for the unemployed persons referred by the labour office, incurred by entities engaged in business activity,
- lump-sum financial grant for the unemployed to start up a business.

Measures aimed at preventing unemployment and mitigating its effects are financed from the Labour Fund. The Fund is created mainly from compulsory contributions.

The amount of the contribution to the Labour Fund is determined annually in the Budget Law.

In 2021, the amount of the contribution to the Labour Fund was 1% of the basis for the assessment of the contribution for pension insurance. This has not changed in 2022.

According to the report MRPiPS-02 on revenue and expenditures of the Labour Fund as of 31 December 2021, total revenue of the Labour Fund in 2021 amounted to PLN 13,039,176,104.26. Revenues from compulsory contributions amounted to PLN 6,901,844,734.76. Receipts from European Union funds amounted to PLN 2,101,409,863.42, and other revenues of the Labour Fund amounted to PLN 4,035,921,506.08.

The following are the main groups of costs in the structure of the Labour Fund total expenditure:

- programmes of counteracting unemployment,
- expenditure on unemployment benefits (with the social insurance contribution),
- activating supplementary allowances and integration benefits,
- pre-retirement allowances and benefits,

## 10.1. Unemployment benefit

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### 10.1.1. Persons eligible for unemployment benefit

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Unemployment benefit is granted to persons registered as unemployed in the poviát labour office competent for the place of permanent or temporary residence. The status of an unemployed person may be granted to a person who is at least 18 years old but under 60 years of age in the case of women and 65 years of age in the case of men, and who is not employed or is not otherwise involved in gainful work under civil law contracts and who does not attend school except for school for adults.

### 10.1.2. Conditions for granting the right to unemployment benefit

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Unemployment benefit is granted to a person who has lost his/her job and, prior to registering at the labour office, had fulfilled one of the following conditions for at least 365 days during a period of 18 months:

- was employed and received remuneration equal at least to the minimum wage/salary, on which a compulsory contribution was paid to the Labour Fund,
- performed work on a basis of outwork contract, if he/she has reached in this respect income amounting to at least minimum wage/salary,
- provided services on the basis of agency, mandatory contract or other contract of services, or cooperated in performance of such contracts, if the basis of assessment of social insurance contributions and contributions to the Labour Fund was equal at least to the minimum wage/salary,
- paid social insurance contributions in respect of activity outside the agriculture or collaboration in such activity, if the basis for calculation of social insurance contributions and contributions to the Labour Fund was equal at least to the minimum wage/salary,
- performed work during the period of temporary detention awaiting trial or deprivation of liberty, and the basis for calculation of social insurance contributions and contributions to the Labour Fund, which were paid for him/her in this respect, was equal at least to the minimum wage/salary,
- performed work in production cooperative or cooperative of agricultural circles or agricultural services, being the member of such cooperative, and the basis for calculation of social insurance contributions and contributions to the Labour Fund, which were paid for him/her in this respect, was equal at least to the minimum wage/salary,

- paid the contribution to the Labour Fund in connection with employment or other gainful work abroad with foreign employer in a state which does not belong to the European Economic Area, at the rate of 9.75% of the average wage/salary for each month of employment,
- had been employed abroad and came to Poland as a repatriate,
- has been employed, in service or performed other gainful work and received remuneration or income on which compulsory contribution was payable to the Labour Fund.

Moreover, the indicated period of 365 days includes such periods as e.g. collecting disability pension, collecting sickness insurance benefits, periods of child-care leave, periods of military service.

### 10.1.3. Amount of the unemployment benefit

Amount of the unemployment benefit depends on the employment period of the unemployed person:

- up to 5 years, the benefit amounts to 80% of the basic benefit,
- between 5 and 20 years – 100% of the basic benefit,
- at least 20 years – 120% of the basic benefit.

### 10.1.4. Benefit period

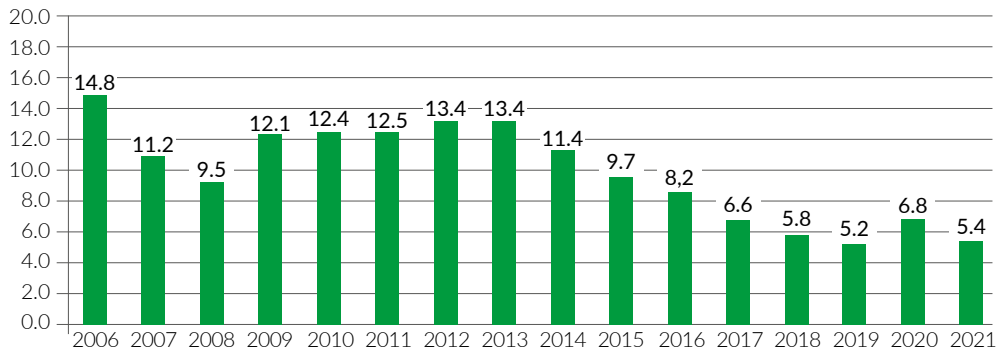
The benefit period is:

- 180 days – for the unemployed person residing in the poviát whose unemployment rate on 30 June of the year preceding the day of acquiring the right to the benefit did not exceed 150% of the average unemployment rate in the country;
- 365 days – for the unemployed person:
  - residing on the territory of a poviát, whose unemployment rate on 30 June of the year preceding the day of acquiring the right to the benefit exceeded 150% of the average unemployment rate in the country, or
  - over 50 years of age and having completed at least 20-year period of eligibility for the allowance, or
  - having at least one dependent child aged up to 15 years, if the spouse is also unemployed and has lost the right to the benefit due to the expiry of the benefit period after the day the unemployed person had gained the right to the benefit, or
  - being a single parent with at least one child aged up to 15 years.

At the end of 2021, 895.2 thousand unemployed persons were registered in labour offices, including 413.3 thousand men (46.2%) and 481.9 thousand women (53.8%).

At the end of 2021, the registered unemployment rate was 5.4%.

## Registered unemployment rate in Poland in 2006–2021 (in %)



## Registered unemployment rate in Poland in 2006–2021

Year	Registered unemployment rate (in %)
2006	14.8
2007	11.2
2008	9.5
2009	12.1
2010	12.4
2011	12.5
2012	13.4
2013	13.4
2014	11.4
2015	9.7
2016	8.2
2017	6.6
2018	5.8
2019	5.2
2020	6.8
2021	5.4

In the fourth quarter of 2021, the labour force participation rate of persons aged 15 and more was 58.0%; for women it was 50.5% and for men – 66.1% (based on GUS [Statistics Poland], *Aktywność ekonomiczna ludności Polski – IV kwartał 2021 r.* (Economic activity of the Polish population – fourth quarter of 2021)).

In 2021, the employment rate (share of the working population in the total number of people aged 15 and over) was 56.3%; for women it was 49.0% and for men – 64.2%.

At the end of 2021, 119.3 thousand people, i.e. 13.3% of all registered unemployed people, were eligible for benefits.

## Unemployment benefit rates – legal status as of 1 June 2022

Benefits were adjusted as of 1 June 2022 by the average annual price index of consumer goods and services in 2021, which in relation to 2020 amounted to 105.1 (price increase of 5.1%), according to the Communication of the President of the Statistics Poland (GUS) of 15 January 2022 on the average annual price index of consumer goods and services in 2021 (Official Gazette of the Republic of Poland 'Monitor Polski', item 31).

Employment period	% of basic benefit	Monthly (PLN)	
		the right to benefit for first 90 days	the right to benefit for subsequent days
below 5 years	80 (reduced))	1,043.30	819.30
<b>5–20 years</b>	<b>100 (basic)</b>	<b>1,304.10</b>	<b>1,024.10</b>
more than 20 years	120 (increased)	1,565.00	1,229.00

More information about unemployment benefits can be found at [www.psz.praca.gov.pl](http://www.psz.praca.gov.pl) under [Labour market] → [Rates, amounts, indices].

# 11. Social assistance

## 11.1. Scope and criteria for granting social assistance

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Social assistance makes it possible to overcome difficult life situations for those who are unable to overcome them on their own. Its main purpose is to support persons and families in their efforts to satisfy necessary needs and to enable them to live in decent conditions. It also attempts to take action to help people and families at risk of exclusion become independent and integrated into the community.

Social assistance is organised by bodies of:

- governmental administration:
  - minister competent for social security,
  - voivods,
- local government administration:
  - marshals of voivodships,
  - starosts at the poviats level,
  - heads of villages, mayors and presidents of cities at municipality level.

When carrying out social assistance tasks, they cooperate on the basis of partnership with social and non-governmental organisations, churches, religious associations as well as natural and legal persons.

The right to social assistance benefits is granted to persons and families whose income does not exceed the set threshold and who experience at least one of the following circumstances:

- poverty,
- orphanhood,
- homelessness,
- unemployment,
- disability,
- chronic or severe disease,
- domestic violence,
- need for protection in the case of victims of human trafficking,
- need for maternity protection or protection of families with multiple children,
- helplessness in care and upbringing matters and in running a household, especially in single-parent families or families with multiple children,
- difficulties in integration in case of foreigners who have obtained the refugee status or subsidiary protection in the Republic of Poland,
- difficulties in adapting to life after release from prison,

- alcoholism or drug addiction,
- random event and crisis situation,
- natural or environmental disaster.

Income criteria are reviewed every 3 years on the basis of a social intervention threshold. They were last amended in 2021. However, the municipal council may by resolution increase the amounts entitling to periodic and purpose-specific allowances.

Social assistance benefits are granted at the request of the person concerned, his/her legal representative (e.g. in the case of a child, his/her parents or legal guardians) or another person. However, in some situations, especially in relation to persons who are not aware of their rights, social assistance is granted *ex officio*.

Benefits are granted by means of the administrative decision. In some cases no decision is issued.

The decision whether a family should be provided with assistance is taken on the basis of a **family environmental interview**. The interview is carried out by a social worker in the place of residence or stay of a person or family claiming assistance. Claimant's refusal to accept the interview constitutes grounds for refusing the benefit, for repealing a decision on granting the benefit or for withholding the payment of cash social assistance benefits. A social worker conducts an interview within 14 working days from the date on which the person concerned has filed a request for assistance. The aim of the interview is to understand the personal, family, income and financial situation of persons and families claiming the assistance.

In the social assistance system, a family is understood as related and unrelated persons who remain in a relationship, live and run a household together. Therefore, a social worker collects information on all these persons and not only on the person who has claimed the assistance. The social assistance approach to a person or family is individualised and each case is considered separately.

## 11.2. Social assistance cash benefits

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The right to cash benefits from social assistance is granted to persons who meet income criterion. It amounts to PLN 776 per month for people who run a household alone, and PLN 600 per person in a family. These amounts are valid from 1 January 2022.

Income is the sum of the monthly revenues of all family members. Revenues are reduced by personal income tax, tax deductible costs, health and social insurance contributions and maintenance allowance paid to other persons.



Income does not include:

- a lump-sum cash social benefit,
- a purpose-specific allowance,
- material aid of a social or motivational nature granted on the basis of educational regulations,
- the value of benefits in kind,
- a benefit to which the unemployed person is entitled pursuant to the provisions on employment promotion and labour market institutions on account of performing socially useful work,
- cash benefit and cash aid referred to in the Act of 20 March 2015 on anti-communist opposition activists and victims of repression due to political reasons and the Act of 24 January 1991 on combatants and certain victims of war and post-war repressions,
- benefit payable pursuant to the Act of 2 September 1994 on cash benefit and rights of soldiers of alternative military service forcibly employed in coal mines, quarries, uranium ore plants and construction battalions,
- benefit payable pursuant to the Act of 31 May 1996 on persons deported to forced labour and imprisoned in labour camps by the Third Reich and the Union of Soviet Socialist Republics,
- benefits under the Act of 16 November 2006 on cash benefit and rights of civilian blind victims of warfare,
- benefits under the Act of 20 March 2015 on anti-communist opposition activists and victims of repression due to political reasons,
- income from agricultural area below 1 conversion ha,
- child-care benefit and child-care supplementary allowance,
- the cash benefit referred to in the Act of 7 September 2007 on the Card of the Pole (*Karta Polaka*),
- cash benefit granted pursuant to Article 9 of the Act of 22 November 2018 on graves of veterans fighting for freedom and independence of Poland,
- special award of the President of the Council of Ministers granted pursuant to Article 31a of the Act of 8 August 1996 on the Council of Ministers,
- financial aid granted to repatriates referred to in the Act of 9 November 2000 on repatriation,
- funds granted as part of activities undertaken by public authorities to improve air quality or protect the environment,
- reimbursement of costs referred to in Article 39a(1) of the Act of 14 December 2016 – Education Law.

When determining eligibility for social assistance benefits, the income of the person or family from the month preceding the month in which the claim was lodged is taken into account. However, in the case of loss of income, e.g. due to loss of employment or entitlement to benefits – from the month in which the claim was lodged.

It is assumed that from 1 conversion ha a monthly income of PLN 345 is obtained. This amount is checked during the income criteria verification period.

In the case of persons conducting business activity, income is defined as revenue from non-agricultural business activity less costs of its acquisition, tax, health and social insurance contributions that are not included in costs of acquisition but are related to this activity and deducted from income.

### 11.2.1. Permanent allowance

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The permanent allowance is granted to an adult who:

- runs a household alone and is either incapable of work due to age or totally incapable of work (e.g. due to a moderate or severe degree of disability), if his/her income is less than PLN 776 per month; the allowance is the difference between his/her monthly income and the amount of the income criterion (e.g. with an income of PLN 250 the allowance will be PLN 776 – PLN 250 = PLN 526);
- lives with a family and is either incapable of work because of age, or totally incapable of work, if the income per person in the family is lower than PLN 600 a month; the allowance is the difference between his/her monthly income and the amount of the income criterion.

In the case of a person who lives with a family, both the income of the person entitled to the benefit and the income per person in the family are taken into account. Neither income may exceed PLN 600 per month.

The allowance is not granted if the claimant is entitled to:

- social pension,
- nursing benefit,
- special care allowance,
- carer's allowance.

The right to social assistance benefits, thus also to a permanent allowance, is not granted to a person who is serving a sentence of imprisonment, unless he/she is serving it under the electronic supervision system. However, if a person under temporary arrest is entitled to this benefit, it is suspended for the period of temporary arrest.

### 11.2.2. Periodic allowance

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The periodic allowance is granted in particular due to: chronic disease, disability, unemployment or possibility to maintain or gain entitlement to benefits from other social security systems. It may be granted to a person running a household alone or a family whose income does not exceed the statutory income criterion, that is, respectively, PLN 776 or PLN 600 per person in a family.

The amount of the periodic allowance granted depends on the income of a person or a family. The allowance is paid up to the level of the difference between income criterion established under the law on social assistance and the actual income. In the case of a person running a household alone the periodic allowance may not be higher

than the income criterion per person in a family. The amount of the periodic allowance may not be lower than PLN 20.

The period for which the allowance is granted depends on an individual situation of a person or a family. It is determined by the social assistance centre under the circumstances of the case.

### 11.2.3. Purpose-specific allowance

The purpose-specific allowance is a benefit granted to enable an individual or family to meet their necessary needs. It is primarily intended to cover part or all of the costs of:

- purchase of:
  - food,
  - medicines,
  - health care services,
  - fuel,
  - clothing,
  - household items,
- small repairs and renovations in the dwelling,
- funeral.

The Act does not define the amount of the purpose-specific allowance. When determining this allowance, the social assistance centre takes into account the material situation of the claimant, the purpose he/she has indicated and the financial capacity of the centre.

The purpose-specific allowance is granted to:

- a person running a household alone, whose income is lower than PLN 776 per month,
- a person in a family, in which the income per person is lower than PLN 600 per month.

Homeless people and people who do not have any income or possibilities to obtain health care benefits, may be granted the purpose-specific allowance to pay for these benefits.

It can also be granted in the form of a credit ticket. It is granted to persons who have to go to another town to deal with important family or official matters.

The social assistance centre may also grant the purpose-specific allowance in performance of a **social contract**. This is an agreement concluded between a social worker and a person who needs help. When a person who uses social assistance signs such a contract, he/she may retain the right to a purpose-specific or periodic allowance, even if during the term of the contract he/she finds a job. The entitlement lasts until the date indicated in the decision on granting the benefit, however, not longer than for 2 months.

Apart from the purpose-specific allowance granted for satisfying basic living needs, the following are also granted:

- purpose-specific allowance to cover expenses which emerged due to a fortuitous event, natural or environmental disaster,
- special purpose-specific allowance,
- purpose-specific allowance on a refundable basis.

**The purpose-specific allowance to cover expenses which emerged due to a fortuitous event** may be granted irrespective of income and may be non-refundable.

**The purpose-specific allowance to cover expenses related to a natural or environmental disaster** may be granted irrespective of income and may be non-refundable.

The **special purpose-specific allowance** may be granted to a person or a family whose income exceeds the statutory criterion in particularly justified cases. It must be a completely exceptional situation, resulting from events that are severe in their impact and far-reaching in their interference with a person's or family's life plans.

The benefit may not exceed the income criterion for a person (PLN 776 per month) or a family (PLN 600 per month per person). It is non-refundable.

The **purpose-specific allowance** may be granted on a refundable basis to a person or family whose income exceeds the income criterion, in particularly justified cases. However, they have to pay back a part of or the entire allowance.

#### 11.2.4. Aid for becoming economically independent

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Aid for becoming economically independent is a financial or material support which a municipality may grant to a person or a family. This form of aid is not obligatory and depends on the budget available to the municipality. When granting this type of aid (both in cash and in kind), the municipality cooperates with the poviats labour office.

**Financial aid** may be granted in the form of:

- lump-sum purpose-specific allowance (the amount of, as well as detailed conditions and procedures for granting the allowance for becoming economically independent are determined by means of a resolution of the municipal council),
- interest-free loan (the conditions for granting and repayment of the loan and its security are specified in the agreement with the municipality), which may be wholly or partially remitted if it contributes to quicker achievement of social assistance objectives.

**Aid in kind** is provided to persons in need in the form of making available machines and tools enabling them to organise their own workbench as well as devices facilitating work for persons with disabilities. It is granted to a person running a household alone, whose income is lower than PLN 701 per month, and to a family whose income per person is lower than PLN 528 per month.

### 11.2.5. Financial aid for becoming independent or continuing education

This type of aid provides support for independence and for continuing education in primary school, secondary school, tertiary level school or at courses. One may also claim assistance in finding a place to live, including a place in a sheltered accommodation, assistance in finding a job and aid in kind for setting up.

Such assistance is available to a person who, on the basis of a court decision, has stayed for at least one year in:

- residential care home,
- juvenile detention centre,
- special educational and upbringing centre,
- special educational centre,
- youth social therapy centre providing 24-hour care,
- correctional facility,
- youth education centre.

Under certain conditions it may also be used by a person leaving a home for mothers with minor children and pregnant women.

Aid for becoming independent and continuing education is granted by the starost of the poviats in which the person had lived before being sent to one of these facilities.

The amount of aid for continuing education and for becoming independent as well as the value of aid in kind for setting up is currently set at PLN 1,837 (basic amount).

**Financial aid for continuing education** amounts to 30% of the basic amount per month. It is granted to a person who becomes independent and continues education in a primary school, secondary school, tertiary-level school, at courses (if their completion is consistent with the individual programme of becoming independent), in a teacher training centre or continues learning with an employer for the purpose of vocational preparation. This aid is granted for the period of education, but not longer than until the person becoming independent is 25 years old. The amount of the financial aid for becoming independent depends on the type of facility where a person has stayed and the time he/she has spent there (not less than 12 months).

Financial aid for becoming independent or for continuing education is available to:

- a person who lives alone and whose income does not exceed PLN 1,552 per month (200% of income criterion for a person living alone),
- a person who lives with a family and the income in the household per person does not exceed PLN 1,200 monthly (200% of income criterion per person in a family).

A person who claims this type of aid must commit to following an individual programme of becoming independent. The programme is drawn up together with and with the help of an assistant and is approved by the head of the poviats centre of family assistance.

## 11.3. Other forms of social assistance

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### 11.3.1. Social work

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Social work is aimed at improving the functioning of individuals and families in their social environment. It is carried out to increase their activity and independence in life. Cooperation with the local community is intended to ensure coordination of activities of institutions and organisations important for meeting the needs of its members.

Social workers provide support to individuals and families regardless of their income. Such work may be organised on the basis of a written social contract concluded with a person who applies for assistance. This contract specifies the powers and obligations of the parties to jointly overcome the difficult life situation of the vulnerable person or his/her family. The contract is one of the tools intended to motivate the person concerned to act independently and to achieve the set goals.

The contract may be entered into by persons referred by the poviát labour office, unemployed persons and beneficiaries of social assistance. If an unemployed person concludes the contract, the social assistance centre will pay the health insurance contribution for that person.

### 11.3.2. Specialised counselling

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Specialised counselling, in particular legal, psychological and family counselling is addressed to individuals and families who are experiencing difficulties or would like to receive support in solving their life problems. It is provided regardless of personal or family income. No administrative decision is needed to make use of this benefit.

### 11.3.3. Crisis intervention

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Crisis intervention involves the interdisciplinary activities carried out for persons and families who have got into crisis. Its aim is to restore the mental balance and the ability to cope independently to people in need.

Within the framework of crisis intervention, the person in need may receive immediate specialist psychological assistance, social or legal counselling and, in justified situations, shelter (maximum for 3 months).

Mothers with minor children and pregnant women who have experienced violence or are in another crisis situation may, within the framework of a crisis intervention, find shelter and support in homes for mothers with minor children and pregnant women.

Fathers with minor children or other persons with legal custody of children may also be admitted to such homes.

Crisis intervention covers individuals and families regardless of their income, and all assistance in crisis intervention centres is free of charge.

#### 11.3.4. Assistance in the form of shelter, meals, clothing

Assistance in the form of shelter, meals or food products and clothing is granted to individuals and families who are unable to provide these goods by their own efforts.

Shelter assistance can be provided by granting a temporary place in a homeless shelter, night shelter or heating facility. The granting of a place in a homeless shelter and a meal to a person in need must be preceded by an environmental interview conducted with the person in need by a social worker and the issuing of an administrative decision.

The homeless people who due to age, illness or disability require partial care and assistance in satisfying their basic living needs, but do not require services provided by a 24-hour care facility, an institution for care and treatment or a nursing and care institution, may be granted aid in the form of a place and services in a shelter for the homeless people with care services.

If assistance in the form of meal, food or clothing is granted on an ad hoc basis to children and youth in a mass-scale crisis situation or in the event of a natural disaster or a fortuitous event, its granting does not require a family environmental interview and an administrative decision.

#### 11.3.5. Arranging a funeral

Under social assistance the municipality is obliged to arrange a funeral (according to the religion of the deceased) when it has not been done by the family or another institution (e.g. employer, religious community).

#### 11.3.6. Care services

**Care services** include:

- assistance with daily living needs,
- hygienic care,
- nursing prescribed by a doctor,
- contact with the environment (if possible).

**Specialised care services** are adjusted to special needs resulting from the type of disease or disability. They are provided by persons with specialist professional preparation. The scope, period and place of providing such services is determined by a social assistance centre.

Care services are available to a single person who requires assistance of other persons and is deprived of such assistance or whose relatives are unable to provide such assistance.

The fee for care services depends on:

- the hourly rate for the service, which is set by the municipal council,
- the number of hours during which the services are provided,
- the income of the person or family using the services.

The higher the income, the higher the fee for care services. When the income of a person in need is less than the criterion specified in the Act on social assistance, the costs of services are borne entirely by the social assistance centre.

The fee for specialist care services is set out in the Regulation of the Minister of Social Policy of 22 September 2005 on specialist care services.

### 11.3.7. Support centres and residential care homes

**Care services (including specialised services) or a meal at a support centre** may be granted to people who require assistance due to their age, illness or disability. The support centre provides daytime services. Some support centres also have 24-hour places.

**In support centres for people with mental disorders** (community self-help homes or self-help clubs), people who, because of their mental disorder, need help to adapt to life in a family and social environment are supported and helped to integrate into society.

In **family care homes** there are people who need 24-hour care which cannot be provided in their place of residence. However, these are people who do not yet require placement in a residential care home. Referral to a family care home for permanent or temporary residence takes place at the request of the person who is to stay there or at the request of the legal guardian with the consent of the person concerned.

Residents must pay for their stay in the family care home. The fee is equal to the expenses incurred by the facility, but may not exceed 70% of the resident's income. Relatives may be required to pay the fee.

In turn, persons staying in a **sheltered accommodation** are prepared for independent living under the care of specialists or are assisted in daily functioning. The sheltered accommodation provides conditions for independent functioning in the environment and the possibility of integration with the local community.

It may be run by any organisational unit of social assistance or public benefit organisation. People who live there have support guaranteed for 7 days a week, adjusted to their individual needs.



The following are eligible for stay in a sheltered accommodation:

- a person who due to a difficult life situation, age, disability or illness needs support in functioning in everyday life, but does not require such assistance as is provided in 24-hour care centres, including:
  - a person with mental disorders,
- a person leaving foster care within the meaning of the regulations on family support and the system of foster care, a youth educational centre or a juvenile detention centre,
- a foreigner who has obtained in Poland the refugee status or subsidiary protection.

The decision to grant a stay in a sheltered accommodation is issued by the head of the social assistance centre. The person applying for such a stay (or his or her representative), as well as the social worker of the centre referring to the sheltered accommodation and the employee of the unit running the accommodation, agree in advance on the purpose, duration and terms of stay and on fee to be paid for it.

The residents of the **residential care home** are provided with 24-hour care. They are also provided with support and educational services to the extent and in forms resulting from their individual needs. The organisation, scope and level of services provided take into account the level of physical and mental fitness of residents. The residential care home may also provide care services and specialist care to persons who do not live there.

The residential care homes are intended for:

- elderly people,
- people with chronic somatic or mental diseases,
- adults with intellectual disabilities,
- children and youth with intellectual disabilities,
- people with physical disabilities,
- alcoholic addicts.

A person who meets the following conditions is eligible for a place in the residential care home:

- requires 24-hour care due to age, illness or disability,
- cannot function independently in everyday life,
- cannot benefit from necessary assistance in the form of care services.

In order to refer a person to the residential care home, the person's health and family situation must be assessed and it must be determined whether it is definitely not possible to help the person in his/her place of residence. If this is not possible, the person concerned will be referred to the residential care home of the appropriate type if he/she (or his/her legal representative) agree.

The residential care home chosen is the one which is as close as possible to the place of residence.

A decision on payment for the stay at the residential care home is issued by the municipality competent for the person on the day of his/her admission to such a facility. Residents pay for their stay no more than the average monthly cost of living of the resident. This cost, depending on the range of a given residential care home, is determined by the following:

- for municipal residential care homes – the mayor of the municipality, town or city,
- for poviat-wide residential care homes – starost (head of poviat),
- for regional residential care homes – marshal of the voivodship.

The following are obliged to pay the fee for the stay at the residential care home (in order):

- 1) the resident, and in the case of a minor – his/her statutory representative,
- 2) the resident's spouse,
- 3) the resident's children and grandchildren (descendants),
- 4) the parents and grandparents of the resident (ascendants),
- 5) other persons, if they undertake to do so,
- 6) the municipality from which the person was referred to the residential care home.

Spouse, descendants and ascendants are charged only if their income is higher than 300% of relevant income criterion and only in the amount of surplus over that amount.

The fee to be paid by the family members is determined by means of an agreement, and if no agreement is concluded – by means of an administrative decision.

Persons who pay for a stay at the residential care home may be partially or fully exempted from payment if:

- they submit a relevant application,
- there are justified circumstances to do so, in particular:
  - chronic disease,
  - unemployment,
  - disability,
  - death of a family member,
  - material losses resulting from a natural disaster or other fortuitous events,
  - as of 26 January 2022, if the person obliged to pay the fee demonstrates, in particular on the basis of the documents attached to the application, a flagrant breach by the person referred to the residential care home or the resident of the home of their maintenance or other family obligations towards the person obliged to pay the fee.

If the obliged person presents a legally valid court decision on depriving the parent – resident of the home – of parental authority over this person and declares that the parental authority has not been restored, or a legally valid court decision on conviction for an intentional crime committed with violence to the detriment of the person obliged to pay the fee, his/her minor siblings or his/her parent, the exemption is obligatory.

This exemption covers the descendants of the person exempted from the fee for the stay at the residential care home. As of 26 January 2022, the exemption is mandatory if the resident of the home has in the past committed any intentional offence prosecuted by public indictment, committed against the person liable to pay the fee, his/her descendant, a minor or an adult who is incapacitated due to age, mental or physical condition of a sibling or his/her parent, unless the conviction has been erased.

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More information about social assistance can be found at [www.gov.pl](http://www.gov.pl) under [Ministries] → [Ministry of Family and Social Policy].

## **www.zus.pl – Your Social Insurance Guide**

On our **website** you will find current information on social insurance.

In the '**ZUS Library**' (Biblioteka ZUS) section you will also find many **useful publications on social insurance**:

- leaflets,
- tutorials,
- guides,
- books,
- the scientific quarterly 'Social Insurance. Theory and practice' (Ubezpieczenia Społeczne. Teoria i praktyka).

In the 'About ZUS' section we also publish a **calendar of free trainings** organised by us for the contribution payers: [www.zus.pl/o-zus/kalendarium](http://www.zus.pl/o-zus/kalendarium).

**Electronic Services Platform** (*Platforma Usług Elektronicznych, PUE*) [www.zus.pl](http://www.zus.pl)

PUE is a modern and convenient form of contact with ZUS, thanks to which you can settle most of the matters related to social insurance without leaving home – via the Internet. In this way you can check your data saved on an individual account with ZUS, send documents, follow the status of your affairs, and make an appointment to visit our facility.

A Polish version of the publication:

"Zabezpieczenie społeczne w Polsce" is also available