

# Social Security in Poland

Available are various language versions of  
'Social Security in Poland':

- Polish – „Zabezpieczenie społeczne w Polsce”
- German – „Die Soziale Sicherheit in Polen”
- Russian – „Социальное обеспечение в Польше”

EN

Further information  
on ZUS and the social insurance system  
can be found on:

[www.zus.pl](http://www.zus.pl)

EN



# Social Security in Poland



ZAKŁAD  
UBEZPIECZEŃ  
SPOŁECZNYCH

Warsaw 2017

The Social Insurance Institution (ZUS)

Editor

**Anna Pałek**

International Cooperation Department  
of the Social Insurance Institution

in cooperation with ZUS departments

ZUS Finance Department

Fund Finance Department

Legislative and Legal Department

Medical Certification Department

Prevention and Rehabilitation Department

Income Enforcement 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, Labour and Social Policy

Ministry of Health

Agricultural Social Insurance Fund

Translation, language consultation

Guy Torr

English text verification

Maria Piwińska

Graphic desing and layout

Printomato

© The Social Insurance Institution, Warsaw 2017

Typesetting and print: [ZUS's] Publishing Office in Warsaw. Edition of 450 copies. Order No. 240/18

# Contents

Introduction.....	5
<b>1. The organisation of the Polish social security system.....</b>	<b>6</b>
1.1. Organisational structure.....	7
1.2. Government administration sections.....	8
<b>2. The legal frameworks of the social security system.....</b>	<b>10</b>
2.1. National legislation.....	11
2.2. International legal frameworks binding on Poland.....	14
<b>3. The Social Insurance Institution (ZUS) – general information.....</b>	<b>18</b>
3.1. ZUS's tasks.....	20
3.2. The structure of ZUS.....	22
3.3. Types of social insurance and principles of subjection to these insurances within ZUS.....	23
3.4. The types of benefits provided by ZUS.....	25
<b>4. The finances of social insurance scheme.....</b>	<b>28</b>
4.1. The Social Insurance Fund.....	29
4.1.1. Contributions.....	30
4.1.2. Insured persons' accounts.....	31
4.1.3. Incomes of the Social Insurance Fund (FUS).....	35
4.1.4. Expenditure of the Social Insurance Fund (FUS).....	36
4.1.5. Debt recovery from contribution payers.....	37
4.2. The Demographic Reserve Fund.....	39
4.3. The Old-age Bridging Pensions Fund.....	42
<b>5. Benefits paid by Social Insurance Institution (ZUS).....</b>	<b>44</b>
5.1. General information about old-age pensions and other pensions from FUS.....	45
5.1.1. Indexation of old-age and other pensions.....	46
5.1.2. Minimum amounts for old-age and other pensions.....	47
5.1.3. Maximum amounts for old-age and other pensions.....	48
5.1.4. Combining old-age and other pensions with work.....	48
5.2. Old-age pensions.....	50
5.2.1. Old-age pensions operating under the earlier rules.....	51
5.2.2. Old-age pensions operating under the new rules.....	53
5.2.3. Old-age bridging pensions.....	58
5.2.4. Replacement of a disability pension with an old-age pension.....	59
5.3. Disability pensions.....	60
5.4. Training pensions.....	64
5.5. Survivor's pensions.....	65
5.6. Medical rehabilitation within disability prevention.....	67
5.6.1. Disability prevention.....	67
5.6.2. Accident prevention.....	68
5.7. Social pensions.....	69
5.8. Pre-retirement benefit.....	70
5.9. Sick pay and sickness allowance.....	72
5.9.1. Inspection of the validity of rulings of temporary incapacity for work.....	74
5.10. Rehabilitation benefits.....	76

5.11. Compensatory allowances.....	78
5.12. Maternity allowances.....	79
5.13. Care allowances.....	83
5.14. Nursing supplements.....	85
5.15. Supplements to survivor's pensions for double orphans.....	85
5.16. Funeral grants.....	86
5.17. Lump-sum compensations in respect of an accident at work.....	87
5.18. Other benefits and refunds resulting from accident at work and occupational disease..	88
<b>6. Social insurance for farmers.....</b>	<b>90</b>
6.1. System organisation.....	91
6.2. System functioning.....	93
6.3. Benefits from social insurance for farmers.....	97
6.3.1. Old-age and disability pensions from social insurance.....	97
6.3.2. The amount of old-age and disability pensions from old-age and disability pension insurance.....	100
6.3.3. Benefits from work accident, sickness and maternity insurance.....	102
<b>7. Statutory health care insurance.....</b>	<b>104</b>
<b>8. Material support for families, in particular for families with children.....</b>	<b>108</b>
8.1. Family benefits.....	109
8.1.1. Family allowance and additional payments.....	109
8.1.2. Parental benefit.....	111
8.1.3. Carer benefits.....	112
8.1.4. Child-raising benefit Family 500 plus (Rodzina 500 plus).....	114
8.1.5. Lump-sum benefit paid on the birth of a child.....	114
8.1.6. Lump-sum benefit paid on the birth of a child paid by the district council.....	115
8.2. Benefits from the Maintenance Fund.....	116
8.3. Carer benefit.....	118
<b>9. Unemployment benefits.....</b>	<b>120</b>
<b>10. Social assistance.....</b>	<b>124</b>
10.1. The scope and criteria for the awarding of social assistance.....	125
10.2. Cash benefits from social assistance.....	127
10.2.1. Permanent benefit.....	128
10.2.2. Temporary benefit.....	128
10.2.3. Directed benefit.....	129
10.2.4. Assistance for economic independence.....	130
10.2.5. Financial assistance for independent study or study continuation.....	131
10.3. Other forms of social assistance.....	132
10.3.1. Social work.....	132
10.3.2. Specialist advice.....	132
10.3.3. Crisis intervention.....	132
10.3.4. Assistance in the form of sheltered accommodation, meals and clothing.....	133
10.3.5. Funeral payment.....	133
10.3.6. Carer services.....	133
10.3.7. Support units and social assistance homes.....	134

# Introduction

---

We are pleased to present to you the publication *Social Security in Poland*. This is an updated version of the publication produced by us for over the decade and entitled *Social Insurance in Poland*.

This guide presents the organisation and legal frameworks of the Polish system of social security as well as the role and tasks fulfilled by ZUS – The Polish Social Insurance Institution, which constitutes the largest state institution operating within the field of social security in Poland.

We present in particular benefits from social insurance paid by the Polish Social Insurance Institution (ZUS): old-age pensions and other pension benefits, sickness and maternity allowances.

The study also describes the basic principles for the operation of systems that are not managed by ZUS, such as: family benefits, unemployment benefits, benefits from social assistance, the farmers' social insurance benefits, and those resulting from the health insurance system.

By doing so, we would like to present our readers with a full picture of the social security system in Poland. The guide is published in four language versions: Polish, English, German and Russian.

We would also like to note that the publication is non-specialist in nature and therein does not constitute any legally binding source of information nor can it be used as the basis for claims.

For more detailed information on ZUS and on the social insurance system in Poland visit the ZUS website [www.zus.pl](http://www.zus.pl).

# 1. The organisation of the Polish social security system

Ministry of Family, Labour and Social Policy

Unemployment

Family benefits

Voivodeship (Provincial) Labour Office

16

Powiat (district) (Urban) Labour Offices

341

Social Policy Divisions of Voivodeship Offices

16

Regional Social Policy Centres

16

Appropriate organs (local/city council offices or centres for social aid/benefit or other organisational units of territorial local government)

2497

# 1.1. Organisational structure





## 1.2. Government administration sections

---

The Act of 4 September 1997 on governmental administration sections (Journal of Laws 2017, item 888 as amended) defines the tasks and powers of the competent relevant ministers, inter alia in the field of social security.

The 'social security' section covers:

- social insurance and social security,
- old-age pension funds,
- social assistance and benefits for individuals and households in a difficult financial and social situation,
- pathology prevention,
- government programmes in the field of social assistance, in particular for individuals and households in a difficult financial and social situation as well as for groups at risk of social exclusion,
- social benefits, employment, social and vocational rehabilitation of the disabled,
- combatants and persecuted persons,
- the coordination of the social security systems, with the exception of health benefits in kind,
- public benefit activity, including the supervision of such activity by public benefit organisations, excluding the supervision of rescue and civil protection activities.

The described section falls under the competence of the minister in charge of social security issues.

Social security matters for farmers are to be found in the section 'social insurance for farmers'. This section is under the jurisdiction of the minister for matters of rural development, who cooperates on issues of farmers' social security with the minister responsible in charge of social security.

The section 'health' covers, among others: issues of medical care and public health matters, including the organisation of health care, supervision of 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.

The 'family' section covers matters of the protection and support of families in difficult material and social circumstances, in particular those with children to support. This is the concern of the minister responsible for family affairs.

Problems on employment and countering unemployment are to be found in the section on 'work', these being coordinated by the minister relevant for employment matters.

Support in overcoming difficult life situations for both individuals and families who are unable to manage on their own, in the utilising of the appropriate entitlements, funds and possibilities, is covered by the 'social assistance' section.

## 2. The legal frameworks 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, unemployment and family benefits.

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

- **Social Insurance Institution (Zakład Ubezpieczeń Społecznych, ZUS)** – cash benefits and benefits in kind provided from the social insurance under the disability prevention,
- **Agricultural Social Insurance Fund (Kasa Rolniczego Ubezpieczenia Społecznego, KRUS)** – cash benefits and benefits in kind in the form of benefit payments made within the framework of benefit prevention from farmer's social insurance,
- **Ministry of Family, Labour and Social Policy (Ministerstwo Rodziny, Pracy i Polityki Społecznej, MRPiPS)** – benefits in respect of unemployment, family benefits and social benefits (from social assistance),
- **National Health Fund (Narodowy Fundusz Zdrowia, NFZ)** – benefits in kind from health insurance,
- **the Open Pension Funds (otwarte fundusze emerytalne, OFEs)** – the depositing and investing of funds to finance a part of an individual's old-age pension under the new rules within the second pillar of the pension scheme,
- **Occupational Pension Programmes (pracownicze programy emerytalne, PPEs)** – the depositing and investing of funds to finance a supplementary (voluntary) part of an individual's old-age pension under the new rules within the second pillar of the pension scheme.

Many legal acts govern the legal obligation of insurance to function in the case of certain social contingencies and the guaranteeing of benefits on the occurrence of such contingencies, starting from the supreme 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:

- § the Act of 13 October 1998 on the social insurance system (Journal of Laws of 2016 item 963 as amended),
- § the Act of 17 December 1998 on pensions from the Social Insurance Fund (Journal of Laws of 2017, item 1383 as amended),

- § the Act of 20 April 2004 on the Individual Old-age Pension Accounts and Individual Old-age Pension Protection Accounts (Journal of Laws of 2016, item 1776 as amended),
- § the Act of 20 April 2004 on the Occupational Pension Programmes (Journal of Laws of 2016, item 1449 as amended),
- § the Act of 21 November 2008 on the old-age funded pensions (Journal of Laws of 2014, item 1097),
- § the Act of 28 August 1997 on the organisation and operation of old-age pension funds (Journal of Laws of 2017, item 870),
- § the Act of 19 December 2008 on the old-age bridging pensions (Journal of Laws of 2015, item 965 as amended),
- § the Act of 25 June 1999 on cash social insurance benefits in respect of sickness and maternity (Journal of Laws of 2017, item 1368 as amended),
- § the Act of 30 October 2002 on social insurance in respect of accidents at work and occupational diseases (Journal of Laws of 2017, item 2179 as amended),
- § the Act of 27 June 2003 on the social pension (Journal of Laws of 2013, item 982 as amended),
- § the Act of 30 April 2004 on pre-retirement benefits (Journal of Laws of 2013, item 170 as amended),
- § the Act of 23 January 2008 on the transfer of old-age pensions entitlements of European Union civil servants (Journal of Laws of 2008 no. 47, item 274 as amended).

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

- § the Act of 27 August 2004 on health care benefits financed by public funds (Journal of Laws of 2017, item 1938 as amended),

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

- § the Act of 20 April 2004 on employment promotion and labour market institutions (Journal of Laws of 2017, item 1065 as amended).

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

- § the Act of 20 December 1990 on the social insurance of farmers (Journal of Laws of 2017, item 2336 as amended).

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

- § the Act of 12 March 2004 on social assistance (Journal of Laws of 2017, item 1769 as amended).

**Family benefits** are granted pursuant to:

- § the Act of 28 November 2003 on family benefits (Journal of Laws of 2017, item 1952 as amended),
- § the Act of 11 February 2016 on state aid in raising children (Journal of Laws of 2017, item 1851 as amended).
- § the Act of 5 December 2014 on a Large Family Card (Journal of Laws of 2017, item 1832 as amended).

**Carer benefits** are given on the basis:

- § the Act of 4 April 2014 on the establishment and payment of allowances for guardians (Journal of Laws of 2016, item 162 as amended).

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

- § the Act of 7 September 2007 on assistance for persons entitled to a maintenance payment (Journal of Laws of 2017, item 489 as amended).

**Vocational and social rehabilitation and the employment of disabled persons** is carried out pursuant to:

- § the Act of 27 August 1997 on the vocational and social rehabilitation and employment of disabled persons (Journal of Laws of 2016, item 2046 as amended).

## 2.2. International legal frameworks binding on Poland

Article 87(1) of the Constitution of the Republic of Poland enumerates – among the sources of universally binding law – ratified international agreements. Thus, these 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 with the prior consent granted by an Act of Parliament, particularly Article 91(1) and (2) of the Constitution of the Republic of Poland.

Since 1 May 2004, that is from the moment of Poland's accession to the European Union, 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 relevant EU legislation.

Provisions of treaties and regulations become *ipso jure* a part of the Member States legal order.

Regulations are directly applicable with no necessity of their ratification, while directives should be introduced to the national legal order as a rule within a period from one to three years.

**The basic legal acts of the European Union in the social security** sphere are 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,
- 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) of the European Parliament and of the Council np. 465/2012 of 22 May 2012 amending Regulation (EC) no. 883/2004 on the coordination of social security systems and the Regulation (EC) no. 987/2009 laying down the procedure for implementing Regulation (EC) no. 883/2004.
- 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 (EU) 24/2011 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, self-employed persons and their families moving within the Community,
- Council Regulation (EEC) no. 574/72 of 21 March 1972 fixing the procedure for implementing Regulation (EEC) no. 1408/71 on the application of social security schemes to employed persons, self-employed persons and their families moving within the Community,

for the purposes

- of implementation of 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 yet 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 another Member State,
- of determination of the appropriate legislation for the period before the regulation (EC) 883/2004 and 987/2009 came into force, i.e. 1 May 2010.

The European Union Regulations on the coordination of the social security systems have superseded – from the moment of Poland's accession to the European Union – bilateral international agreements on social security, which had earlier bound Poland with the Member States.

However, there still remain in force several specific regulations, beneficial for Polish citizens between Poland and Austria and between Poland and Germany in the form of bilateral agreements on social security:

- Article 33 par. 3 of the Convention of 7 September 1998 between the Republic of Poland and the Republic of Austria on social security (crediting of insurance periods completed before 27 November 1961); application of this provision is limited to persons covered by this Convention,
- Agreement of 9 October 1975 between the Polish People's Republic and the Federal Republic of Germany on old-age pensions and on accident insurance within the



scope covered by Article 27 par. 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 the legal status for persons who were residents of Germany or Poland before 1 January 1991 and who still reside there,

- Article 27 par. 5 and Article 28 par. 2 of the Agreement of 8 December 1990 between the Republic of Poland and the Federal Republic of Germany on social security (maintenance of rights to pensions paid pursuant to the Agreement of 1957 concluded with the former German Democratic Republic; crediting of insurance periods completed by Polish employees pursuant to the Agreement of 1988 concluded with the former German Democratic Republic).

**The following bilateral agreements on social security are in force with states outside of the European Union:**

- 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 – with respect to: Bosnia and Herzegovina, Serbia and Montenegro,
- Agreement on social security between the Republic of Poland and the Republic of Macedonia signed on 6 April 2008 as well as the administrative agreement in relation to the use of the said signed on 27 June 2007 (in force since 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 the administrative arrangement on its application, signed on the same day (in force since 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 on the same day (in force since 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 administrative arrangement on its application, signed on the same day (in force since 1 March 2010),
- Agreement on social security between the Republic of Poland and Australia signed in Warsaw on 7 October 2009 and the administrative arrangement on its application, signed on the same day, entered into force on 1 October 2010;
- Agreement on social security between the Republic of Poland and Ukraine signed in Warsaw on 18 May 2012 and the administrative arrangement on its application, signed on the same day, entered into force on 1 January 2014;
- Agreement on social security between the Republic of Poland and the Republic of Moldova signed on 9 September 2013 and the administrative arrangement on its application, signed on the same day (in force since 1 December 2014).

Besides, Poland is bound by the international conventions and recommendations of the International Labour Organisation and the provisions of the European Social Charter of the Council of Europe.

On 6 September 2012 Poland ratified the UN Convention on the Rights of Persons with Disabilities. The Convention entered into force on 25 October 2012.

# **3. The Social Insurance Institution (ZUS) – general information**

The Social Insurance Institution (ZUS) 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. Pursuant to the Ordinance, five insurance institutions were merged (Social Insurance Chamber, Sickness Insurance Institution, Accident Insurance Institution, White-Collar Employees' Insurance Institution, Blue-Collar Workers' Insurance Institution).

The 1999 reform placed before the Social Insurance Institution the most important tasks in its history, through the imposition thereon of far greater responsibilities than before.

The structural nature of the reforms of the social insurance and health care systems, implemented from 1 January 1999, strengthened the position of the Social Insurance Institution as the main element in the administration of the Polish social security system.

The Social Insurance Institution is a state organisational unit with its headquarters in Warsaw with its own legal status as an entity. Its tasks are defined in the Act of 13 October 1998 on the social insurance system. ZUS also fulfils various functions empowered by virtue of other laws.

## 3.1. ZUS's tasks

---

The Social Insurance Institution (ZUS):

- establishes benefit entitlement and pays out monthly old-age and other pensions;
- establishes entitlement and pays out sickness, maternity, carer, and compensatory allowances, rehabilitation benefits, funeral grants;
- carries out medical examinations and issues decisions for the purposes of establishing the entitlement to social insurance benefits, other benefits payable by ZUS and for non-insurance purposes;
- checks the validity of a certification for temporary incapacity for work;
- authorizes doctors to issue medical certificates about incapacity for work and withdraws these authorizations in case of mistakes in issuing medical certificates;
- performs disability prevention tasks, including medical rehabilitation and accident prevention;
- establishes the social insurance obligation, assesses and collects social insurance contributions;
- it takes a contribution for the II (funded) pillar of old-age pension insurance from a part of old-age pension insurance contributions, a part of which is given over to open pensions funds (OFE), and a part deposited into the sub-accounts of the insured; if the insured person has not submitted a declaration stating that a part of contributions are to be transferred to an OFE, ZUS credits the entire retirement insurance contribution for the II pillar to the insured person's sub-account;
- collects and accounts for the contribution to health insurance and transfers it to the National Health Fund (NFZ);
- collects the contribution to the Labour Fund;
- collects the contribution to the Fund of Guaranteed Employee Benefits;
- collects and accounts for the contribution to the Old-age Bridging Pensions Fund (*Fundusz Emerytur Pomostowych, FEP*);
- conducts the calculation of contributions held in contribution payer's accounts and records the contributions within the individual accounts and sub-accounts of the insured;
- keeps accounts of contribution payers and books contributions to insured persons' individual accounts;

- controls contribution payers in discharge of their contribution payment duties and checks the correctness of exercising the tasks entrusted to payers by law (such as payment of various types of allowances), as well as vindicates liabilities in respect of social insurance and health insurance contributions;
- maintains the insured persons' individual accounts and the sub-accounts under these accounts, as well as the Central Register of Insured Persons;
- maintains the Central Register of Open Pension Funds Members;
- maintains the contribution payers' records and the Central Register of Contribution Payers;
- administers the monies of the Social Insurance Fund as well as those of the Maintenance Fund;
- manages the Demographic Reserve Fund (*Fundusz Rezerwy Demograficznej, FRD*);
- sends in the name of pensioners the due income taxation payments for natural persons to the Polish inland revenue as well as submitting to the Polish National Health Fund the due contributions for health insurance for pensioners and benefit claimants;
- awards and pays social pensions;
- awards and pays pre-retirement benefits;
- promotes knowledge about social insurance in Poland; carries out its own educational initiatives for school children and projects for university students;
- cooperates with governmental administration bodies, foreign insurance institutions, and international organisations;
- plays the role of a competent institution and a liaison body in the implementation of international conventions and agreements in the field of social insurance, and handles benefits payable in accordance with these conventions and agreements;
- plays the role of a competent institution and a liaison body in the field of the EU coordination of social security systems in the area covered within ZUS competence.

Due to the range of exercised tasks the Social Insurance Institution is one of the biggest public institutions in Poland. ZUS combines financial functions (contributions collection, benefits payment, tax collection on behalf of pensioners) with the functions of an institution that should provide its clients – beneficiaries and contribution payers – with a sense of security connected with the reliable fulfilment of the social mission entrusted to it.

## 3.2. The structure of ZUS

---

The Social Insurance Institution is governed by its President, who chairs the Management Board composed of 2–4 members. The President of ZUS is appointed by the Prime Minister on the recommendation of the minister in charge of social security issues, after consulting ZUS Supervisory Board. The President of ZUS is dismissed by the Prime Minister on the recommendation of the minister in charge of social security issues. ZUS Management Board members are appointed and dismissed by the ZUS Supervisory Board on the recommendation of the President of ZUS.

The Supervisory Board is a consultative and decision-making body. It is appointed by the Prime Minister for five years on a tripartite basis, which means that the Supervisory Board members are delegated by social partners acting in the Tripartite Commission for Socio-Economic Issues – they are representatives of trade unions, employers organisations and the government.<sup>1</sup> In addition, the Board also includes a pensioner organisation representative. This means that the number of Board members depends on the number of representative (nation-wide) employer and employee organisations in existence at a given time. The exact number of Board members is twelve.

ZUS tasks are performed by:

- Headquarters,
- 43 branches,
- 209 inspectorates,
- 71 field offices.

---

<sup>1</sup> Four Supervisory Board members (including its President) are appointed on the recommendation on the minister in charge of social security issues (Article 75 paragraph 1(1) of the act on the social insurance system).

### 3.3. Types of social insurance and principles of subjection to these insurances within ZUS

---

The Polish social insurance system includes:

- old-age pension insurance,
- disability and survivor's pension insurance,
- sickness insurance,
- work 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 has introduced compulsory insurance and voluntary insurance.

**Compulsory old-age pension and disability pension insurance** relates to, among others:

- employees, except for public prosecutors,
- members of agricultural production cooperatives,
- contractors,
- persons running a non-agricultural business activity,
- members of the clergy,
- Members of Parliament receiving remuneration,
- recipients of unemployment benefits,
- those on parental leave or receiving maternity allowance or benefits at the rate of maternity allowance,
- members of supervisory boards.

Those who do not fulfil the conditions allowing for compulsory old-age and disability pension insurance have the right to voluntarily contribute to these insurance schemes.

The number of insured persons in 2016 equalled 15,109.6 thousand.



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

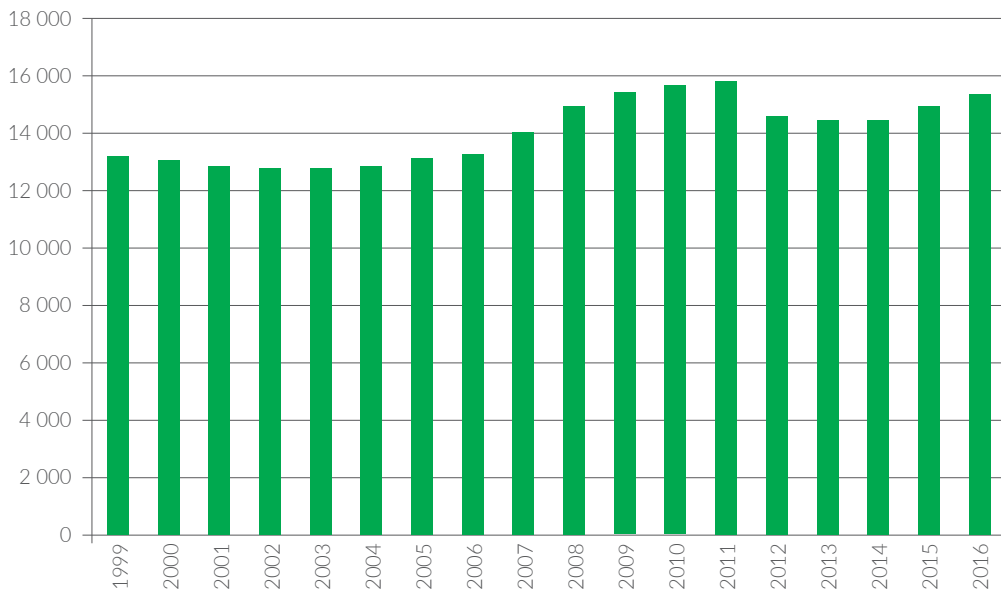
- employees, except for public prosecutors,
- members of agricultural production cooperatives and rural cooperative circles,
- persons undergoing substitute military service.

**The sickness insurance may be joined, on a voluntary basis (on request)**, by persons covered by compulsory pension insurance, including:

- persons running a non-agricultural business activity,
- persons performing work on the basis of civil law mandatory or agency contracts.

**Compulsory work accident insurance** covers persons subject to old-age and disability pension insurance, for example: employees, contractors, members of agricultural production cooperatives, persons running a non-agricultural business activity and persons collaborating with them.

### The number of insured persons in 1999–2016 (in thousand)



## 3.4. The types of benefits provided by ZUS

---

The Social Insurance Institution – as the main implementing body of the social insurance legislation – establishes the entitlement to, and pays social insurance benefits and other benefits entrusted by virtue of 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 a long-term incapacity for work

- disability pension,
- training pension;

### 3. In respect of old age

- old-age pension,
- nursing supplement to old-age pension;

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

- survivor's pension,
- supplement to a survivor's pension for double orphans;

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

- lump-sum compensation,
- benefits in respect of sickness, long-term incapacity for work and the death of a breadwinner,

- dentist services and prophylactic vaccinations,
- refund of costs incurred in respect of the purchase of orthopaedic equipment,
- refund of costs of tests required to determine the content of alcohol, narcotic drugs or psychotropic substances in the body;

## 6. Other

- funeral grant,
- social pension,
- pre-retirement benefit,
- medical rehabilitation within the framework of disability prevention,
- subsidising activities carried out by contribution payers which help to maintain the ability to work throughout the entire period of professional activity (within the framework of ZUS accident prevention).

# 4. The finances of social insurance scheme

The Social Insurance Institution administers the Social Insurance Fund and the Old-age Bridging Pensions Fund. It also has at its disposal the Demographic Reserve Fund resources.

Family benefits, health benefits, benefits in respect of unemployment and benefits from the social insurance of farmers are financed in a different way.

## 4.1. The Social Insurance Fund

---

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

Incomes of the Social Insurance Fund come inter alia from:

- social insurance contributions except these transferred to Open Pension Funds,
- funds compensating contribution amounts transferred to Open Pension Funds,
- payments from the State Budget and other institutions, intended for benefits that ZUS has been commissioned to pay, with the exception of benefits financed under other budgetary chapters and payments from foreign institutions,
- interest on the FUS bank account,
- State Budget subsidy,
- resources of the Demographic Reserve Fund,
- payments from Open Pension Funds as a result of the insured person reaching an age lower by 10 years than the statutory retirement age.

Within the limits fixed by the Budgetary Law, the Social Insurance Fund may receive subsidies and interest free loans from the State Budget. Subsidies and loans may be intended solely to supplement funds for the payment of state-guaranteed benefits if the revenues transferred to the FUS bank account and the resources collected as the reserve fund do not ensure the full and timely payment of FUS-financed benefits.

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

The following four funds are distinguished within FUS:

- **old-age pension fund**, which is intended to finance:
  - old-age pensions – based on contributions credited to the main 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, survivor’s pensions, supplements to survivor’s pensions for double orphans, nursing supplements,
  - old-age pensions awarded ex officio in place of disability pensions,
  - funeral grants,
  - disability prevention,
  - benefits that ZUS has been commissioned to pay, financed by the State Budget,
- **sickness fund**, intended to finance sickness, maternity, care, compensatory allowances and rehabilitation benefits,
- **accident fund**, intended to finance work accident pensions and supplements, lump-sum compensations, sickness allowances in respect of incapacity for work resulting from an accident at work or occupational disease, health benefits refund (including dentist services, prophylactic vaccinations, reimbursement of medical examination, reimbursement of medical devices, subsidising activities carried out by contribution payers which help to maintain the ability to work throughout the entire period of professional activity).

## 4.1.1. Contributions

### The rate of contributions for social insurances in 2017

Type of insurance	Contributions in general in %	Contribution payer (%)	Insured person (%)
old-age pension	19.52	9.76	9.76
disability	8.00	6.50	1.50
sickness	2.45	–	2.45
work accident	0.40–3.60 <sup>a</sup> 1.80 <sup>b</sup>	0.40–3.60 1.80	–

<sup>a</sup> The contribution for groups of activity, once differentiated, has been in force since 1 April 2015. In case of contribution payers for whom the rate of percentage contribution for accident insurance is established by ZUS, the rate determined for their activity group is additionally multiplied by a levelling indicator in the range of 0.5 to 1.5.

<sup>b</sup> The contribution for contribution payers applying for accident insurance for an average month for not more than 9 insured persons as well as for contribution payers not subject to REGON registration – this contribution is in force from 1 April 2015.

The percentage rates of pension and sickness insurance contributions are uniform for all insured persons. Rules for financing contributions depend on the entitlement to insurance. The rules of financing contributions applicable to employees and contractors are shown below.

Contributions to **the old-age pension insurance** (19.52%) are financed by insured persons and by contribution payers from their own resources in equal parts – 9.76% of the contribution calculation basis. If an insured person is a member of an Open Pension Fund and submitted a statement of contributions transfer to OFE in the period from 1 April to 31 July 2014, ZUS transfers a part of the contribution to his or her old-age pension insurance to the Open Pension Fund selected by the insured person. And if the insured person has not submitted such a statement, starting from 1 July 2014, his or her full contribution equal to 7.3% will be credited to the sub-account in ZUS.

### **Division of old-age pension contributions (19.52%) between FUS and OFE**

<b>Are contributions transferred to OFE?</b>	<b>FUS</b>	<b>FUS – sub-account</b>	<b>OFE</b>
Yes	12.22	4.38	2.92
No	12.22	7.30	–

Old-age pension contributions are subject to adjustment, which consists in multiplying an amount of the old-age pension contributions credited to the individual account by an a contribution adjustment rate. The contribution adjustment covers the contribution amount credited to the individual account as of the 31 January of the year that it refers to, and is increased by the amounts in respect of earlier adjustment. Contributions adjustment is carried out once a year, from 1 June each year.

**Contributions to disability and survivor’s pension insurance** (8.0%) are financed by insured persons from their own resources (1.5% of the contribution calculation basis) and by contribution payers (6.5% of the contribution calculation basis).

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

**Contributions to work accident insurance** are fully financed from the contribution payer’s resources.

#### **4.1.2. Insured persons’ accounts**

The Social Insurance Institution (ZUS) keeps accounts of all persons notified to social insurance. They are opened on the basis of the first application document concerning a given person, submitted by the contribution payer.

Since 2011 the Social Insurance Institution additionally conducts within the framework of an insured person's account a sub-account into which the contributions from the II pillar of old-age pension insurance derived from the reduced contribution to the Open Pension Fund (OFE) are credited. The sub-account is operated for an insured person who was born after 1948 and is member of OFE and for insured persons who were born after 31 December 1968 and is subject to old-age pension insurance.

From 1 January to 31 July 2016 members of OFE could choose whether they want the part of their contributions to be transferred to OFE or to be credited to the sub-account in ZUS. The division of II pillar contribution depends on declaration about transferring a part of contribution to OFE. If the insured person does not declare to transfer a part of contribution to OFE, the entire contribution is credited to the sub-account in ZUS. The insured person can change his or her decision every four years from April to July beginning from 2020.

### **Data recorded on the insured person's account include the following:**

- identification data of the insured person, 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 and paid contributions to the pension, sickness, accident and health insurance and information on the amount of due contribution transferred to the Open Pension Fund;
- information on the amount of old-age pension contributions after pension adjustment, excluding contributions credited to the sub-account and transferred to Open Pension Funds;
- information on the initial capital and on the initial capital after adjustment;
- information on membership of an Open Pension Fund;
- information on membership of the National Health Fund;
- non-insurance facts affecting the right to social insurance benefits and their amount;
- information necessary to grant and pay social insurance benefits, as well as benefits financed by the State Budget, and information on delivered payments;
- information on periods of employment in special conditions or of a special character, included in a notification of data on employment in special conditions or of a special character referred to in the Act of 19 December 2008 on old-age bridging pensions;
- information on matrimonial property relations and on natural persons to whom the resources credited to the sub-account of persons not being OFE members should be paid in the event of death;<sup>2</sup>

---

<sup>2</sup> Disbursement of funds credited to the sub-account of persons being OFE members in the event of death of the insured person is done in accordance with the disposition of the insured person lodged at OFE.



- information on the amount of resources credited to the sub-account as on the last day of the month preceding the month of establishing the right to the old-age pension;
- information about the beneficiaries designated by the pensioner to receive the guaranteed payment, if the pensioner died during a period of three years from the month of the first payment of the old-age pension;
- information on the statement of the old-age pension contribution transfer to an Open Pension Fund.

**The following information is recorded, among others, in the sub-account:**

- information on the amount of due contributions and paid contributions to the old-age pension insurance;
- information on the amount of contributions paid to the old-age pension insurance after adjustment;
- information on the value of resources equivalent to the value of 51.5% of the redeemed accounting units transferred by OFE on 3 February 2014, credited to the account of each OFE member;
- information on the amount of resources equivalent to the value of the redeemed accounting units, credited to the account of an OFE member, transferred by OFE as a result of the insured person reaching an age lower by 10 years than the statutory retirement age.

Since 1 November 2014 the assets accumulated in the account of an OFE member have been transferred gradually, on a monthly basis, to ZUS and credited to the sub-account within the framework of the so-called **security slide** 10 years prior to reaching universal retirement age.

The introduction of the security slide is aimed to protect against the risk of a so-called bad date, that is a strong slump in the market rates in the given retirement year, which would result in a reduction of the pension capital and, consequently, in a lower old-age pension. On reaching the retirement age by the insured person all funds will be kept in ZUS, which will pay out a pension for life. From the month in which the 'security slide' is launched, no contributions will be transferred to OFE.

By the 31 August of each year ZUS is obliged to send to an insured party born after 31 December 1948 **information on the state of the insured persons' account in ZUS** as of the state of affairs on the 31 December of the preceding year. An exception occurred in 2013 when ZUS conveyed the information for a two-year period (2011 and 2012). The information given in 2015 also covered a period of two years: 2013 and 2014.

### The *Information* shows the amounts of:

- the initial capital after adjustment, if this has been already calculated for the insured person;
- contributions paid to the old-age pension insurance after adjustment, excluding contributions to OFEs and to the sub-account;
- old-age pension contributions in their 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 settlement documents delivered to ZUS by contribution payers) and paid;
- total amount of contributions after adjustment, resources, and prolongation fee credited to the sub-account;
- contributions to OFEs: due (i.e. based on the settlement documents delivered to ZUS by contribution payers) and (actually) transferred to OFE;
- an amount of the hypothetical old-age pension for the insured person who has reached at least the age of 35 years as of 31 December of the preceding year; is given in two variants, the first – according to the account status as of 31 December of the year that the information refers to, the second – also taking into account the hypothetical amount of the contributions.

An insured person who lacks not more than 5 years to the retirement age is additionally provided with information on the amount of the hypothetical old-age pension that s/he would receive on reaching the statutory retirement age and at an age exceeding the statutory retirement age by one, two, three, four or five years.

An insured person who had exceeded the retirement age and has not claimed an old-age pension is informed about the hypothetical amount of the old-age pension s/he would receive at his or her actual age. S/he is additionally provided with information about the amount of the hypothetical old-age pension that s/he would receive in one, two, three, four or five years.

### The purpose of providing the insured persons with this 'Information' is to:

- inform them of the status of their account in ZUS,
- allow them to monitor the status of their account, i.e. to check the correctness of their account records and – should any irregularity be found – to request the correction of erroneous data by: the contribution payer, ZUS, OFE or by an institution dealing with payments, respectively.

The insured person may also check the above information via the ZUS *Electronic Services Platform* (Platforma Usług Elektronicznych, PUE), which provides on-line the data from the accounts of persons insured with ZUS.

### 4.1.3. Incomes of the Social Insurance Fund (FUS)

#### Incomes of Social Insurance Fund (FUS) in 2015–2016 (in million zloty)

	2015	2016	
<b>Total incomes</b>	<b>193,478.4</b>	<b>204,681.2</b>	<b>100.0%</b>
Contributions	143,298.4	152,160.3	74.3%
State Budget subsidy in total	42,065.7	44,847.8	21.9%
Refund from contributions paid to OFE	3,098.4	3,162.3	1.6%
Transfer from the Demographic Reserve Fund	718.0	–	–
Transfer from OFE ('security slide')	4,055.8	3,513.6	1.7%
Assets transferred from OFE with interest	–	718.0	0.4%
Other incomes	242.2	279.2	0.1%

In 2016 the income of the Social Insurance Fund amounted to PLN 204,681.2 million.

**Contributions** are the main item of FUS income. They accounted for 74,3% of all incomes of the FUS and amounted to a total of PLN 152,160.3 million.

**The State Budget subsidy** is the second biggest source of FUS income. It amounted to PLN 44,847.8 million and accounted for 21.9% of FUS income.

**State refund in respect of contributions transfer to OFE** amounted to PLN 3,162.3 million, i.e. 1.6% of FUS income.

There was no **transfer from the Demographic Reserve Fund** in 2016.

**Transfer from OFE**, that is resources transferred from OFE to FUS within the framework of 'security slide' amounted to 3,513.6 million which constitutes 1.7% of the FUS income.

Assets transferred from OFE with intrests amounted PLN 718.0 million, i.e. 0.4% of FUS income.

**Other income** of the Social Insurance Fund amounted to PLN 279.2 million, i.e. 0.1% of FUS income.

#### 4.1.4. Expenditure of the Social Insurance Fund (FUS)

The total Social Insurance Fund expenditure in 2016 was PLN 205,430.3 million, including:

- **expenditure on cash benefits** in an amount of PLN 201,610.4 million, which accounted for 98.1% of FUS expenditure; expenditure on pensions had the highest share in total FUS expenditure and equalled PLN 179,066.5 million, which accounted for 87.2% of FUS expenditure;
- **expenditure on disability and accident prevention** in an amount of PLN 242.4 million, which accounted for 0.1% of FUS expenditure;
- **expenditure in respect of deduction for ZUS** current operation in an amount of PLN 3,573.0 million, which accounted for 1.7% of FUS expenditure.

#### Expenditures of the Social Insurance Fund (FUS) in 2015–2016 according to type

	2015	2016	
<b>Expenditures in total,</b> of which:	<b>199,498.0</b>	<b>205,430.3</b>	<b>100.0%</b>
<b>Cash benefits</b> including:	<b>195,851.6</b>	<b>201,610.4</b>	<b>98.2%</b>
old-age and other pensions	174,565.8	179,066.5	87.2%
sickness allowances	9,826.9	10,615.2	5.2%
care allowances	701.3	790.1	0.4%
maternity allowances	7,555.7	7,745.3	3.8%
compensatory allowances	0.6	0.6	0.0%
rehabilitation benefits	1,370.4	1,525.2	0.8%
lump-sum compensation in respect of an accident at work	305.9	306.0	0.2%
funeral grants	1,294.2	1,284.2	0.6%
<b>Benefits in kind</b> including:	<b>212.4</b>	<b>242.4</b>	<b>0.1%</b>
disability prevention	179.3	186.8	0.1%
accident prevention	33.1	55.6	0.0%
deduction for ZUS	3,430.0	3,573.0	1.7%
other expenditures	4.0	4.5	0.0%

## Cash benefits from the Social Insurance Fund in 2016 according to fund type

	in million PLN	in %
<b>In total including:</b>	<b>201,610.3</b>	<b>100.0</b>
Old-age pension fund	131,080.9	65.0
Disability pension fund	45,486.7	22.6
Sickness fund	19,988.1	9.9
Accident fund	5,054.6	2.5

### 4.1.5. Debt recovery from contribution payers

It is the job of the Social Insurance Institution (ZUS) to recover debts in unpaid contributions. This task is realised by ZUS both in terms of the enforcement of payment of amounts outstanding (the forced retrieval of debts) as equally through the use of non-enforcement forms of acquisition of unpaid contributions (by agreement) as foreseen by the law.

The total amount of unpaid insurance contributions for social insurance as of the 31 of December 2016 was PLN 21,735.9 million, of which:

- for the period up until 31 December 1998 – PLN 495.0 million,
- for the period from 1 January 1999 – PLN 21,240.9 million.

By the end of 2016, the Social Insurance Institution (ZUS) carried out enforcement regarding outstanding social insurance contributions which totalled PLN 11,132.0 million. In 2016, ZUS recovered PLN 1,070.6 million in outstanding contributions. The volume of recovered liabilities remains at a similar level as in 2015, despite the fact that a significant part of the debt is composed of older liabilities, the payment of which is difficult to enforce.

It is also possible to pay the debt without execution, on the basis of an instalment settlement. The debtor may be also allowed to defer payment of due contributions. An opportunity to pay the debt in instalments is offered by ZUS on the debtor's request when s/he meets the prescribed requirements, inter alia when s/he submits documents enabling ZUS to carry out an assessment of the payment capacity of a debtor claiming the relief.

A debtor entering into an instalment settlement results in interest suspension. However, the Social Insurance Institution calculates ipso jure a prolongation payment amounting

to 50% of the default interest rate, which is aimed to compensate for the loss of any further default interest that would have been due if the debtor had not entered into the arrangement.

In 2016 ZUS concluded 47,950 instalment settlements as well as the awarding of 1,630 reprieves in deadline payments for contributions to the sum of PLN 2,137.9 million.

Furthermore, ZUS can remit dues in respect of a full contribution or a part of contribution. The remission depends on the character of the liabilities.

In 2016 ZUS remitted contributions and additional payments to the amount of PLN 114.9 million, on the basis of:

- Social Insurance Act to a total amount of PLN 8.1 million,
- separate legal acts, including the abolition act<sup>3</sup>, to the total amount of PLN 106.8 million.

The regulations included in the abolition act are beneficial for contribution payers because the Social Insurance Institution cancels liabilities after meeting the conditions specified in this Act. ZUS cannot refuse cancellation if the contribution payer has met these conditions.

In 2016, 7.5 thousand claims for remission of contributions were submitted. 22.1 thousand decisions were issued and the sum of PLN 218.4 million was remitted.

---

<sup>3</sup> The Act of 9 November 2012 on remission of sums in respect of unpaid contributions by people running non-agricultural business activity (Journal of Laws of 2012, item 1551). The Act provides the remission of contributions to old-age pension and other pensions insurance and accident insurance since 1 January 1999 to 28 February 2009.

## 4.2. The Demographic Reserve Fund

**The Demographic Reserve Fund** (*Fundusz Rezerwy Demograficznej, FRD*) has the status of a special purpose state fund. It was established by the Act of 13 October 1998 on the social insurance system, to better secure the solvency of the old-age pensions.

The Demographic Reserve Fund plays the role of a contingency fund for the old-age pension fund separated from the Social Insurance Fund.

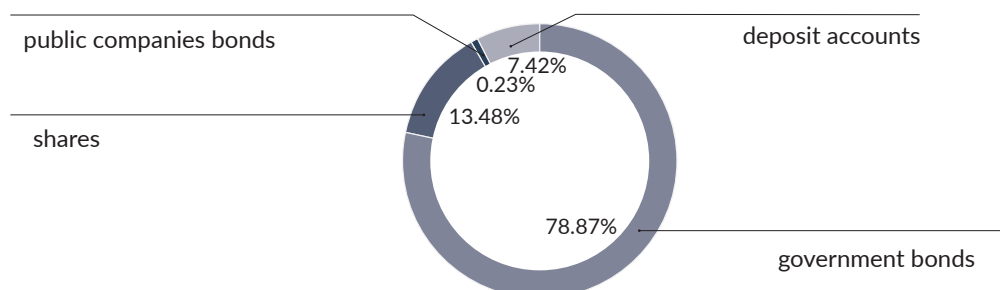
The Demographic Reserve Fund has its own legal status as an entity. The Social Insurance Institution is a FRD administrator, and any decision on making FRD funds available may be taken solely by the Council of Ministers and – since 1 February 2014 – up to the amount determined in FUS financial plan – also by the ZUS Management Board. The Council of Ministers can order to use FRD resources to guarantee the payment of benefits financed from old-age fund.

The FRD is formed from:

- a part of old-age pension contributions,
- from monies derived from the privatization of State Treasury assets and properties,
- from profit derived from investments,
- from the interest earned on deposit accounts run by ZUS, which are not the incomes of FUS and ZUS,
- from other sources.

To maximise the security and rate of return of its resources, the Demographic Reserve Fund invests them in certain financial instruments.

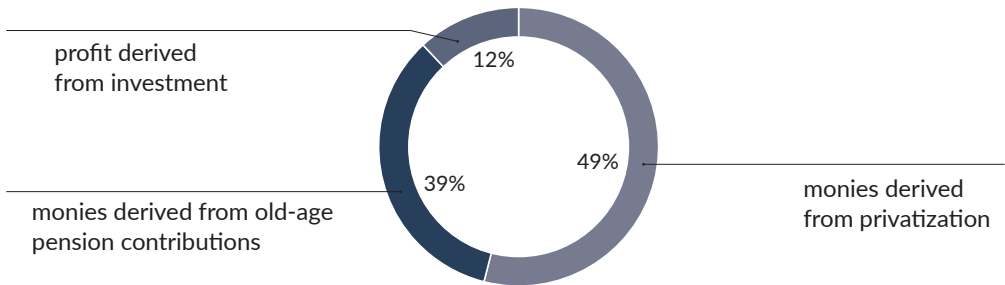
### The structure of portfolio of FRD (31 December 2016)



According to the adopted investment policy in 2016, the majority of FRD consisted of government securities. The rate of return equaled 1.32%.

The resulting rate of return was higher than adopted for this part of the assets of the benchmark (i.e. the annual inflation rate calculated for December 2014 / December 2015, which equaled - 0.5%) by 2.56%. The achieved result translated into taking 2<sup>nd</sup> place out of 12 debt funds of Polish securities.

### The structure of incomes for the Demographic Reserve Fund in 2002–2016

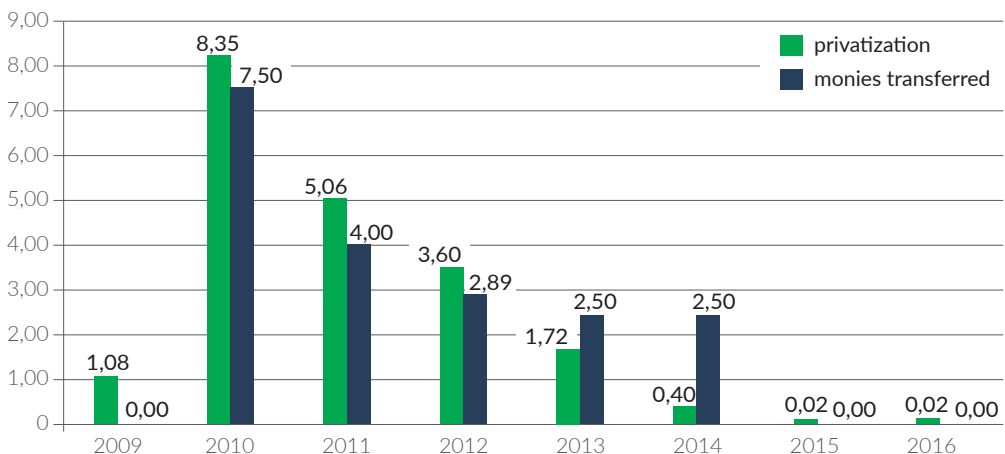


The rate of return of all funds managed by FRD in 2016 amounted to 2.65%.

#### The funds collected in FRD may be used only to:

- cover the deficit of the FUS old-age pension fund for demographic reasons,
- grant a no-interest loan to complement the FUS old-age pension fund for the purpose of current payments, to ensure the liquidity of the Social Insurance Fund; the loan should be repaid within 6 months from the day of its receipt.

### Incomes from privatization and monies transferred to the old-age fund in 2009–2016 (in billions PLN)



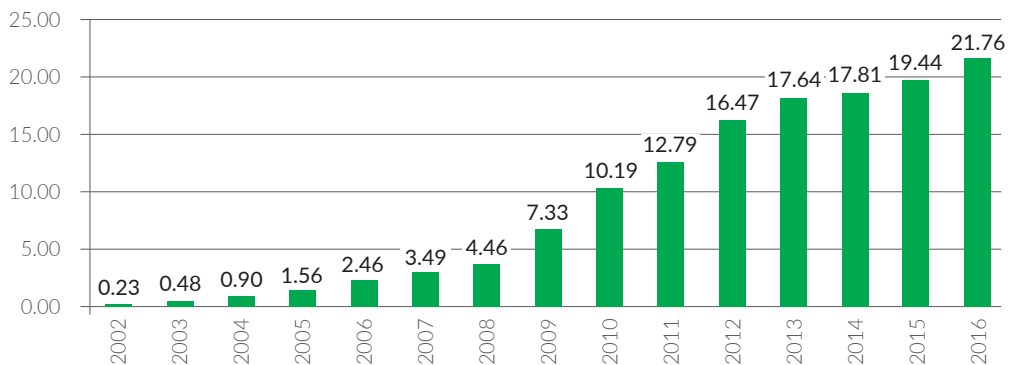


In the period from 2009 to the end of 2016 the FRD account was credited with a total of PLN 20.25 billion in respect of the State Treasury assets from privatisation. From 2010 to 2014 the Demographic Reserve Fund transferred to the old-age pension fund account a total amount of PLN 19.39 billion to cover the deficit related to demographic reasons.

In 2016, the FRD did not transfer any funds to FUS to the old-age pension fund.

At the end of 2016, the total assets managed by the Demographic Reserve Fund amounted to PLN 27.76 billion only thanks to a considerable inflow of resources from privatisation and investments.

### Resources of FRD at 31 December in 2002–2016 (in billion PLN)



## 4.3. The Old-age Bridging Pensions Fund

---

**The Old-age Bridging Pensions Fund** (*Fundusz Emerytur Pomostowych, FEP*) is a special purpose state fund. It was established on 1 January 2010 by virtue of the Act of 19 December 2008 on old-age bridging pensions to finance old-age bridging pensions. The Fund is administered by the Social Insurance Institution.

The revenues of the Old-age Bridging Pensions Fund originate inter alia from:

- contributions to the Fund,
- State Budget subsidy,
- interest on Fund bank accounts,
- investment of available FEP funds.

Within the limits fixed by Budgetary Law, FEP may receive subsidy from the State Budget. It may be used to supplement funds for the payment of old-age bridging pensions.

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

Contributions to the Old-age Bridging Pensions Fund are paid for an employee who meets in full the following conditions:

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

The obligation to pay FEP contributions for an employee arises on the day when the employee starts to perform work in special conditions or of a special character, and expires on the day when the person concerned ceased to perform such work.

The FEP contribution is payable at a rate of 1.5% of the contribution calculation basis and is fully financed by the contribution payer. The contribution is calculated on the calculation basis of the pension insurance contribution. The contribution calculation basis is subject to the same limitations as when calculating social insurance contributions.

The total amount of contributions transferred to FEP in 2016 was PLN 236.8 million.

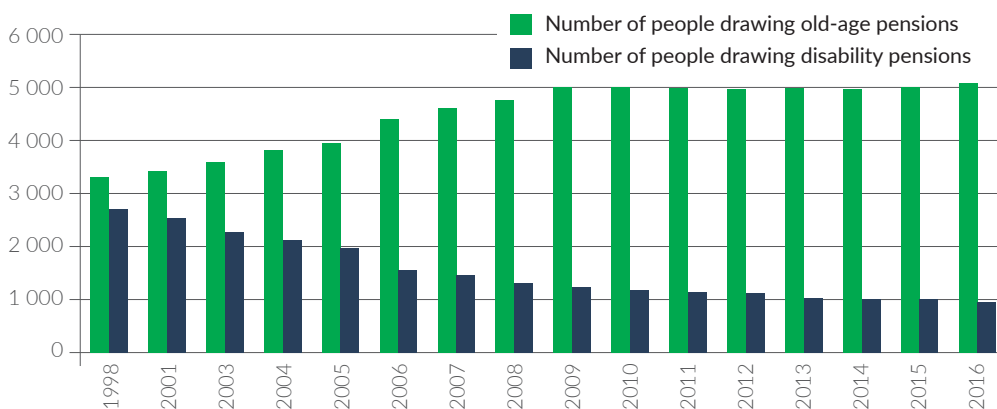


# 5. Benefits paid by Social Insurance Institution (ZUS)

## 5.1. General information about old-age pensions and other pensions from FUS

In 2016, the Social Insurance Institution paid pensions to ca 7.3 million persons. The total amount of all types of pensions equalled PLN 179,066.5 million.

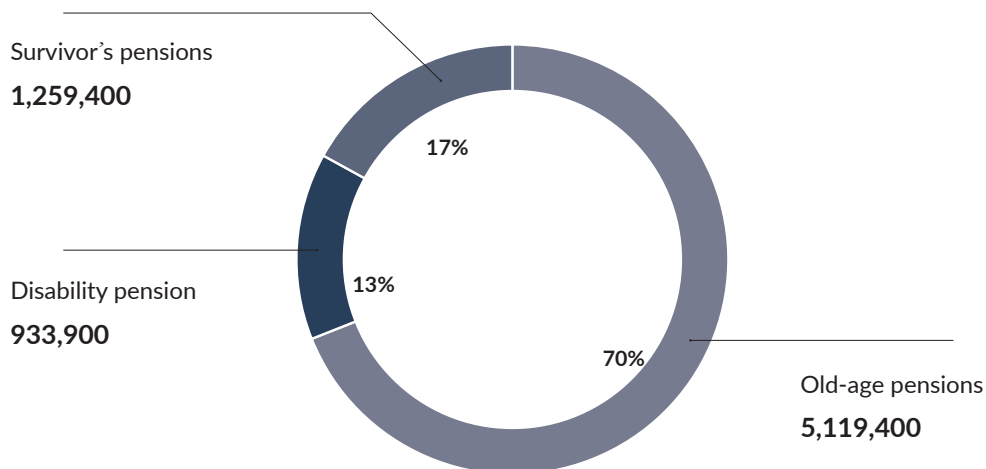
### Number of old-age and disability pensions recipients in 1998–2016 (in thousands)



### The average amount of old-age and other pensions in 2016

Pension type	Monthly value of the average pension in PLN	% of the average payment	
		a) with the compulsory contribution for social insurance (PLN 4,047.21)	b) reduced by the compulsory contribution for social insurance (PLN 3,536.87)
old-age and other pensions altogether	2,018.48	49.9	57.1
old-age pensions	2,131.70	52.7	60.3
disability pension	1,616.46	39.9	45.7
survivor's pension	1,856.34	45.9	52.5

## The structure of benefit receivers according to types of old-age and other pensions claimed in 2016



### 5.1.1. Adjustment of old-age and other pensions

The pension adjustment is carried out annually, from 1 March, to verify the benefits amount.

The pension amount after adjustment is calculated by multiplying the individual amount of the benefit by the pension adjustment rate. The adjustment rate represents the average annual price index of consumer goods and services for the preceding calendar year, increased by at least 20% of real growth of the average monthly remuneration in the preceding calendar year.

The adjustment rate is announced in a communiqué of the minister responsible for matters of social security in the Polish Government Official Journal *Monitor Polski*.

The following benefits are subject to adjustment: old-age pensions, disability pensions, survivor's pensions, pre-retirement benefits and supplements and benefits payable with pensions, temporary capital pensions and old-age bridging pensions, teachers' compensatory benefits, the amounts of maximum pension reduction and the minimum guaranteed amount of the pre-retirement benefit and pre-retirement allowance, which is applicable in the case of deriving income from gainful activity.

In 2017 old-age and other pensions were indexed by multiplication of the sum of the amount of the benefit and pension calculation basis (valid up to 28 February 2017) by the pension adjustment rate which amounted to 100.44%.

The amount of adjustment could not be lower than:

- PLN 10 for:
  - old-age pensions,
  - bridging old-age pensions,
  - teachers compensatory benefits,
  - disability pensions caused by full incapacity for work,
  - survivor’s pensions,
- PLN 7,50 for disability pensions caused by partial incapacity for work,
- PLN 5 for partial old-age pension.

Supplements and benefits paid along with the all types of pensions and the amount of maximum pension reduction were also adjusted with the use of the adjustment rate which equaled 100.44%.

From 1 March 2017 the amounts of the minimum pensions were also increased within the framework of pension adjustment.

## 5.1.2. Minimum amounts for old-age and other pensions

As from 1 March 2017 the minimum benefits have been paid at a monthly rate of:

■ Old-age pension		PLN 1,000
■ Disability pension (full incapacity for work)		
■ Survivors’ pension		
■ Disability pension (partial incapacity for work)		PLN 750

Minimum disability pensions resulting from an accident at work or occupational disease and survivor’s pensions resulting from the death of the insured person from an accident at work or occupational disease are 20% higher than the above given minimum amounts and they are:

PLN 1,200 – disability pension in respect of complete incapacity for work due to an accident at work or occupational disease and a work accident pension for survivors,

PLN 900 – disability pension in respect of partial incapacity for work due to an accident at work or occupational disease.

Minimum old-age pension	47.0% of average old-age pension (PLN 2,131.70),
is equal to ca:	54.0% of minimum remuneration (PLN 1,850.00)

In March 2017, persons receiving pensions to the minimum amount accounted for 7.2% of the total number of pensioners.

### 5.1.3. Maximum amounts for old-age and other pensions

**The old-age pension calculated under the earlier scheme** may not be higher than 100% of the basis for its calculation (see item 5.2.1).

**The old-age pension calculated under the new scheme** depends on the amount of collected contributions after adjustment, the initial capital after adjustment, amount of sums credited to a sub-account and on the retirement age (see item 5.2.2). Thus, its maximum amount is not fixed.

### 5.1.4. Combining old-age and other pensions with work

Pensioners have the right to combine their old-age pension with remuneration for work with no restrictions if they:

- have reached the statutory retirement age and
- have terminated their employment relationship before acquiring the right to an old-age pension.

Pension payment is suspended regardless of the amount of income derived from employment continued with the same employer without terminating the employment relationship upon retirement. This regulation applies to pensioners who had acquired their old-age pension entitlement as of 1 January 2011 and have not terminated their employment relationship upon retirement. The retired persons who have terminated their employment relationship may later sign a new employment contract with the same employer without losing their old-age pension entitlement.



Certain restrictions concerning benefits combination with incomes from work relate to:

- old-age pensions of persons who had been awarded their pensions before reaching the statutory retirement age,
- other pensions.

These persons are entitled to receive a pension in an amount dependent on acquired incomes.

If the average monthly income equals:

- less than 70% of average monthly remuneration – the pension is payable in the full amount,
- from 70% to 130% of the average monthly remuneration – the pension is reduced by such an amount so as the received income does not exceed 70% of the average monthly remuneration, however by not more than the amount of the maximum reduction as fixed for a given type of pension,
- more than 130% of the average monthly remuneration – the pension is suspended.

In 2016 the annual income ceiling<sup>4</sup>, corresponding to 70% of the average monthly remuneration, amounted to PLN 34,054.40 and the annual ceiling corresponding to 130% of the average monthly remuneration amounted to PLN 63,243.30.

---

<sup>4</sup> Income resulting in a suspension of payment or a reduction of benefit – is accounted for on a monthly or annual basis.

## 5.2. Old-age pensions

---

On 1 January 1999 the old-age pension scheme reform came into force.

From this moment two old-age pension schemes have been jointly in operation in Poland:

- **old-age pension scheme operating under the earlier rules** – for persons born before 1 January 1949,
- **old-age pension scheme operating under the new rules** – for persons born after 31 December 1948.

Persons born after 31 December 1948 but before 1 January 1969 had the option to stay in the hitherto pay-as-you-go pension scheme (first pillar) or join the new pension scheme, i.e. pay-as-you-go scheme (first pillar) and funded pension scheme (second pillar), selecting an Open Pension Fund. These persons could join the new pension scheme by 31 December 1999.

From 1 October 2017 statutory retirement age, the same as from before January 2013, is in force and amounts to:

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

From January 2013 to October 2017, the statutory retirement age was increased:

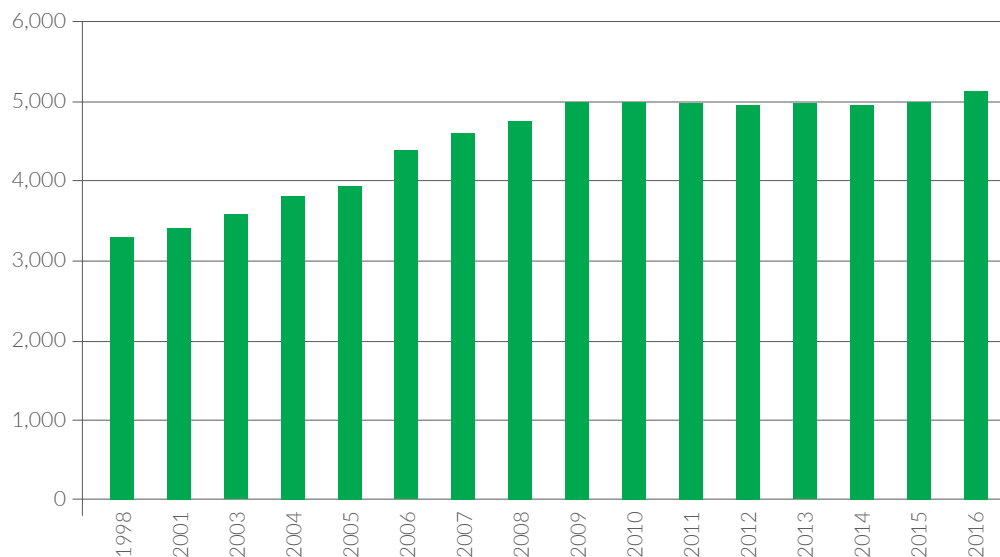
- for women born from 1 January 1953,
- for men born from 1 January 1948.

The retirement age was increased quarterly by one month and was supposed to reach 67 years. The increase of the retirement age was introduced by the amending act of 11 May 2017. Eventually, the retirement age of 67 was meant to be introduced in 2020 for men and in 2040 for women.

The retirement age of 67 years had to be applicable to women born after 30 September 1973 and men born after 30 September 1953.

At the end of 2016 retirement age for women was 61 years, and for men – 66 years.

## The number old-age pensions recipients in 1998–2016 (in thousands)



### 5.2.1. Old-age pensions operating under the earlier rules

The right to an old-age pension operating under the earlier rules is acquired after reaching the statutory retirement age (see: item 5.2)

- by women who have completed at least a 20-year contributory and non-contributory period,
- by men who have completed at least a 25-year contributory and non-contributory period.

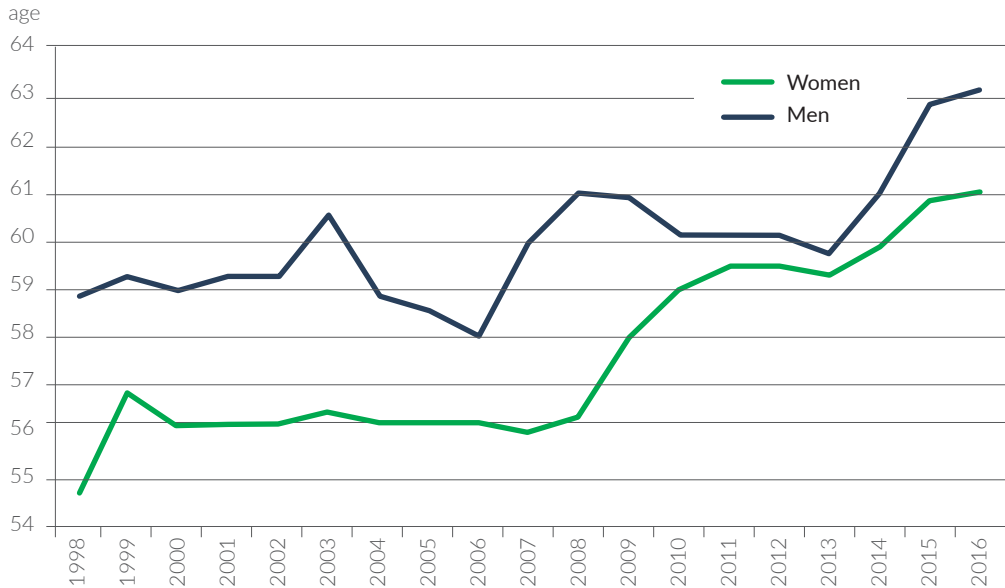
That scheme provides pensions with a shorter period of coverage at the statutory retirement age for:

- women who have completed at least a 15-year contributory and non-contributory period,
- men who have completed at least a 20-year contributory and non-contributory period.

The old-age pension with a shorter period of coverage is not subject to increase up to the level of the minimum old-age pension.

Some groups of persons employed in special conditions or in a special character (for example miners, teachers) have the right to retire before the statutory retirement age.

## The effective retirement age for women and men in 1998-2016



In 2016 the effective retirement age for men was 63.3 years and for women 61.0.

### An old-age pension calculated operating under the earlier rules is:

24% of the base sum

+ 1.3% of the contribution calculation basis for each year of contribution payments

+ 0.7% of the contribution calculation basis for each non-contribution year.<sup>6</sup>

**The benefit is calculated** based on the average contribution calculation basis for pension insurance or for social insurance, from the period of 10 consecutive calendar years that the person concerned has selected from the most recent 20 calendar years or from 20 calendar years chosen from the whole insurance period.

The calculation basis is increased by the following amounts to which the person insured was entitled in a given calendar year: remuneration for the period of in-

<sup>5</sup> Non-contributory periods can account for no more than 1/3 of documented contributory periods.

capacity for work and sickness, maternity, care allowances, rehabilitation benefits, compensatory allowances, benefits or supplements, as well as the value of financial compensation due to a temporary non-increase of salaries in the public sector.

To establish the calculation basis, first the amounts of the contribution calculation bases and the amounts of the aforementioned benefits are aggregated for each year from the selected ones, and then the ratio of each of these total amounts to the annual amount of the average salary announced for a given calendar year is calculated. The result is expressed in percentages. Then the arithmetic mean of these percentages is calculated, which is the calculation basis index (which can amount to a maximum of 250%), by which the base amount is multiplied.

**The base sum** equals 100% of the average remuneration from the preceding calendar year, reduced by the compulsory social insurance contribution deducted from the earnings of the persons insured. This is fixed from 1 March of each year.

From 1 March 2016 to 28 February 2017 the base sum equalled PLN 3,408.62, and from 1 March 2017 it amounts to PLN 3,536.87.

## 5.2.2. Old-age pensions operating under the new rules

Old-age pension operating under the new rules is composed of three pillars.

**First pillar** is managed by a public body – the Social Insurance Institution (ZUS).

**Second pillar** is made up of two parts: Open Pension Funds and a sub-account in ZUS. The Open Pension Funds (OFE) are managed by private institutions – General Pension Societies (PTE). At the end of 2016 there were 12 of PTE with a combined membership of 16.4 million. The value of net assets was PLN 153.4 billion.

Till 31 January 2014 participation in OFE was compulsory for those born after 31 December 1968. Currently those starting work for the first time may choose whether they want a part of their old-age pension contributions to go to an OFE, or whether the whole amount should go to ZUS. In 2014 and in 2016 from 1 April till 31 July OFE members could choose whether they wished to remain in an OFE. Next opportunity will be in 2020.

**Third pillar**, like the second pillar is administered by private institutions. Affiliation with the third pillar is completely voluntary. This should ensure a higher level of old-age pensions in the future thanks to a supplementary contribution.

The third pillar consists of:

- Occupational Pension Programmes (Pracownicze Programy Emerytalne, PPEs),
- Individual Old-age Pension Account (Indywidualne Konto Emerytalne, IKE),
- Individual Old-age Pension Protection Account (Indywidualne Konto Zabezpieczenia Emerytalnego, IKZE).

### Criteria for classification of three old-age pension pillars

Criteria for classification	first pillar	second pillar	third pillar
Status of the scheme	statutory	statutory	supplementary
Participation in the scheme	compulsory	compulsory	voluntary
Social objective	basic level of benefits	basic level of benefits	higher level of benefits
Scheme management	public	private/ public	private
Benefits financing	from current contributions	capital and from current contributions	capital

#### Occupational Pension Programmes (Pracownicze Programy Emerytalne, PPEs)

Occupational Pension Programmes (PPEs) is a voluntary form of group saving for old-age pension, organized by the employer in cooperation with workers. The basic contribution is financed by the employer, and the employee can declare the payment of additional contribution, withheld from remuneration. The funds contributed to the program are collected and managed by a financial institution which is chosen by the employer and employees in the organization phase of the program.

The funds which are accumulated on account of employee can be paid out, transferred to another PPEs or IKE or returned. Payment of accumulated savings may occur:

- at the request of an employee after reaching 60 years of age,
- at the request of the employee after reaching 55 years, and the presentation of the decision to grant the right to a pension,
- without the employee's request after he reaches 70 years of age if he has not requested the withdrawal before,
- at the request of the survivor in case of death of the employee.

At the end of 2016, there were 1,036 employee pension programmes (PPE), which included:

- 668 in the form of a contract with an insurance company,
- 339 in the form of a contract with an investment fund,
- 29 with an employee pension fund.

At the end of 2016, 395,600 employees were covered by employee pension programmes (0.8% increase compared to 2015).

In 2016, employers who ran the programmes paid PLN 1171.1 million in basic contributions to PPE (a decrease of PLN 21.8 million, i.e. 1.8% compared to 2015), and participants transferred from their own funds PLN 38.9 million (additional contribution).

The average annual basic contribution per a PPE participant in 2016 amounted to PLN 3,549 (a decrease of PLN 110 compared to 2015), while the average annual additional contribution – PLN 1192 (a decrease of PLN 12 compared to 2015). In 2016, the maximum amount of additional contributions that a participant could deposit in an employee pension programme was PLN 18 247.50. In 2017, this amount totals PLN 19,183.50.

On 31 December 2016, the value of assets accumulated in employee pension programmes amounted to PLN 11.4 billion and increased by 7.2% compared to 2015. From among different forms in which employee pension programmes can be implemented, the most of accumulated assets were in investment funds – 6.5 billion zlotys and in life insurance companies – 1.8 billion zlotys, while the least was saved in employee pension funds – only 3 billion zlotys.

In 2016, a total of PLN 431.9 million was withdrawn from PPE. The average payout was PLN 36.5 thousand.<sup>6</sup>

### **Individual Old-age Pension Account** (Indywidualne Konto Emerytalne, IKE)

Individual Old-age Pension Accounts are maintained by:

- insurance companies (12),
- investment funds managed by investment fund companies (16),
- entities performing brokerage activities (6),
- banks (12),
- voluntary pension funds managed by General Pension Societies (PTE) (4).

---

<sup>6</sup> Polish Financial Supervision Authority, *Information on employee pension programmes in 2016*, 14 February 2017. [https://www.knf.gov.pl/?articleId=56380&p\\_id=18](https://www.knf.gov.pl/?articleId=56380&p_id=18) (17/08/2017).

50 financial institutions in total. The right to pay contributions to IKE is granted to a person who has completed 16 years. Minors have the right to make contributions to the old-age pension account in the calendar year in which they have income from work on the basis of employment contract and their remuneration does not exceed the income. One person may have only one IKE.

Payment for IKE is taxed, and the tax is levied on income of the insured person (from which the IKE contribution is paid). The person saving in IKE is exempt from tax for capital gains.

At the end of 2016, 902.6 thousand people saved money in IKE, i.e. 5.5% of people who perform professional activity. The value of the IKE market in terms of accumulated assets amounted to PLN 6.7 billion (an increase of 17.9% compared to the previous year). The largest amount of IKE's assets was accumulated in insurance companies – PLN 2.3 billion.

In 2016, 92.5 thousand new IKE accounts were created, that is 19.7 thousand more than in 2015. Most IKE accounts were opened in investment funds – 54.2 thousand accounts, and the least in voluntary pension funds – 1.2 thousand accounts.

The average payment to IKE in 2016 amounted to PLN 3,700 and saw a slight increase of PLN 200 compared to 2015. The highest average contribution to IKE was recorded in entities conducting brokerage activities – PLN 9100, and the lowest in insurance companies – PLN 2,700.

IKE has an annual contribution limit. The limit is equal to 3 times the amount of the projected average monthly salary in the national economy for a given year, specified in the budget law or the act on the provisional budget. In 2016, this limit was PLN 12,155. In 2017, it is PLN 12,789.

The average balance of an IKE account in 2016 amounted to PLN 7400 – it increased by PLN 800.

The withdrawal of funds from IKE is tax-free. In order to withdraw funds from IKE, you have to be 60 years old or 55 years old if you have pension entitlement.

**Individual Old-age Pension Protection Account** (Indywidualne Konto Zabezpieczenia Emerytalnego, IKZE).

Individual Pension Old-age Protection Accounts are maintained by:

- insurance companies (7),
- investment funds managed by investment fund companies (13),
- entities performing brokerage activities (5),
- banks (3),
- voluntary pension funds managed by General Pension Societies (PTE) (8).



36 financial institutions in total. The right to pay contributions for IKZE is granted to a person who has reached 16 years of age. Minors have the right to make contributions to the account in the calendar year in which they have income from work on the basis of employment contract and their remuneration does not exceed the income.

The person saving the IKZE can deduct payments to IKZE of the tax base.

One person may have only one IKE.

In 2016, 643.1 thousand IKZE accounts were kept, which constitutes 3.9% of people who perform professional activity. The total value of IKZE accounts was PLN 1.1 billion (an increase of 74% compared to the end of 2015).

Net payments made to IKZE in 2016, i.e. deposits of new funds reduced by withdrawals and refunds, amounted to PLN 443.6 million (an increase of PLN 92.1 million). The average payment to IKZE amounted to PLN 2,800.

The IKZE has an annual contribution limit, which is equal to 1.2 times the amount of the projected average monthly salary in the national economy for a given year, specified in the budget law or the act on the provisional budget. In 2016, this limit was PLN 4866, and in 2017 it was PLN 5115.60.

For the withdrawal of funds from IKZE at the age of 65 you have to pay a flat rate tax of 10% of income. This tax also applies to withdrawals from IKZE to the beneficiary in the event of the participant's death.

From 1 January 2009, the right to an old-age pension operating under the new rules within **the statutory old-age pension scheme (pillar I and II)** is exercised by persons born after 31 December 1948 who have reached the statutory retirement age (see item 5.2). Until 31 May 2014, the right to an old-age pension operating under the new rules is exercised only by women. The first pensions for men under the new rules are paid from 1 June 2014, when men born after 31 December 1948 began to reach the statutory retirement age.

The statutory retirement age is not an obligatory moment to stop occupational work.

An old-age pension under the new rules, is based on the close correlation of the benefit amount with the amount of contribution actually paid. Legislation in force governing old-age pensions under the new rules limits earlier retirement opportunities, i.e. it does not provide for preferential conditions of acquiring a pension entitlement for individual occupational groups within the statutory old-age pension scheme.

Insured born after 31 December 1948 who have not reached the statutory retirement age, have the opportunity to transition of the so-called partial old-age pension, i.e. at the lower retirement age.

**The new old-age pension system incorporates:**

- old-age pension from the Social Security Fund (FUS),
- an additional temporary capital old-age pension for women from monies credited to the FUS sub-account.

**The amount of the new FUS pension** is equivalent to the sum of contributions for old-age pension insurance after 31 December 1998 along with the valorization of the initial capital and funds credited to sub-accounts divided by the average life expectancy in months for those applying for the granting of an old-age pension.

	the sum of:
	– accumulated and for old-age pension insurance after adjustment
	– initial capital after adjustment
	– funds credited to the sub-account
<b>OLD-AGE PENSION =</b>	-----
	average life expectancy of those of an age equal to that of the person retiring expressed in months

**A temporary capital old-age pension** is an entitlement for a woman who has the right to an old-age pension from FUS according to the new rules as well as who have accumulated funds in the ZUS sub-account (determined on the last day of the month preceding the month from which the right to an old-age pension is established in an amount equal to twenty times the sum of the nursing supplement<sup>7</sup> or greater than it). If these amounts are lower, they are accounted for in the calculation basis of old-age pension from FUS on the principles outlined in the act on pension benefits from the social insurance fund.

**The amount of a temporary capital old-age pension** is the sum of funds credited to the ZUS sub-account divided by the average life expectancy for individuals of an age equal to that of the individual retirement age (the age taken for calculating the amount of an old-age pension from FUS on the new rules).

The entitlement to a temporary capital old-age pension expires on the day preceding that on which the woman reaches the universal retirement age envisaged for a man born in the same year and quarter as she. After reaching this age the funds credited to the sub-account in FUS will go to an old-age pension paid from FUS. The right to temporary capital old-age pension also expires on the exhaustion of resources stored on a sub-account in the Social Insurance Fund and the death of a member of an Open Pension Fund.

In 2016, 52.8 thousand temporary capital old-age pensions monthly were paid out on average, with the average amount of this benefit being PLN 173.42.

<sup>7</sup> From 1 March 2017 the amount constituting twenty times the supplement is PLN 4,191.80 (20 × PLN 209.59).

**The old-age pension is brought up to the amount of the minimum pension if the insured person:**

- **being a man** – has reached the statutory retirement age and has completed a contributory and non-contributory period of at least 25 years,
- **being a woman** – has reached the statutory retirement age and has completed a contributory and non-contributory period of at least 22 years (in 2016–2017) and 25 years as a target.

**The initial capital** has been introduced to account for a contributory period completed before the day of entry into force of the old-age pension reform, that is before 1 January 1999. It is calculated for each insured person born after 31 December 1948 who had been paying – before 1999 – a contribution to social insurance or for whom such a contribution had been paid by the contribution payer. For each of these persons a hypothetical old-age pension is calculated, which the person concerned would have received on 1 January 1999.

The amount of the hypothetical old-age pension is calculated under the earlier rules, modified in the part concerning calculation of the so-called social element of the old-age pension. A total amount – composed of a contributory part, a non-contributory part and a social part – is multiplied by the average life expectancy for women and men at the age of 62 years, which equals 209 months. The amount calculated in this way constitutes the value of the initial capital as of 1 January 1999.

This is credited to the insured person's account and is subject to annual adjustment up to the moment of retirement. The initial capital adjustment is carried out under the same rules as the valorization of the old-age pension contributions.

Some occupational groups may exercise the right to the **old-age pension awarded under the new rules at a lower retirement age than that of the statutory retirement age**. These are persons employed 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, did not join an OFE (or if they did so applied for the transfer of resources collected in an Open Pension Fund account, to State Budget revenues by means of the Social Insurance Institution).

### 5.2.3. Old-age bridging pensions

---

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

- was born after 31 December 1948,
- has completed a period of employment in special conditions or of a special character of at least 15 years,

- has reached at least the age of 55 years (women) and 60 years (men),
- has completed the contributory and non-contributory period of at least 20 years (women) and 25 years (men),
- before 1 January 1999 performed work in special conditions or of a special character,
- after 31 December 2008 performed work in special conditions or of a special character,
- has terminated his or her employment relationship.

The pension amount is calculated in a similar way as the amount of the old-age pension awarded under the new rules. However, irrespective of the actual retirement age of a given person, the average further life expectancy for persons aged 60 years is always taken into account.

The right to an old-age bridging pension expires on the day preceding the day of acquiring the right to an old-age pension, and if the person concerned is not entitled to an old-age pension – on the day preceding the statutory retirement age.

The old-age bridging pensions are financed mainly by the State Budget. A part of the costs is covered by employers from the contribution remitted to the Old age Bridging Pensions Fund (see item 4.3).

In 2016 the old-age bridging pensions were paid to an average of ca 17.5 thousand pensioners, and the average amount of the pension was PLN 2,463.94.

The expenditure on old-age bridging pensions in 2016 was PLN 516,886.4 thousand.

#### 5.2.4. Replacement of a disability pension with an old-age pension

The disability pensions of persons who have reached the statutory retirement age is replaced with old-age pensions.

**A person born before 1 January 1949** is granted an old-age pension *ex officio* irrespective of whether s/he meets the condition of the (contributory and non-contributory) insurance period of at least 20 years for women and 25 years for men, which is required when an old-age pension is awarded.

The amount of such a pension may not be lower than the amount of the previously acquired disability pension.

**A person born after 31 December 1948** is awarded an old-age pension *ex officio* after having attained the statutory retirement age. A woman who has been awarded an old-age pension *ex officio*, and who reached the statutory retirement age in 2009–2014,

may request a pension calculation of a mixed amount (partly under the earlier and partly under the new rules).

The amount of the old-age pension granted *ex officio* to a person who has met the conditions of the insurance period is increased to the minimum pension amount.

An old-age pension is not awarded *ex officio* to a person whose right to an old-age pension and a disability pension had been already established, but who opted for a disability pension instead.

## 5.3. Disability pensions

---

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

- is incapable of work,
- has completed the required contributory and non-contributory period: at least 5-years of contributory and non-contributory periods during the last decade before claiming the pension or before the occurrence of the incapacity for work; in the event of the incapacity for work occurring at an age lower than 30 years, the required contributory and non-contributory periods are respectively shorter – from 1 to 4 years, however, if the person has lost his or her earning capacity due to an accident on the way to or from work, s/he does not have to prove the required contributory and non-contributory period,
- the incapacity for work must have occurred during contributory and non-contributory periods, but not later than within 18 months after the cessation of these periods; this requirement does not relate to a person insured who has proved the contributory and non-contributory period of at least 20 years for women and 25 years for men and is completely incapable of work.

Insured persons who have proved a contributory and non-contributory period of at least 25 years in the case of women and 30 years in the case of men and have been recognised as completely incapable of work, do not need to document at least a 5-year period of insurance during the last 10-year period before the claim is filed or before the incapacity occurred.

Medical assessment for the purposes of social insurance benefits and other benefits paid by ZUS are realized by ZUS evaluating doctor and ZUS medical commissions.

ZUS evaluating doctor and medical commission evaluates the incapacity for work, its degree and gives his or her certificate in this regard. ZUS evaluating doctor also establishes:

- the date of disability occurrence,
- the permanency or expected duration of the incapacity for work,
- the causality of the incapacity for work or death with certain circumstances,
- the inability to an independent existence,
- the suitability of vocational retraining.

**The person incapable of work** is a person who has lost, completely or partly, their earning capacity due to a disturbance of body fitness, and for whom retraining does not promise the restoration of his or her earning capacity.

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

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

Incapacity for work is certified for a period of up to 5 years or longer – if there is no prognosis as to the restoration of earning capacity before the lapse of the 5 years. During a period of certified incapacity for work (indicated in the ZUS decision), the pension is payable.

The person concerned may appeal to a ZUS medical commission against ZUS evaluating doctor decision up to 14 days from the day the decision was received. In turn the president of ZUS may submit an application raising objections as to the correctness of the judgement sending the matter for examination by the ZUS medical commission within 14 days from the issuing of the decision by ZUS evaluating doctor.

The following constitute the basis for a pension body decision on a disability pension:

- ZUS-certified doctor decision which has not been opposed or claimed to be invalid,
- ZUS medical commission decision.

**The disability pension in respect of an accident at work or occupational disease** is awarded irrespective of the duration of the accident insurance period and irrespective of the date of the occurrence of the incapacity for work as a result of an accident at work or an occupational disease.

**The disability pension in respect of a complete incapacity for work amounts to (a calculation basis):**

24% of the base sum,

+ 1.3% of the calculation basis for each contributory year,

+ 0.7% of the calculation basis for each non-contributory year<sup>9</sup>

+ 0.7% of the calculation basis for each year short of the full 25 years of contributory and non-contributory periods, from the day of claiming the benefit to the day when the pensioner would have reached 60 years – the statutory retirement age determined for women.

<sup>9</sup> Non-contributory periods are taken into account at a rate not exceeding 1/3 of the proved contributory periods.

An **accident at work** means a sudden occurrence associated with work, arising out of an external cause and resulting in injury or death.

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

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

A person entitled to the disability pension who has been recognised as completely incapable of work and of an independent existence is awarded a nursing supplement (see item 5.14).

**The amount of the disability pension in respect of an accident at work or occupational disease** is calculated in the same way as the disability pension, and it may not be lower than:

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

The calculation basis of the disability pension in respect of an accident at work or occupational disease may be calculated based on the basis of an calculation index higher than 250%. When the calculation was made using an calculation index higher than 250% of the basis for pension calculation, the above mentioned guarantees do not apply.

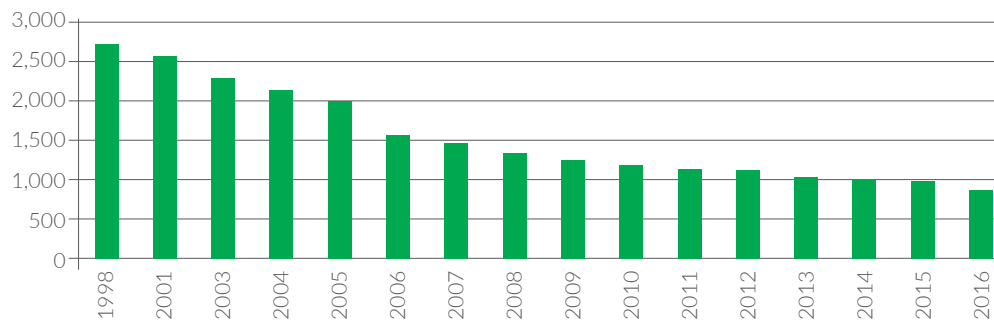
### **The structure of disability pensions in December 2016 on the basis of the degree of disability**

<b>Disability pensions in general including those of:</b>	<b>100.0%</b>
Complete inability to undertake employment and an independent existence	9.4%
Total incapacity for work	25.4%
Partial incapacity for work	65.2%

In 2016 disability pensions were paid on average to 883.6 thousand persons, the average monthly amount of the pension was PLN 1571.51, and 48.1 thousand new pensions were granted.



## Number of disability pension recipients in 1998-2016 (in thousands)



A monthly average of 180.6 thousand pensions in respect of accidents at work and occupational diseases were received in 2016, of an average amount of PLN 2,852.14. They accounted for 20.1% of the total number of disability pensions.

## 5.4. Training pensions

---

**The training pension** is payable to a person meeting the conditions for receiving a disability pension, who has been issued a decision on the advisability of vocational retraining due to an incapacity for work in an earlier practiced occupation.

The training pension is awarded for a period of 6 months, which may be reduced or extended.

At a *starosta's* (district governor's) request this period may be extended, for the time required for retraining, by a further 30 months.

The period is reduced when a starosta informs the pension body of:

- the lack of a possibility to retrain a given person for a new occupation,
- the fact that a given person does not want to undergo retraining.

The training pension is payable at the rate of 75% of the pension calculation basis or 100% of this basis if the incapacity for work was caused by an accident at work or an occupational disease. The pension may not be lower than the minimum pension for a person who is partly incapable of work.

The pension is not paid if the pensioner receives any remuneration or income, irrespective of its level.

In 2016 training pensions were paid to a monthly average of 72 persons, and the average monthly amount of the pension was PLN 2,783.96.

## 5.5. Survivor's pensions

---

**The survivor's pension** is awarded to entitled family members of a person who – on the day of death – held the established entitlement to an old-age pension (including an old-age bridging pension) or a disability pension or who met the requirements for the award of one of these pensions. When the right to a survivor's pension is established, it is assumed that the deceased person was completely incapable of work.

A survivor's pension is also awarded to the eligible family members of a person who – on the day of death – was a recipient of a pre-retirement benefit, a pre-retirement allowance or a teacher's compensatory benefit. In such a case it is assumed that the deceased person has fulfilled the conditions to be awarded the pension in respect of a complete incapacity for work. A survivor's pension is not awarded in respect of a temporary capital old-age pension.

The following persons have the right to a survivor's pension:

- one's own children, a spouse's children, adopted children – until they reach the age of 16 years or 25 years in the case of children in education, and irrespective of age if they had become completely incapable of work before reaching the age of 16 years or while in education before reaching the age of 25 years. If the child reached the age of 25 years while being a student of the final year of study at an institution of tertiary education, the right to the pension is prolonged till the end of this year of study;
- grandchildren, siblings and other children taken into custody before reaching the age of majority; with the exception of children taken into custody within the foster family or the family children's home who have at least one year before the death of the insured or the pensioner unless the death was the result of an accident, they are not entitled to a pension after their parents died, and when the parents live, if they cannot provide them with maintenance or insured or his spouse was their guardian established by the court;
- a spouse (widow, widower) – if at the time of death of the husband/ wife the spouse is aged 50 or is unable to work or – is bringing up at least one child, grandchild or relative who is entitled to a survivor's pension after the death of the husband, and the child is 16 years old or less (18 or less if continues education), or if the spouse is providing care to a child unable to work, or has reached the age of 50 or has become unable to work following the death of the spouse in a period not longer than

five years since his or her death or the ceasing of care over the above mentioned children,

- parents who fulfil the conditions for a widow and widower, if the insured party, pensioner or benefit receiver contributed to their upkeep.

The survivor's pension is payable at the following rates:

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

All entitled family members acquire the right to one joint survivor's pension, which is divided – if necessary – in equal parts among all the beneficiaries. If a survivor's pension is received by a double orphan, s/he is entitled to a supplement for double orphans.

At the end of 2016 the largest group claiming survivor's pensions were women – 88.7%. In as far as women are concerned most commonly the benefit was claimed by women aged 55 and older (87.6%), while amongst men the most numerous group were individuals aged from 10 to 24 years (46.1%).

In 2016 survivor's pensions were claimed by 1,236.7 thousand individuals, while the average monthly pension payment was PLN 1,856.37.

## 5.6. Medical rehabilitation within disability prevention

---

The Social Insurance Institution performs **disability prevention** tasks, including medical rehabilitation and accident prevention.

### 5.6.1. Disability prevention

---

The main disability prevention tasks are:

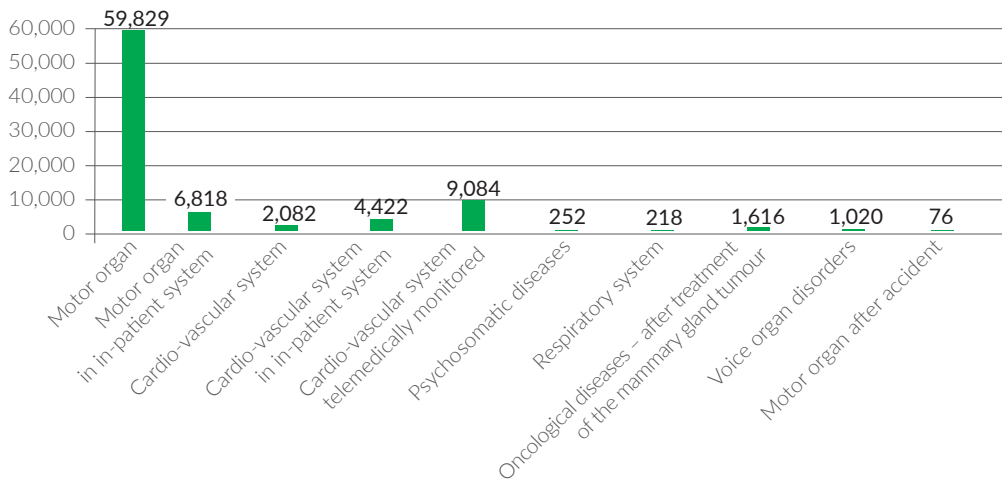
- referral to medical rehabilitation,
- dissemination of knowledge about activities preventing incapacity for work.

The Social Insurance Institution refers for rehabilitation to rehabilitation centres, selected by means of tender bids, persons at risk of long-term work incapacity for the following groups of diseases:

- within an in-patient system:
  - motor system diseases,
  - cardio-vascular system diseases,
  - psychosomatic diseases,
  - respiratory system diseases,
  - oncological diseases – after treatment of the mammary gland tumour,
  - voice organ disorders;
- within an out-patient system:
  - motor system diseases,
  - cardio-vascular system diseases, including telemedically monitored diseases.

In 2016 the medical rehabilitation programme was completed by 85,417 persons. Costs of rehabilitation (including the cost of resort payments and a refund of travel costs) equalled PLN 186,650.7 thousand.

## Number of persons who have undergone a medical rehabilitation programme within the framework of ZUS disability prevention in 2016 on the basis of rehabilitation profiles



As a part of disability prevention activities ZUS co-financed 15 scientific projects and ordered:

- publication of articles to spread knowledge about therapeutic rehabilitation programme as a part of disability prevention, which is implemented by ZUS and addressed to people who underwent breast cancer treatment and people with voice organs disorders,
- elaboration of the programme of early medical rehabilitation as a part of disability prevention for people who suffered injuries of a locomotive organ during an accident, and the accident at work in particular.

Expenses for this purpose amounted to PLN 189.8 thousand.

### 5.6.2. Accident prevention

In 2016, within the framework of accident prevention, the Social Insurance Institution:

- co-financed activities carried out by contribution payers aimed at maintaining earning capacity throughout the period of professional activity;
- commissioned analysis of the causes of accidents at work and occupational diseases, especially fatal, serious and collective accidents, and occupational diseases;
- disseminated knowledge of hazards causing accidents at work, occupational diseases and methods for their prevention;
- commissioned scientific and research works to identify or reduce the causes of accidents at work and occupational diseases.

The amount spent for this purpose in 2016 equalled PLN 55.6 million.

## 5.7. Social pensions

---

**The social pension** is payable to an adult, who has reached the age of 18 years who has been recognised as completely incapable of work due to impairment of body functions which occurred:

- before reaching the age of 18 years, or
- in the course of education at school or an institution of tertiary education, before reaching the age of 25 years, or
- in the course of doctoral studies or academic post-graduate studies.

The right to a social pension may be granted on a permanent or temporary basis. If ZUS evaluating doctor or a ZUS medical commission state in their medical decision on which the granting of the social pension is based, that complete incapacity for work is permanent – a permanent social pension is awarded to the beneficiary. If it is stated that complete incapacity for work is of a temporary character – a temporary social pension is awarded, payable for a period indicated in the decision issued by ZUS. Persons concerned in an extension of their social pension period, should apply for the establishment of the right to this benefit for a further period.

The social pension is granted in a fixed amount and equals 84% of the amount of the minimum pension that would be granted in respect of a complete incapacity for work.

The entitlement to the social pension is suspended if the entitled person has reached an income exceeding in its total amount 70% of the average monthly remuneration for a calendar quarter.

Decisions on granting social pensions are issued and benefits are paid by ZUS, but these benefits are financed by the State Budget.

As from 1 March 2017 the social pension equals PLN 840.

In the case of an overlapping entitlement to a social pension with an entitlement to a survivor's pension, the social pension amount is reduced to ensure that the total amount of both benefits does not exceed 200% of the minimum pension for a total incapacity for work, i.e. PLN 2,000, with the reservation that the minimum social pension cannot be lower than 10% of the minimum pension for a total incapacity for work, i.e. PLN 100. The social pension is not payable if the amount of the survivor's pension exceeds 200% of the minimum pension in respect of a total incapacity for work.

In 2016, ZUS paid out social pensions to 275.9 thousand persons to an amount of PLN 2,427.3 million.

## 5.8. Pre-retirement benefit

---

The entitlement to **the pre-retirement benefit** is paid to a person who:

- before the day of the termination of the employment or service relationship due to the liquidation or insolvency of the employer with whom s/he had been employed or remained in a service relationship during a period of not less than 6 months, had reached at least the age of 56 years (women) and 61 years (men) and had completed a period qualifying for an old-age pension of at least 20 years in the case of women and 25 years in the case of men, or
- before the day of employment or service relationship termination for reasons attributable to the work establishment where s/he had been employed during a period of not less than 6 months, had reached at least the age of 55 years (women) and 60 years (men) and had completed a period qualifying for the an old-age pension of at least 30 years in the case of women and 35 years in the case of men, or
- before the day of bankruptcy declaration had been running – within an uninterrupted period of not less than 24 months – a business activity outside of agriculture and had been paying the social insurance contributions for this period and – before the day of the bankruptcy declaration – had reached at least the age of 56 years (women) and 61 years (men) and had completed a period qualifying for an old-age pension of at least 20 years in the case of women and 25 years in the case of men, and had been paying the social insurance contributions for this period, or
- registered in a competent *poviat* (district) labour office within 30 days from the day of the cessation of the disability pension entitlement, received during an uninterrupted period of at least 5 years, and before the day of the cessation of this entitlement had reached at least the age of 55 years (women) and 60 years (men) and had completed a period qualifying for an old-age pension of at least 20 years in the case of women and 25 years in the case of men, or
- before the day of employment relationship termination for reasons concerning the work establishment where s/he had been employed during a period of not less than 6 months, had completed a period qualifying for an old-age pension, equal to at least 35 years in the case of women and 40 years in the case of men, or
- before 31 December of the year preceding the termination of the employment or service relationship due to the liquidation or insolvency of the employer with whom s/he had been employed or remained in a service relationship for a period of not less than 6 months, had completed a period qualifying for an old-age pension of at least 34 years in the case of women and 39 years in the case of men.



The pre-retirement benefit is granted to a person meeting the aforementioned criteria after at least 6 months (180 days) of receiving the unemployment benefit, if s/he meets all of the following requirements:

- is still registered as an unemployed person,
- within the period of receiving unemployment benefit did not refuse, without justified reason, a proposal of suitable employment or other gainful work or subsidised jobs and public works,
- submits an application for a pre-retirement benefit within 30 days from the day of issue by the *poviat* (district) labour office of a document certifying the 6-month period of receiving unemployment benefit.

As from 1 March 2017 the amount of the pre-retirement benefit equals PLN 1,040 and is subject to periodic indexation.

In 2016, ZUS paid pre-retirements benefits to 171.9 thousand persons, to a total amount of PLN 2,124.6 million.

The benefits are financed by the Labour Fund.

## 5.9. Sick pay and sickness allowance

---

**The sick pay** is payable to an employee for periods of incapacity for work or isolation as a result of infectious disease.

Sick pay is financed by the employer. It is payable to the employee for periods not exceeding 33 days in a calendar year, or – if the employee has reached 50 years of age – not exceeding 14 days in a calendar year<sup>9</sup>.

**Sick pay is paid in the following amounts:**

- 80% of the calculation basis; however labour regulations binding a given employer may provide for a higher remuneration in this respect,
- 100% of the calculation basis, if the incapacity for work:
  - was a result of an accident on the way to or from work,
  - occurs during pregnancy,
  - is the result of undergoing necessary medical examinations provided for potential cell, tissue and organ donors and as a result of undergoing an operation for their extraction.

The right to sick pay is acquired by employees only after 30 days of uninterrupted insurance (the qualifying period).

Contractors and persons undergoing substitute military service are entitled to sick pay under the same principles as employees.

The amount of sick pay is calculated under the rules used to calculate the sickness allowance calculation basis. Sick pay is based on the monthly remuneration of the recent 12 months preceding the month when the incapacity for work occurred, and if the incapacity for work occurred before the lapse of 12 calendar months, the calculation basis is calculated on the actual employment period for full calendar months.

The calculation basis is established with consideration of the remuneration on which the sickness insurance contribution was calculated, reduced by the deducted social insurance contributions.

**The sickness allowance** is payable to an employee after cessation of the sick pay period, i.e. from the 34<sup>th</sup> day of an incapacity for work in a calendar year or from the 15<sup>th</sup>

---

<sup>9</sup> This concerns incapacity for work after the calendar year when the employee reached the age of 50 years.

day if the employee has reached the age of 50 (respectively). The right to a sickness allowance is acquired after 30 days of the qualifying period.

Persons who are covered by sickness insurance on a voluntary basis (for example persons running their own business, freelancers/ contractors) are entitled to a sickness allowance already from the first day of their incapacity for work, i.e. they are not entitled to sick pay. They are entitled to the sickness allowance after 90 days of uninterrupted insurance (the qualifying period).

The qualifying period is increased by previous periods of sickness insurance coverage, both on a compulsory and voluntary basis, if the gap between them does not exceed 30 days, or was due to child-care leave, unpaid leave, or active military service by a non-professional soldier.

**Besides, from the first day of sickness insurance the right to sickness allowance is acquired:**

- by graduates of schools or tertiary level institutions of education who have been covered by sickness insurance or have joined sickness insurance within 90 days from the date of graduation or obtaining a higher education diploma,
- if incapacity for work was a result of accident on the way to or from work,
- by persons compulsorily insured who have earlier completed at least a 10-year period of compulsory sickness insurance,
- by Members of Parliament who have joined sickness insurance within 90 days from the date of the end of their elected term of office.

The maximum allowance period is 182 days, and in the event of an incapacity for work being tuberculosis – maximum 270 days. Insured women have been also granted the right to a sickness allowance in a period not exceeding 270 days if incapacity for work occurred during pregnancy.

**Sickness allowance from sickness insurance** is payable at a rate of:

- 80% of the sickness allowance calculation basis,
- 70% of the calculation basis for a period of hospitalization, with the exception of an employee who has reached the age of 50 years and who is entitled to sickness allowance for a period of hospitalization from the 15<sup>th</sup> to the 33<sup>rd</sup> day of their incapacity for work in a calendar year – at the rate of 80% of the calculation basis,
- 100% of the allowance calculation basis, also during a period of hospitalization, if the incapacity for work:
  - was a result of an accident on the way to or from work,
  - occurs during pregnancy,
  - is the result of undergoing necessary medical examinations provided for potential cell, tissue and organ donors and as a result of undergoing an operation for their extraction.

If the incapacity for work was caused by an accident at work or by an occupational disease, **sickness allowance from accident insurance is payable**. Sickness allowance in respect of an accident at work or occupational disease is payable from the first day of the insurance and the first day of the incapacity for work. It is payable at a rate of 100% of the calculation basis.

The calculation basis of sickness allowance payable to an employee is an average monthly remuneration, on the basis of which the sickness insurance contribution was calculated, paid for the 12 calendar months preceding the month when the incapacity for work had occurred, reduced by the deducted social insurance contributions. The calculation basis of sickness allowance for insured persons not being employees is the average monthly income, on the basis of which the sickness insurance contribution was calculated for the 12 calendar months preceding the month when the incapacity for work had occurred, reduced by 13.71%. If the incapacity for work occurred before the lapse of 12 calendar months, the allowance calculation basis is calculated based on the actual employment or insurance period for full calendar months.

The proof certifying the right to sick pay or sickness allowance from 1 January 2016 to 30 June 2018 is a medical certificate of temporary incapacity for work (ZUS ZLA form) issued in paper form or electronically. Since 1 July 2018 a medical certificate will be issued only in electronic form.

ZUS pays sickness allowance to employees in companies employing up to 20 employees. In workplaces employing more than 20 employees sick pay is paid by the employer. In both cases, the sickness benefit is financed from the Social Insurance Fund.

The total amount paid in 2016 for sickness related absence equalled PLN 16,283.5 million, including PLN 10,615.2 million paid from FUS in the form of allowances, and PLN 5,667.6 million paid by employers in the form of sick pay. The number of days of sickness related absenteeism financed by FUS was 146.0 million, while the number of days of sickness absenteeism financed by employers' funds was 74.2 million.

### **5.9.1. Inspection of the validity of rulings of temporary incapacity for work**

---

The Act of 25 June 1999 on social insurance benefits under social insurance in the case of sickness and maternity introduced provisions aimed at strengthening the regulation of the inspection of the validity of rulings of temporary incapacity for work and the control of medical certificates in this regard, as well as the rationalisation of expenditure on benefits in respect of sickness and maternity. They are the following:

- an obligation to submit (to the employer or a ZUS branch) a certificate of incapacity for work within 7 days from the day of its obtainment,
- the limitation of an opportunity to receive the allowance in respect of an incapacity for work that occurred after the end of sickness insurance and limitation of the calculation basis of this allowance to 100% of the average remuneration calculated on the basis of the average monthly remuneration from the previous quarter,
- the introduction of the qualifying period of 30 days for persons compulsorily insured and a qualifying period of 90 days for persons covered by sickness insurance on a voluntary basis.

ZUS evaluating doctor monitors the correctness in the certification of temporary incapacity for work and controls the issuing/ use of medical certificates.

In 2016, 569,500 such controls were carried out as a result of which 22,200 individuals were judged to have abused the terms of temporary incapacity for work and had their sickness allowance payments stopped. The sum of suspended allowances resulting from the controls was PLN 16.3 million.

Pursuant to statutory regulations, the Social Insurance Institution is obliged to reduce the calculation basis of the sickness allowance and of the rehabilitation benefit if the insurance entitlement has ceased. In such a case the benefit amount is limited to 100% of the national average monthly remuneration. The amount of benefits limited in this respect in 2016 was PLN 183.4 million. 209.9 thousand people found themselves in such a situation.

The insured person is obliged to submit a medical certificate to the contribution payer within 7 days from the date of certificate obtainment. If this obligation is not complied with for reasons attributable to the insured person, the amount of sickness and care allowance is reduced by 25% starting from the eighth day of the certified incapacity for work to the date when the certificate was delivered. The mentioned reduction does not apply to sick pay. In 2016 allowance payments were reduced in this respect by a total amount of PLN 4.2 million.

The total amount of cash benefits in the case of sickness and maternity which were reduced and withdrawn in 2016 was PLN 203.8 million.

## 5.10. Rehabilitation benefits

---

**The rehabilitation benefit** may be awarded to an employee who – after cessation of the right to sickness allowance – is still incapable of work if there is a good prognosis as to the restoration of his or her earning capacity. It may be paid over a period not exceeding 12 months.

The rehabilitation benefit from sickness insurance may be awarded to persons covered by sickness insurance.

The rehabilitation benefit is payable at a rate of:

- 90% of the calculation basis of the sickness allowance – during a period of the first 90 days of its obtainment,
- 75% of this basis for the remaining period,
- 100% of this basis – if the incapacity for work occurred during pregnancy.

The rehabilitation benefit from work accident insurance in the event of an incapacity for work caused by an accident at work or occupational disease is payable to persons covered by accident insurance, at a rate of 100% of the calculation basis.

The rehabilitation benefit is not payable *inter alia* to a person with an established entitlement to an old-age or disability pension, to unemployment benefit, pre-retirement allowance and benefit, health leave or teachers compensatory benefit and to a person during unpaid or child-care leave.

The circumstances justifying the awarding of the right to rehabilitation benefit are judged and decided on by ZUS evaluating doctor. The person concerned has the right to appeal against this ruling to the ZUS medical commission up to 14 days from the date the decision was received. In turn the president of ZUS may submit an application raising objections as to the correctness of the judgement sending the matter for examination by the ZUS medical commission within 14 days from the issuing of the decision by ZUS evaluating doctor.

The rehabilitation benefit calculation basis is the same as the calculation basis of sickness allowance after adjustment.

In 2016 rehabilitation benefit was paid to a monthly average of 82.8 thousand persons, and its average monthly amount was PLN 1,535.16.

The expenditure on the rehabilitation benefits in 2016 amounted to PLN 1,525.2 million.

ZUS pays rehabilitation benefit to employees in companies employing up to 20 employees. In workplaces employing more than 20 employees rehabilitation benefit is paid by the employer. In both cases, the sickness benefit is financed from the Social Insurance Fund.

## 5.11. Compensatory allowances

---

**The compensatory allowance** is payable to an employee whose remuneration has been reduced due to vocational rehabilitation taken for the purpose of adaptation or training for a specified job.

The need for rehabilitation is certified by ZUS evaluating doctor or by a regional occupational medicine centre.

The compensatory allowance is payable from sickness insurance. The allowance for a person who has undergone vocational rehabilitation as a result of an accident at work or occupational disease is payable from accident insurance.

The compensatory allowance is not payable for periods of incapacity for work due to sickness, care or during the period of acquiring a maternity allowance, as well as for periods of absence at work for other reasons, for which the employee is not paid any remuneration. The allowance is not awarded to a person entitled to an old-age or disability pension, or teachers compensatory benefit.

The amount of the allowance, payable both from sickness and work accident insurance, is equal to the difference between the average monthly earnings from the period of 12 months preceding rehabilitation and the reduced monthly remuneration for work in conditions of vocational rehabilitation. It is payable during the period of rehabilitation, not exceeding 24 months.

The expenditure on compensatory allowances in 2016 amounted to PLN 558.7 thousand.

ZUS pays compensatory allowance to employees in companies employing up to 20 employees. In workplaces employing more than 20 employees compensatory allowance is paid by the employer. In both cases, the sickness benefit is financed from the Social Insurance Fund.



## 5.12. Maternity allowances

---

The **maternity allowance** is granted to an insured woman who within the period of sickness insurance or within the period of parental leave:

- gave birth to a child,
- took a child under seven years of age into custody and applied to the guardian court for its adoption,
- took a child under seven years of age to be brought up in a foster family, with the exception of a professional foster family.

The maternity allowance is also payable in the event of a decision being issued on the postponing school obligation of a child under ten years of age who was taken into custody.

The maternity allowance is also payable to an insured man who takes a child into custody, under the same principles as to an insured woman. If the insured woman dies or abandons her child, the maternity allowance is awarded to the insured father of the child or another insured member of the immediate family who ceases employment or other gainful activity to take personal care of the child.

Maternity allowance is paid to the insured father or another insured member of immediate family also when the child's mother has got a certification of incapacity for work or for independent existence or disability in a significant way and her state of health makes it impossible to provide personal care for the child. The allowance is awarded if the member of the family ceases employment or other gainful activity in order to provide personal care for the child.

Maternity allowance is also granted if the child is born after the termination of insurance, in the case whereby employment ceased during pregnancy as a result of bankruptcy or liquidation of the employer, or due to a violation of the law, if this was confirmed by a final court judgement. If the employment was terminated during pregnancy as a result of bankruptcy or liquidation of the employer and the woman was not provided with other employment, she is entitled to an allowance payable until the childbirth at the rate of maternity allowance.

Maternity allowance is granted without any qualifying period.

The period of payment of the **maternity allowance in respect of childbirth** or in respect of taking a child to be brought up depends on the number of children born in one confinement or taken to be brought up and equals:

- 20 weeks – in the case of a single birth or one child taken into custody,
- 31 weeks – if two children have been born in one confinement or have been simultaneously taken,
- 33 weeks – if three children have been born in one confinement or have been simultaneously taken,
- 35 weeks – if four children have been born in one confinement or have been simultaneously taken,
- 37 weeks – if five or more children have been born in one confinement or have been simultaneously taken, however for not longer than until the child reaches the age of 7 or 10 years (with regard to a child in relation to whom a decision was issued on postponing school obligation).

The minimum period of a maternity allowance payment in respect of child custody aged up to 7 or 10 years respectively equals 9 weeks.

When a female employee who gave birth to a child requires hospital care and cannot take care of the child in this period, after taking advantage of 8 weeks of the maternity allowance period following confinement she may interrupt the leave. During this period, the insured father of the child may take advantage of the maternity allowance. The total maternity allowance period cannot exceed the full period of the maternity allowance payment.

Maternity allowance is granted also for a period corresponding to a period of a parental leave. It is granted with respect to:

- childbirth;
- child custody if a child is under the age of 7 or 10 (in the case of a child whose compulsory education was postponed) and occurrence of the application to a guardian court for adoption;
- child custody if a child is under the age of 7 or 10 (in the case of a child whose compulsory education was postponed) within foster family, with the exception of a professional foster family.

Parental leave is granted immediately after the end of maternity leave or maternity allowance for the period corresponding to the period of maternity leave in case of the insured who are not employees. It can be taken not more than in 4 parts which constitute multiple of the week, and fall directly one after the other, or directly after the use of maternity allowance for the period corresponding to the portion of the parental leave.

Each part of parental leave cannot be shorter than 8 weeks, excluding:

- the first part of parental leave, which in the case of giving birth to one child at a time cannot be shorter than 6 weeks and in the case of a child custody cannot be shorter than 3 weeks,
- a situation in which the last part of a due leave is less than 8 weeks.

Parental leave (up to 16 weeks) does not have to be granted immediately after the previous part of this leave or immediately after the end of maternity allowance for the period corresponding to the part of this leave if the insured is not an employee. In this case, the leave is granted no later than by the end of the calendar year in which the child reaches 6 years of age.

The leave shall be granted to a maximum of 2 parts and their size is determined on the same basis as the size of the rest of the parts of parental leave.

Maternity allowance for the period of parental leave is granted up to:

- 32 weeks – in case of a single birth or one child taken into custody,
- 34 weeks – if two children have been born in one confinement or have been simultaneously taken,
- 29 weeks – if a child has been taken into custody and the employee is granted a 9-week minimal leave under the terms of maternity leave.

Parents can also use the maternity allowance for the period corresponding to the period of parental leave simultaneously, provided that the total size of the allowance used by both parents together must not exceed 32, 34 or 29 weeks.

Insured father raising a child is entitled to maternity benefit for a period fixed as the period of paternity leave for up to two weeks, but not longer than:

- until the child reaches 24 months of age or,
- until 24 months from the date of validation of the guardian court decision about the adoption, and until the child reaches the age of 7. In the case of a child whose compulsory schooling was postponed, no longer than until the child reaches the age of 10.

Paternity leave and maternity allowance for the period of the leave may be used in full length at once or in not more than 2 parts, one of which does not have to fall immediately after the other. No part of paternity leave or maternity allowance for the period may not be shorter than a week.

**The maternity allowance is payable** at the rate of:

- 100% of the calculation basis for a period corresponding to the maternity leave, leave upon the principles of maternity leave, additional maternity leave, additional leave upon the principles of maternity leave and paternity leave,
- 80% of the calculation basis – if an application for full rates of maternity allowance for periods corresponding to these periods of leave is filed within 14 days after childbirth or after the child was taken to be brought up, and the application was filed with a court responsible for the initiating of child adoption proceedings, or after the child was taken to be brought up in a foster family,
- 60% of the calculation basis – for the period of parental leave.

If the maternity allowance was payable at the rate of 80% of the calculation basis and the child's mother waives additional maternity leave or additional leave upon the principles of maternity leave in a whole or in part and parental leave in a whole, the child's mother is entitled to a lump-sum payment in lieu of the maternity leave of up to 100% of the calculation basis for a period corresponding to the maternity leave itself, leave upon the principles of maternity leave, additional maternity leave and additional leave upon the principles of maternity leave, provided that the insured child's father does not apply for the maternity allowance for the parental leave period not taken up by the child's mother.

The rate of the maternity allowance is reduced in proportion to the working time of the employee during additional maternity leave, additional leave upon the principles of maternity leave or parental leave.

The basis for maternity allowance is calculated in the same way as the basis for sickness allowance.

The expenditure on care allowances in 2016 amounted to PLN 7,745.3 million.

ZUS pays maternity allowance to employees in companies employing up to 20 employees. In workplaces employing more than 20 workers maternity allowance is paid by the employer. In both cases, the maternity allowance is financed from the Social Insurance Fund.

## 5.13. Care allowances

---

The **care allowance** is payable to an insured person during a period of leave resulting from the necessity to take personal care of:

- a healthy child under 8 years of age in cases of:
  - unforeseen closure of a crèche, nursery school or infant/ primary school, and a children’s club,
  - childbirth or illness of the insured person’s spouse or parent who provides the child’s constant care, if the confinement or illness prevents this parent from exercising due care,
  - the admittance of this parent to hospital,
  - illness of the nanny with whom parents have signed an activating agreement or the child’s daily caregiver;
- a sick child under 14 years of age;
- other sick member of the family.

The care allowance is payable for a period of:

- no longer than 60 days in a calendar year – in the case of the care of a healthy child under 8 years of age or a sick child under 14 years of age;
- not more than 14 days in a calendar year – in the case of the care of a sick child aged more than 14 years or another sick member of the family.

The total allowance period in respect of the care of children and other family members may not exceed 60 days in a calendar year.

The following are considered as children: the biological children of the insured or his/her spouse and adopted children, as well as children who have been taken in to be brought up and maintained. The term ‘family members’ means: a spouse, parents, a child’s parent, stepfather, stepmother, parents-in-law, grandparents, grandchildren, siblings and children above 14 years of age – if within the period of taking care – they live in the same household with the insured person.

The right to a care allowance is acquired by the insured person from the first day of the sickness insurance coverage. Both the child’s mother and father are entitled to a care allowance, however the allowance is payable only to one of them – depending on who takes care of the child and who has claimed the allowance for a given period.

All persons covered by the sickness insurance, both on a compulsory and voluntary basis, are entitled to a care allowance.

The insured person is awarded the allowance only in a situation whereby other persons of the common household are unable to take care of the child or another family member. While during a period of personal care for a sick child under 2 years of age a care allowance is granted even when other members of family are able to provide such care.

The following persons living in a common household who could provide care are not considered as family members:

- a person completely incapable of work,
- a sick person or a person who due to age is physically or mentally disabled,
- a person running a farm or non-agricultural business activity, who has no flexibility in regulating his or her hours of work.

The insured father of a child has also the additional eight weeks care allowance, i.e. 56 days after the birth of a child, if he exercises the personal care over the newborn child and the child's mother during her maternity leave (up to eight weeks) is in hospital or has a decision about inability to an independent existence, and her health makes it impossible to provide personal care for a child, or a certificate of disability in a significant way.

In determining entitlement and the amount of care allowance in respect of care of a sick child over 14 years of age or other sick family member the proof to certify temporary incapacity for work is determined in the same way as in establishing the right to sickness allowance.

An additional care allowance is also awarded to an insured member of the immediate family (e.g. the child's grandmother) who ceases employment to take personal care of the child.

The allowance is payable at a rate of 80% of the sickness allowance calculation basis.

The care allowance basis is calculated in the same way as the basis for sickness allowance.

The expenditure on care allowances in 2016 amounted to PLN 790.1 million.

ZUS pays care allowance to employees in companies employing up to 20 employees. In workplaces employing more than 20 workers care allowance is paid by the employer. In both cases, care allowance is financed from the Social Insurance Fund.

## 5.14. Nursing supplements

---

**The nursing supplement** is payable to a person entitled to an old-age or disability pension on the basis of a certificate from ZUS evaluating doctor or ZUS medical commission certifying a complete incapacity for work, accompanied by an inability to an independent existence.

The nursing supplement – under general rules – is also payable to persons entitled to an old-age bridging pension. Persons who have reached the age of 75 years are awarded the nursing supplement *ex officio*.

The nursing supplement is payable by the Social Insurance Institution, and is financed from the Social Insurance Fund and from the State Budget.

As of 1 March 2017 its monthly rate has been fixed at PLN 209.59.

Total expenditure on nursing supplements in 2016 amounted to PLN 5,780.1 million, and the average monthly number of supplements payable by ZUS was 2,297.0 thousand.

## 5.15. Supplements to survivor's pensions for double orphans

---

Since 1 March 2017, **the supplement to the survivor's** pension for a double orphan has been fixed at a monthly rate of PLN 393.93. The supplement is adjusted on the dates of pension adjustment.

The supplement is payable by the Social Insurance Institution together with the survivor's pension and is financed from the Social Insurance Fund.

## 5.16. Funeral grants

---

**The funeral grant** is payable upon the death of the insured person, a pensioner, or their family members as well as persons who on the day of death did not hold the established entitlement to a pension but who meet the requirements for its award and payment. It is aimed to cover funeral expenses.

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 obtainment of sickness allowance, rehabilitation benefit or maternity allowance.

The funeral grant equals PLN 4,000 and is paid to the person who, or the entity which covered the costs of the funeral.

If the funeral expenses have been incurred by a family member of the deceased, the funeral grant is payable in its full amount regardless of the amount of the incurred costs.

If the funeral costs are covered by a person other than the insured person's or pensioner's family member or an entity (for example by a stranger or an employer, a social welfare facility, the municipality, powiat, a legal person, church or religious association), the funeral grant is payable to those persons or entities to the amount of documented costs for the funeral to a maximum of PLN 4,000.

If the funeral expenses are covered by more than one person or more than one entity, the funeral grant is divided among such persons or entities – in proportion to the expenses paid.

In 2016 were paid 321.5 thousand funeral grants, to a total amount of PLN 1,284.2 million.



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

---

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

Permanent bodily injury refers to such a disturbance of the body condition which results in an impairment of body functions which make recovery unlikely.

Long-term bodily injury means such a disturbance of the body condition which results in an impairment of body functions for a period exceeding 6 months, however with likely recovery.

The level of compensation depends on the percentage rate of the bodily injury certified by ZUS evaluating doctor or a ZUS medical commission.

Since 1 April 2017 an injured person has been entitled to compensation of PLN 809 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 14,165.

Lump-sum compensations are payable by ZUS and financed from the Social Insurance Fund and from the State Budget.

In 2016 FUS financed 65.6 thousand compensation claims to a total amount of PLN 306.0 million, with the average amount of this compensation being PLN 4,662.93.

## 5.18. Other benefits and refunds resulting from accident at work and occupational disease

---

The insured person who has sustained an accident at work or contracted an occupational disease, may claim a refund for the following costs from the Social Insurance Institution:

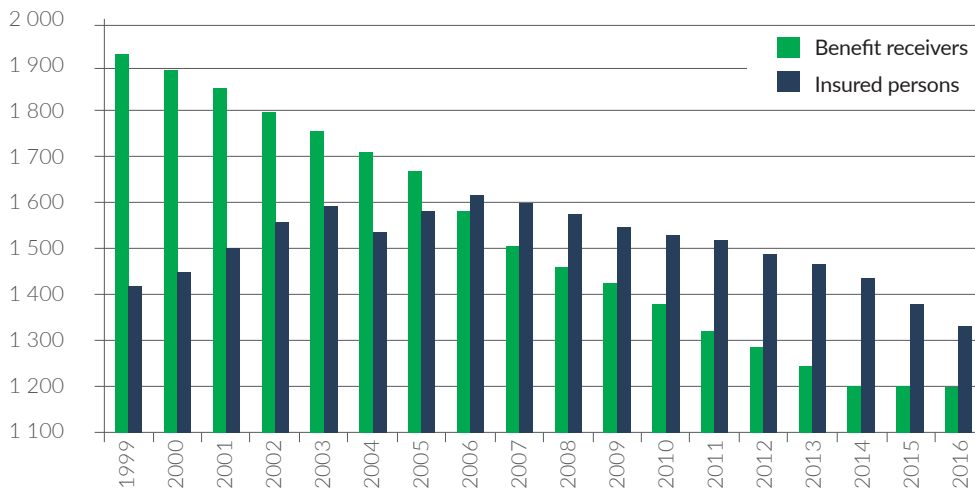
- costs of the effects of an accident at work or occupational disease connected with dentist services and prophylactic vaccinations to which the insured person was referred by ZUS evaluating doctor at the request of the attending physician (if such costs are not subject to refund under separate legislation);
- costs of medical devices being orthopaedic appliances – 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 for farmers

## 6.1. System organisation

The legal and organisational framework of the system was laid down in the Act of 20 December 1990 on the social insurance of farmers. Pursuant to the Act, the Agricultural Social Insurance Fund (KRUS) was established to provide comprehensive support for the social insurance for farmers.

The Agricultural Social Insurance Fund is governed by its President, who is the central body of public administration subordinated to the minister in charge of rural development. The President of KRUS is appointed and dismissed by the Prime Minister from among persons selected by means of an open, transparent and competitive recruitment process, on the proposal of the minister in charge of rural development, and is dismissed by the Prime Minister.



Farmers' Social Insurance Council represents the interests of the entirety of the insured persons and beneficiaries concerning insurance and KRUS activities. Council of Farmers in the number of 25 members is appointed for a three-year term of office by minister responsible for rural development from among the candidates put forward by socio-professional farmers' organizations and nationwide individual farmers trade unions, after consultation with the notifying organizations. Council of Farmers prepares opinions on draft laws, plans of activities, and financial plans of KRUS. It has also the right to monitor and evaluate the performance of KRUS.

The Agricultural Social Insurance Fund operates on the basis of a statute appended to 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 (Official Journal of the Ministry No. 10, item 10) and the organisational regulations appended to Regulation no. 6 of the Agricultural Social Insurance Fund President of 1 March 2016 on adopting the organisational regulations of the Agricultural Social Insurance Institution.

The KRUS organisational structure includes:

- headquarters,
- 16 regional branches,
- 256 local offices,
- as well as 6 farmer rehabilitation centres,
- 1 training and rehabilitation centre.

#### **KRUS competencies include:**

- providing services for insured persons and beneficiaries in matters connected with social insurance coverage, the calculation and collection of social insurance contributions as well as the award and payment of benefits from this insurance,
- granting and payment of pension benefits, accident, sickness and maternity benefits and non-insurance benefits paid in concurrence with the benefits from the social insurance for farmers,
- settlement of accounts in respect of contributions to health insurance for farmers and their household members as well as pensioners, crediting contributions to insurance accounts, providing an institution in charge of health insurance with information on insured persons and the health insurance contributions paid for them,
- collecting personal income tax advance payments in respect of pensions paid, and – after the end of the tax year – the calculation of personal income tax or drawing up information about the pension income received,
- performance of tasks resulting from EU regulations on the coordination of the social security systems and international social security conventions,
- issuing decisions in relation to establishing the rights of the insured in KRUS to benefits for incapacity for work on a farm,
- the providing of farmers with information about agreements which can be concluded in connection with a decision to stop running an agricultural business,
- cooperation with government administration organs, with foreign insurance institutions and international organisations,

- activities aimed at the prevention of accidents at work in agriculture and agricultural occupational diseases, covering: analysis of the causes of work accidents and occupational diseases, dissemination of the principles of life and health protection in rural holding among insured persons, endeavours at ensuring for the appropriate manufacture and distribution of safety measures, equipment and clothing used in agriculture,
- activities to further insured persons or persons entitled to benefits, at risk of total agricultural work incapacity yet with decent prospects for a restoration of their earning capacity as a result of medical treatment and rehabilitation.

## 6.2. System functioning

---

In 2016, the system of social insurance for farmers covered:

- 1,335,198 persons insured (as of 31 December),
- 1,194,415 pensioners (monthly average), including:
  - 934,427 recipients of farmers' old-age pensions,
  - 215,502 recipients of farmer's disability pensions,
  - 44,486 recipients of farmer's survivor's pensions.

### The number of KRUS benefits recipients and those subject to farmers' social insurance in 1999–2016

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

- the Farmers' Pension Fund, which (similarly to the Administrative Fund and the Prevention and Rehabilitation Fund) is a state special purpose fund; it is intended inter alia to finance benefits from pension insurance and contributions to the separate health insurance of farmers;
- the Contributory Fund, which is a legal entity, has the function of the fund board fulfilled ex-officio by the President of the KRUS under the supervision of the Council of Farmers; the Contributory Fund is designed to finance, without State budget subsidy, the benefits from work accident, sickness and maternity insurance.

**The monthly contribution to old-age and disability pension insurance** equals 10% of the basic old-age pension. Contribution is paid for every insured person (a farmer, a farmer's spouse, household members). After indexation from 1 March 2017 the basic contribution to the insurance amounts to PLN 89 per month.

Farmers, whose farms cover agricultural land of an area of at least 50 convertible hectares, pay an additional monthly contribution to pension insurance at the rate of:

- 12% of the basic old-age pension – if the farm covers agricultural land of less than 100 convertible ha;
- 24% of the basic old-age pension – if the farm covers agricultural land from 100 to 150 convertible ha;

- 36% of the basic old-age pension – if the farm covers agricultural land from 150 to 300 convertible ha;
- 48% of the basic old-age pension – if the farm covers agricultural land exceeding 300 convertible ha.

Only the basic pension insurance contribution is payable for household members in each agricultural area group.

The basic monthly pension insurance contribution for an insured farmer and a member of his/her household who additionally runs a non-agricultural business activity or collaborates in such a business is double in amount.

The pension insurance contribution for persons taking personal care of a child for up to 3 years, but for no longer a period than until the child reaches the age of 5 years, and in the case of a child who for medical reasons requires the personal care of that person, for up to 6 years, but not longer than until the child reaches the age of 18 years, is financed from the State budget on the application of the farmer's spouse or household member.

This is mayor or president of the city who pays contributions for the following: people who obtain nursing benefit, special nursing allowance, allowance for the caregiver and who were subject to insurance as a farmer or household member and ceased agricultural activity or work on a farm due to the acquisition of the nursing allowance or special care allowance (under the Act of 28 November 2003 on family benefits) or benefits for the caregiver (under the Act of 4 April 2014 on establishing and payment of benefits for caregivers) and who claimed insurance coverage within KRUS for the period of drawing the benefit in order to obtain 25-year insurance period.

**The rate of monthly contributions to work accident, sickness and maternity insurance** for a single person is fixed by the Farmers' Social Insurance Council, and subsequently is published by the President of KRUS in 'Monitor Polski', the official journal of the Republic of Poland. In 2016 and first two quarters of 2017, the mentioned contribution amounted to PLN 42 a month.

If the period of farmers' social insurance coverage is shorter than one month, the contribution is calculated in proportion to the number of days that the person is subject to insurance in the given month.

**The system provides the following cash benefits:**

- **from pension insurance** (farmers' old-age pensions, including partial old-age pensions and temporary old-age pensions, farmers' disability pensions, farmers' training pensions, survivor's pensions, pensions drawn from the social insurance of individual farmers and members of their families, supplements to pensions, funeral grants and maternity allowances),



- **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).

A significant role within the system of social insurance for farmers is given over to activities in the field of prevention and medical rehabilitation for farmers.

**Preventive actions** of the Agricultural Social Insurance Fund (KRUS) result in a reduction in the number of agricultural accidents, eliminate their causes, prevent vocational illnesses as well as other professional dangers threatening farmers.

In 2016, the accident rate index calculated in relation to 1,000 insured equalled 10.1 and have not changed for a few years.

**Medical rehabilitation**, carried out within the Agricultural Social Insurance Fund, is a benefit in kind for health preservation, improvement, and restoration therein increasing agricultural efficiency. It is conducted primarily in specialised KRUS rehabilitation centres for farmers, having the status of independent public health care facilities, or in sanatoriums cooperating with KRUS. Rehabilitation is voluntary and does not affect the right to cash benefits from the farmers' social insurance or to rehabilitation spa treatment financed by the National Health Fund. The request for medical rehabilitation is issued by attending physician, who is subject to qualification by the regional inspector of medical certification. In 2016, 13,777 farmers benefited from medical rehabilitation. 1,177 children from farmers' families benefited from medical rehabilitation for health reasons.

The system of social insurance for farmers is financed from contributions payable by farmers and from the State Budget allocation.

In 2016, the budgetary expenditure on statutory commitments carried out by KRUS amounted to ca. PLN 17.1 billion. In 2017, in accordance with Budgetary Law, the subsidy for KRUS to carry out these tasks amounted to PLN 17.9 billion, which constitutes 4.7% of the state budget.

Expenditure on old-age and disability pensions is the largest item within KRUS expenditure and in 2016 equalled PLN 17.8 billion.

## Expenditure on tasks realized by KRUS in 2016 (in millions PLN)

<b>I. Pension Fund of which:</b>		<b>19,967</b>
pension benefits	old-age pension	15,040
	funeral grants	206
contribution to health insurance financed by the State Budget		1,755
current expenditure	deduction for the Administrative Fund	482
<b>II. Contributory Fund of which:</b>		<b>634</b>
lump-sum compensations in respect of work accident		69
sickness allowances		367
allowances in respect of childbirth		-
expenditure on development of mutual insurance		-
maternity allowances		52
deduction for the Administrative Fund		52
deduction for the Prevention and Rehabilitation Fund		34
other incomes		62

In 2016 revenues of the Pension Fund amounted to PLN 19,598 million. The share of the complementary subsidy in the Pension Fund revenues amounted to 83.5%, the share of incomes from contributions – 7.3%, the share of other incomes – 9.2%. Revenues met the demand for cash required to pay benefits and cover the deduction for the Administrative Fund.

In 2016 revenues of the Contributory Fund amounted to PLN 706.0 million. The Contributory Fund comprises the contributions of persons insured to a rate of 94.63% (PLN 668 million), and other incomes to 5.37% (PLN 38 million).

## 6.3. Benefits from social insurance for farmers

### 6.3.1. Old-age and disability pensions from social insurance

In 2016 KRUS paid out pensions to approx. 1.2 million persons. The total amount of expenditure of the Pension Fund on old-age and disability from social insurance was PLN 17.8 billion with the average amount of PLN 1,074.94.

**The farmer's old-age pension** can be claimed by an insured party who has reached the statutory retirement age (analogical to the situation in ZUS) and who has the period for old-age insurance which is at least 25 years with contribution and non-contribution period from which is derived the right to an old-age pension in the statutory system, though for those persons born after 31 December 1948 the establishment of the right to the farmer's old-age pension takes into account exclusively periods of social insurance for farmers.

In addition insured farmers who have reached the age of 55 (women) and 60 (men) can obtain the right to an agricultural old-age pension, known as an early old-age pension, if they have ceased to run an agricultural holding and have accredited at least 30 years of agricultural old-age insurance. Such old-age pensions are awarded to farmers who will have fulfilled the conditions essential for their obtainment by the 31 December 2017. The youngest women who will be able to apply for the right to such old-age pension were born on the 31 December 1962 and the youngest men – 31 December 1957. Those born after these dates will not be eligible for an early agricultural old-age pension.

In 2016 KRUS paid out an average of approx. 943,000 agricultural old-age pensions, 65,000 of which were early old-age pensions. Around 39,000 were newly awarded old-age pensions, including 28,000 early old-age pensions.

**Before 1 October 2017 partial farmer's old-age pensions** used to be awarded to:

- women who had been 62 or older and had a documented contribution period of at least 35 years for old-age insurance,
- men who had been 65 or older and had a documented contribution period for old-age insurance of 40 years.

From 1 October 2017, due to the lowering of the statutory retirement age, KRUS has not granted this old-age pension. The benefits which were granted before that date will be changed automatically to an agricultural old-age pension in statutory retirement age.

**Temporary farmer's old-age pension** is awarded to those for whom the period for claiming structural social security pensions has elapsed, jointly financed from monies derived from the European Agriculture Guidance and Guarantee Fund or from the European Agricultural Fund for Rural Development, and who have not yet reached retirement age. The benefit is paid until the day when the statutory retirement age is reached.

In 2016, 1.5 thousands partial and temporary old-age pensions were awarded.

**The farmer's disability pensions** are awarded to those who cumulatively fulfil the following conditions:

- have been subject to disability pension insurance for the required period (individuals over the age of 30 should have a registered social insurance contribution period of at least 5 years wherein this period should not fall within the last 10 years prior to the submission of an application for an agricultural disability pension, younger individuals are required to have a respectively shorter period registered – from 1 year to 4 years).
- is permanently or temporarily unable to work on an agricultural holding,
- the total incapacity for work on an agricultural holding occurred when the applicant was subject to disability pension insurance.

If the total incapacity for work on an agricultural holding occurred as the result of an agricultural accident or an agricultural vocational illness, the condition of being subject to disability pension insurance for the required period is deemed to have been fulfilled if the insured party possesses any period of disability pension insurance which covers the day of the accident or the day on which the agricultural vocational illness occurred.

Periods subject to old-age and disability pension insurance include periods subject to social security insurance as well as contribution and non-contribution periods, as is the case with ZUS.

An individual deemed to be completely unable to work on an agricultural holding is an insured party who as a result of injury to their person and the functioning of their organism has lost the ability to personally conduct work on an agricultural holding. If the insured party's state does not augur for a return of the lost abilities required for agricultural work then a complete inability to work is deemed to be permanent and the farmer's disability pension is awarded permanently. In the reverse situation the complete incapacity for work is deemed to be a temporary state and an agricultural social security pension is awarded for the period outlined in the ruling issued.

A statement on permanent and temporary total inability to work, constituting the basis for the issuing of a decision on the award of an agricultural disability pension, is issued by the KRUS medical assessor (at first instance), as well as by a KRUS medical commission (at second instance).

Additionally the right to the farmer's disability pension, which has ended due to the remission of total incapacity for work on an agricultural holding, is subject to rein-

statement if within the course of 18 months from the day of termination of pension entitlement the insured party again has become completely unable to perform work on an agricultural holding.

Those receiving the farmer's disability pensions who have reached the statutory retirement age are ex officio granted the farmer's retirement pension of an amount not less than the amount received as a disability pension if the individual has the required period of insurance contributions for disability pension insurance registered.

In 2016 KRUS paid out on average 216,000 disability pensions monthly, 13,000 of which were disability pensions resulting from an accident during agricultural work or a vocational illness.

Disability pensions resulting from accidents constitute 6.0% of the total of the farmer's disability pensions paid out.

Temporary pensions represent 44% of the farmer's disability pensions, permanent disability pensions represent 56%.

In 2016 around 46,000 new disability pensions were awarded, 1,800 of which were the result of accidents at work.

### Maternity allowance

Since 1 January 2016 rules for granting, determining the amount and funding of maternity allowance have changed. The allowance which was by far a lump-sum benefit paid out from accident, sickness and maternity insurance is now a temporary benefit from the old-age and disability pension insurance.

Maternity allowance is granted to the person who is insured either by law or voluntarily and possesses accident, sickness, maternity, old-age and disability pension insurance, and who:

- is mother or father of a newly born child,
- adopted a child under 7 years old (or under 10 years old if the school obligation postponement has been decided for the child),
- took a child under 7 years old into custody (or under 10 years old if the school obligation postponement has been decided for the child),
- took a child under 7 years old (or under 10 years old if the school obligation postponement has been decided for the child) into custody within foster family, with the exception of professional foster family.

The insured father is granted a maternity allowance if:

- the period of maternity allowance obtainment (after 14 weeks) is shortened on the child's mother demand,
- the child's mother died or abandoned the child.

In case of death of the insured child's mother or abandonment of the child maternity allowance for the remaining period of the allowance is paid to the insured father or another person belonging to immediate family members, provided that they exercise personal child care.

Maternity allowance is granted for a period of:

- 52 weeks – in case of a single birth, adoption of one child or one child taken into custody,
- 65 weeks – if two children have been born in one confinement or have been simultaneously adopted or taken into custody,
- 67 weeks – if three children have been born in one confinement or have been simultaneously adopted or taken into custody,
- 69 weeks – if four children have been born in one confinement or have been simultaneously adopted or taken into custody,
- 71 weeks – if five children have been born in one confinement or have been simultaneously adopted or taken into custody.

If a person is excluded from agricultural insurance, he 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 from 1 January 2016, is 1000 PLN per month.

### 6.3.2. The amount of old-age and disability pensions from old-age and disability pension insurance

---

**Old-age and disability pensions** are composed of two parts: contribution and supplementing. After obtaining the right to benefit the contribution part is always paid out while the paying out of the supplementing part may be suspended in its entirety, to a 1/2 or a 1/4, if the benefit recipient does not stop running an agricultural business (depending on the situation preventing this).

The paying out of the supplementing part may also be suspended if the pension benefit recipient receives incomes from an economic activity subject to compulsory social security insurance (on the principles analogical to those in force in the statutory system).

The amount of the contribution part of farmer's pensions is dependent on the length of work service and subjection to social security as well as on the amount of the contributions paid for social insurance for farmers in 1983–1990.

Every year of payment of social insurance for farmers contributions constitutes 1% of the basic old-age pension (since 1 March 2016 – PLN 882.56), though if for the years 1983–1990 a farmer paid contributions greater than 120% of the basic old-age pension it will constitute respectively more than 1% (in proportion to the amount of contributions paid).

Additionally, periods which are subject to other insurance (e.g., as a result of employment or the running of a non-agricultural small business) are calculated at a rate of one and a half. Since 1 January 2009 for those born after 31 December 1948 in calculating the amount of the farmer's old-age pension (here both early and partial) exclusively the periods of social insurance for farmers are taken into consideration.

The amount of the supplementing part is from 85% to 95% of the basic old-age pension, depending on the length of the period of insurance adopted in the establishment of the contribution part.

In the case of early old-age pension the amount of the supplementing part is additionally reduced by 5% of the basic old-age pension for every year that is lacking to the statutory retirement age.

The amount of a partial farmer's old-age pension is 50% of the old-age pension amount that would have been eligible for payment on reaching the statutory retirement age. The conducting of an agricultural business as also the obtaining of incomes from other titles and sources does not have impact on the payment of this benefit.

The drawing of a partial farmer's old-age pension as opposed to the analogical pension from ZUS does not influence the future amount of an farmer's old-age pension awarded upon reaching the statutory retirement age.

The amount of a temporary farmer's old-age pension is equal to the basic pension, that is to the lowest labour pension (from 1 March to the end of 2016 this was PLN 882.56), regardless of the period subject to pension insurance.

In a case wherein an farmer's business is being run or where incomes are drawn from economic activities subject to the regulation of social insurance the paying out of the supplementing part (amounting to 95% of the basic old-age pension) is suspended on the basis of general regulations.

In 2016 the average amount of farmer's old-age and disability pensions was PLN 1,074.94, of which:

- farmer's old-age pension – PLN 1,082.49 (including the earlier PLN 971.28),
- farmer's disability pension – PLN 1,037.88 (including accident at work – PLN 1,094.73).

The right to **survivor's pensions and supplements** to old-age pensions and disability pensions, as well as to **funeral grants** are awarded on the basis of regulations analogical to the principles in force within the general system.

The amount of a survivor's pension is 85% of the basic old-age pension and is increased by 50% of contributory part of old-age pension, which was or would have been the entitlement of the deceased.

In 2016 KRUS paid out on average around 44,000 survivor's pensions monthly. Including 5,000 awarded survivor's pensions.

The amount of supplements to old-age and disability pensions as well as funeral grants is identical to that in force in the general system.

In 2016 KRUS paid out on average monthly:

- 7,400 supplements for double orphans,
- 524,000 nursing supplements, of which:
  - 397,000 supplements on turning 75 years old,
  - 127,000 supplements as a result of complete incapacity for work and to an independent existence.

In addition KRUS paid out 51,000 funeral grants.

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

**The lump-sum compensation in respect of accident at work** is entitled to:

- an insured farmer (household member) who has been subject to permanent or long-term bodily injury as a result of an accident during agricultural work or a vocational agricultural illness,
- members of the insured party's family, who died as a result of an accident during agricultural work or a vocational agricultural illness.

Following the classification of an incident as an agricultural accident at work the amount of the lump-sum compensation is established for the insured person in proportion to the specific percentage of the permanent or long-term bodily injury.

Statements on permanent or long-term bodily injury are made by KRUS medical assessor (at first instance) and a medical commission (at second instance).

The lump-sum compensation for 1% of bodily injury was PLN 700 from 1 July 2014.

In 2016 KRUS paid out 13,943 lump-sum compensation of an average amount of PLN 5,032.



**Sickness allowance** is payable to an insured person (a farmer or household member) who as a result of illness is unable to work for a period of uninterrupted 30 days and not longer than 180 days – the basis for the payment of sickness allowance in its basic scope is medical documentation on the temporary incapacity for work issued (on the form ZUS ZLA from 1 July 2018 – electronic certificate, so-called e-ZLA) by a doctor authorized by ZUS to issue medical certificates.

If following the elapsing of the 180 day benefit period the insured party is still unable to work, yet as a consequence of treatment and rehabilitation there exists the possibility of a return to work, the allowances period will be extended for the time period necessary for a return to working ability though for a period of no longer than 360 days.

The basis for the awarding and payment of sickness allowance for incapacity for work lasting for longer than 180 days is a ruling issued by a KRUS medical assessor (at first instance) or a KRUS medical commission (at second instance).

Sickness allowance is PLN 10 for every day for which the insured party is unable to work on an agricultural holding.

In 2016 KRUS paid out sickness allowances for 36,7 million days of incapacity for work.

---

Further information on social insurance for farmers on the website: [www.krus.gov.pl](http://www.krus.gov.pl).

# 7. Statutory health care insurance

The insurance-budgetary health care system was introduced in Poland in 1999. It replaced the system of health care financed exclusively from the State Budget. To carry out the tasks of the new system, 16 regional health care insurance funds have been established as well as 1 country-wide branch fund for the uniformed services. On 1 April 2003 (in place of health insurance funds) the National Health Fund was established, being composed of its Headquarters and 16 voivodship (provincial) branches. Local offices may be established within these branches.

A specific feature of the Polish social security system, as reformed since 1999, is the separation of sickness insurance from health care insurance. The **sickness insurance** provides allowances in respect of sickness and maternity, governed by the Act of 25 June 1999 (see item 5.9).

Statutory **health care insurance** represents a system of benefits of a preventive, diagnostic, therapeutic and rehabilitation nature, the provision of medicines as well as orthopaedic items and aids, financed by public resources. The scope of this system was laid down in the Act of 27 August 2004 on health care benefits financed by public funds and in ordinances of the Minister of Health issued on its basis.

Nearly the entire population of Poland is subject to compulsory health care insurance. Those not covered by compulsory health care insurance who are resident within the territory of the Republic of Poland can insure themselves by submitting a written application to the Polish National Health Fund.

Members of the families of insured persons are also entitled to health care benefits within the framework of the statutory health care insurance system.

Revenues from health care insurance contributions are the main source of health care finance. The contribution rate has been fixed at 9% of the contribution calculation basis.

Persons who join the health care insurance on a voluntary basis, pay contributions at a rate of 9% on their declared income, however not less than the amount of the average monthly salary in the enterprise sector for the preceding quarter, together with the share in the profits.

Contributions for the persons insured are collected by the Social Insurance Institution as well as by the Agricultural Social Insurance Fund, and transferred to the National Health Fund.

Contributions for some groups of persons covered by compulsory insurance are financed by the State Budget. This concerns inter alia: individual farmers running farms with an area of agricultural land less than 6 conversion hectares, as well as their spouses and members of their household, unemployed persons without the right to benefit, recipients of social assistance allowances. As of 1 April 2012, farmers running farms

of an agricultural area of 6 or more conversion hectares have started to pay their own individual contributions, and for their spouses and the members of their household registered for health insurance.

Health care insurance contribution payment for farmers, farmers's spouses and household members used to be regulated in the Act of 13 January 2012 on contributions to health care insurance for farmers in 2012–2016.

The calculation of health insurance contributions for farmers (their spouses and household members) that carry out agricultural activity on an agricultural holding were regulated by separate regulations between 1 January 2012 to 31 December 2016. However, from 1 January 2017, the procedure of calculating of health insurance contributions for these farmers are regulated by the Act on health care services financed from public funds.

Farmers who run agricultural production listed in the annex to the law on social insurance for farmers pay health care insurance contributions individually for all insured persons in their household. Rules of payment of contributions (together with dates and manner of payment) by those farmers are governed by the Act of 27 August 2004 on health care benefits financed from public funds and the government order of 20 December 2004 on the detailed method of determining the health care insurance calculation basis for farmers, their family members and persons receiving a farmer's old-age pension or farmer's disability pension.

Health care tasks are in part still financed by the State Budget. This concerns first of all epidemiological and pharmaceutical supervision, as well as preventive health programmes, such as: prophylactic vaccinations programmes, the National Programme of Counteracting Drug Addiction, the National Programme for HIV Prevention and Care for People Living with HIV/AIDS, national health programmes for heart protection, mental health protection, care over the mother and child.

The State Budget also finances investments, medical schooling and – in part – health care benefits, as well as the treatment of a part of non-insured persons: persons with low incomes who acquire the right to benefits on the basis of a decision of the local mayor, children under 18 years of age, women during pregnancy, childbirth and puerperium, drug and alcohol addicts as well as persons suffering from certain communicable and mental diseases.

In 2016 the Social Insurance Institution transferred to the National Health Fund a total amount of PLN 66.5 billion in respect of contributions to the universal health insurance. The Agricultural Social Insurance Fund transferred a total amount of PLN 3.2 billion.

---

For further information on the statutory health care insurance on the website: [www.nfz.gov.pl](http://www.nfz.gov.pl).



# 8. Material support for families, in particular for families with children

## 8.1. Family benefits

---

The right to family benefits and their amount are governed by the Act of 28 November 2003 on family benefits. The mentioned benefits are financed by the State Budget.

They are paid only by the competent body. In the understanding of the Act on family benefits, the term 'competent body' refers to an elected local official or mayor competent for the place of residence of the family benefit claimant or benefit recipient.

The right to family benefits is established and the benefits are paid on request. The claim should be filed with the municipal (gmina) office or city office competent for the place of residence of the claimant. Family benefits delivery may be entrusted to a municipal (gmina) organisational unit, for example to a social welfare centre.

### 8.1.1. Family allowance and additional payments

---

Since 1 November 2015 **family allowance** is payable if the family income per person or the net income of a person studying does not exceed PLN 674 monthly or PLN 764 in the case where a member of the family is a disabled child.

From 1 January 2016, the "zloty for zloty" mechanism is in force when determining family benefits. If a family who applies for a family allowance and supplements exceeds the income criterion, it will not necessarily be excluded from the family benefits system. The family may receive benefits for which they apply but the benefit will be reduced by the amount the family exceeded the income criterion.

Family allowance is payable until the child:

- has reached 18 years of age; or
- has completed school education, however no longer than until s/he has reached the age of 21 years; or
- 24 years, if s/he continues education in a school or an institution of tertiary education and holds a certificate of moderate or severe degree of disability.

Family allowance is also granted to a person studying, that is a person who has come of age and is not maintained by parents due to their death or due to having been awarded a maintenance allowance to be paid by parents, if this person attends a school or an

institution of tertiary education, however not longer than until s/he has reached the age of 24 years.

The right to family allowance and to family allowance supplements is exercised by:

- parents, one of the parents or a legal guardian of the child,
- the child's current guardian – that is a person who takes care of the child and has applied to a family court for its adoption,
- a person in education, i.e. the person who has come of age, who studies and is not maintained by parents due to their death or to having been awarded a maintenance allowance to be paid by parents.

The amounts of family allowance depend on the age group of the child and are as follows:

- PLN 95 – for a child until s/he reaches 5 years of age,
- PLN 124 – for a child above 5 years of age until s/he has reached 18 years of age,
- PLN 135 – for a child above 18 years of age until s/he has reached 24 years of age.

Family allowance may be supplemented by the following additional payments:

- the supplement for the **birth of a child** – this is awarded once to the amount of PLN 1,000 for each child prior to their first birthday or if the mother of the child remained under medical care not later than from the 10<sup>th</sup> week of pregnancy until the day of birth (this condition is confirmed by a medical certificate or statement issued by the midwife, though it does not refer to a situation where the allowance is applied for by a legal guardian, the child's actual guardian or a foster parent);
- the supplement in respect of the **care of the child within the period of parental leave** – is payable in a monthly amount of PLN 400 within the period of 24 or 36 calendar months (in the case of the care for more than one child born in one confinement) or 72 calendar months (in the case of the care for a child who holds a certificate of disability or severe degree of disability);
- the supplement for a **single parent bringing up a child** – is payable at a monthly rate of PLN 193 per child (not more than PLN 386 for all children). In the case of a disabled child the amount of the supplement is increased by PLN 80 per child, however not more than by PLN 160 for all children;
- the supplement in respect of **bringing up a child in a large family** – is payable at a monthly rate of PLN 95 for the third and each subsequent child in the family entitled to the family allowance;
- the supplement in respect of the **education and rehabilitation of a disabled child** – is granted for the disabled child until s/he has reached the age of 16 years and above



this age, 24 years, in the event of certified moderate or severe degree of disability; the allowance is payable at a monthly rate of PLN 90 per child under 5 years of age and PLN 110 per child aged from 5 to 24 years;

- the supplement for a **child starting education in a school outside the place of residence** is payable at a monthly rate of PLN 113 for 10 months (from September to June) if the child takes up residence in the locality where the secondary or art school is situated (in the case of the child who holds a certificate of disability or a degree of disability, the supplement is also payable in respect of education in a primary or lower secondary school) or at a rate of PLN 69 if the child must travel to the secondary or art school (with the educational level being above that of lower secondary);
- the **supplement for a child starting the school year** – is payable once a year to the amount of PLN 100 (the supplement is also payable for a child starting one-year pre-school preparation).

In 2016 family benefit and additional allowance payments to family benefit were paid out from the state budget to an amount of PLN 4,398.9 million. Monthly on average 2.2 million family benefits were paid out.

## 8.1.2. Parental benefit

---

Since 1 January 2016 there is a new benefit for families called 'parental benefit'. It is awarded to persons who has newly born child, but have no right to maternity allowances.

Hence parental benefit is awarded to inter alia:

- unemployed persons
- students
- contractors or other persons employed on the basis of civil law
- persons conducting non-agricultural business activities.

Parental benefit is awarded for at least 1 year (52 weeks) after a childbirth. If 2 or more children have been born in one confinement, this period can be longer (as in case of maternity allowance).

Parental benefit is paid monthly in amount of PLN 1,000. It does not depend on parents's income.

In 2016 parental benefits were paid out of state budget to the amount of PLN 862.7 million. Monthly on average 78,000 parental benefits were paid out.

### 8.1.3. Carer benefits

---

The care benefits system is composed of:

- nursing care allowance,
- special care allowance,
- nursing benefit.

The nursing **care allowance** is awarded to:

- a disabled child,
- a disabled person above 16 years of age holding a certificate of severe degree of disability,
- a disabled person above 16 years of age holding a certificate of moderate degree of disability, if the disability occurred before the age of 21 years,
- a person who has reached the age of 75 years.

The nursing care allowance is not awarded to persons entitled to a nursing supplement and to persons placed in an institution providing all-day care.

The nursing care allowance is payable at a monthly rate of PLN 153.

In 2016 a total of PLN 1,683.0 million of state budget funds was spent on nursing care allowances. The average monthly payout being for 916,700 nursing care allowances.

**Special care allowance** is eligible for payment to individuals who, in accordance with the family and carer code<sup>10</sup>, have alimony obligations to pay, as well as spouses if they are not employed or have given up work or some other form of gainful employment in order to personally care for someone with a severe degree of disability or a handicapped child in obvious need of the care of a third party.

If the certificate of disability or of a severe degree of disability has been issued for a definite period, the benefit is established for the definite period, till the last day of the month in which the certificate expires.

The right to a special care allowance is dependent on the total income of the family of the caregiver and the family of the person requiring care, which from 1 November 2015 cannot exceed PLN 764 per head, per month. The allowance is not granted to a person who has an established right to nursing benefit.

The amount of the special care allowance is PLN 520 per month.

---

<sup>10</sup> The Act of the 25<sup>th</sup> of February 1964 – the Family and Carer Code (Journal of Laws of 2015, item 583).

A contribution for an old-age and disability pension insurance and to health care insurance for the person receiving the special care allowance is paid by the local mayor.

In 2016 a total of PLN 309.9 million of state budget money was spent on special care allowances (inclusive of contributions for old-age and disability pension insurance and of health care insurance contributions). An average of 39,300 such allowances were paid out monthly.

**Nursing benefits** are eligible for payment to individuals who do not work or undertake any other form of paid employment or have given up the said in order to take care and provide personal care for a handicapped child in obvious need of the care of a third party or to provide care for an individual with a noticeable degree of disability.

Nursing benefits may be applied for by those who, in accordance with the family and carer code, have alimony obligations to pay in relation to a disabled person, that is:

- the child's parents,
- an individual constituting a related foster family,
- an actual guardian – an individual who in point of fact takes care of the child, if they have applied to a family court with an application for adoption,
- another related individual to the disabled person obliged to alimony payments with the exception of those with a noticeable degree of disability.

The award of the mentioned benefit also depends on the fulfilment of additional conditions relating to guardians.

The nursing benefit is established irrespective of family incomes and for an indefinite period. However, if the certificate of disability or of a severe degree of disability has been issued for a definite period, the benefit is established for the definite period, till the last day of the month in which the certificate expires.

Nursing benefit is awarded if the disability of a person requiring care occurred:

- not later than before s/he reaches 18 years of age, or
- in the course of education in a school or institution of tertiary education, before reaching the age of 25 years.

Since 1 January 2017 nursing benefit amounted to PLN 1,406 monthly.

A contribution to the old-age and disability pension insurance and health care insurance for the person receiving the care benefit is paid by the local mayor.

In 2016, PLN 2,267.6 million was paid out from state budget funds (inclusive of contributions for old-age and other pension insurance from social insurance, and of health insurance contributions). An average of 117,100 such benefits were paid out monthly.

### 8.1.4. Child-raising benefit Family 500 plus (Rodzina 500 plus)

---

Family 500 plus is a new benefit introduced by virtue of the Act of 1 April 2016 on state aid in raising children. The benefit is drawn by parents, legal or actual guardians and is vested until the child reaches 18 years of age.

The benefit amounts to PLN 500 and is paid for:

- the first or the only child if the family meets the criterion of income, i.e. if the monthly income does not exceed PLN 800 per person in a family, or it does not exceed PLN 1,200 if the family is bringing up a child with disability,
- the second and subsequent children regardless of income,
- every child regardless of income in case of foster families, family's children home, residential institutions of family type.

In determining the income of family the child under 25 is also counted as – a family member if he or she remains dependent on their parents.

Provision, at the request of the parents, is paid out by the city council, municipalities, social welfare center or centers for the implementation of social benefits.

In the first period the benefit was granted for the period from 1 April 2016 to 30 September 2017. In subsequent years, the benefit will be granted for a period of 12 months, i.e. from 1 October to 30 September of the following calendar year.

The benefit is not included in income when determining eligibility for other benefits, such as social assistance, family, the maintenance fund, and scholarships for students.

PLN 17.4 billion were spent on child-raising benefits in 2016, PLN 315.3 million of which covered the cost of handling the requests. On average, 3.8 million benefits were paid every month.

### 8.1.5. Lump-sum benefit paid on the birth of a child

---

The lump-sum benefit as a result of the birth of a child is eligible for payment to the mother or father of the child, a legal guardian or the child's actual guardian. An application for payment is submitted within 12 months from the date of the child's birth (if the application refers to a child under legal care, actual care or an adopted child, then within a term of 12 months from the day the child came under care or was adopted though no later than before the child's 18<sup>th</sup> birthday). Obtaining such a benefit is dependent on the amount of family income and is payable if the amount of income

for one family member does not exceed PLN 1,922 per month. The amount of this lump-sum benefit payment for the birth of a child is PLN 1,000 for every child born.

The lump-sum benefit payment for the birth of a child is payable if the mother of the child has remained under medical care not later than from the 10<sup>th</sup> week of pregnancy up until the day of birth. Fulfilment of the above condition is on the basis of a medical certificate or relevant document issued by a midwife.

The condition to remain under medical care is not in force when the benefit is applied for by a legal guardian, an actual guardian or a foster parent.

In 2016 the state budget paid out a total of PLN 304.7 million in lump-sum benefits on the birth of a child.

### **8.1.6. Lump-sum benefit paid on the birth of a child paid by the district council**

---

The municipality council may award, by means of a resolution, a lump-sum payment of aid for persons resident in its territory in respect of childbirth. The rules for awarding such benefit are laid down in the relevant resolution of the municipality council. The benefit is financed by the municipality from its own funds.

## 8.2. Benefits from the Maintenance Fund

---

**Benefits from the Maintenance Fund** are awarded and paid pursuant to the Act of 7 September 2007 on assistance for persons entitled to maintenance benefit. The Maintenance Fund is a system of supporting persons entitled to maintenance (alimonies) with financial means of the State Budget. It is not a fund in the understanding of the legislation on public finance. The Act came into force on 1 October 2008.

Proceedings on the benefits from the Maintenance Fund are conducted by the competent authority of the creditor, i.e. the local mayor with jurisdiction over the place of residence of the person entitled to the maintenance benefit.

The right to the benefit from the Maintenance Fund is established and the benefit is payable on request of the entitled person or his/her statutory representative. Delivery of these benefits may be entrusted to a municipal organisational unit, for example to a social welfare centre.

The right to benefits from the Maintenance Fund is exercised by a child who has been awarded the maintenance benefit to be paid by a parent, but where the execution of due maintenance benefit has turned out to be ineffective. The benefit from the Maintenance Fund is payable until the child has reached the age of 18 years or – if s/he attends a school or an institution of tertiary education – no longer than until s/he has reached the age of 25 years, or if s/he holds a certificate of severe degree of disability – with no time limits.

Execution is considered ineffective if within the period of two months prior to submitting the claim for a benefit from the Maintenance Fund it was not possible to enforce the full amount of overdue and due maintenance liabilities.

Benefits from the Maintenance Fund are also awarded to children brought up by a parent who has remarried, lives in an informal union but whose husband/wife does not pay the adjudged maintenance allowance. In these situations the parent obliged to maintain the child is not considered as a member of the family, and for this reason his or her income is not considered to determine the right of the family to benefits from the Maintenance Fund.

The right to benefit from the Maintenance Fund is awarded after meeting an income criterion, i.e. if the average net income per family in the year preceding the benefit period is not higher than PLN 725 per month.

Benefits from the Maintenance Fund are awarded for so-called **benefit periods** of a 12-month duration – from 1 October to 30 September of the subsequent calendar year and are payable to the amount of the currently awarded maintenance payments, however not higher than PLN 500 a month for each entitled child.

In 2016 the state budget made payments from the Maintenance Fund of PLN 1,437.4 million. An average of 307,500 benefits were paid out monthly.

## 8.3. Carer benefit

---

The act on the establishment and payment of carer benefits came into force on 15 May 2014. On its basis the carers of persons with major disabilities the decisions of whom to the granting of the right to carer benefit became legally invalid on the 30 June 2013, could until the 15 September 2014 submit an application for the granting of the right to carer benefit. Carer benefit is a form of reinstatement of the support in force until 30 June 2013 as a nursing benefit in accordance with the ruling of the Constitutional Tribunal of 5 December 2013.

Carer benefit is payable to the sum of PLN 520 monthly, that is at the same rate as the nursing benefit awarded on the basis of the act of 28 December 2003 on family benefits in the wording in force on the 31 December 2012.

In 2016 the state budget paid out PLN 345.5 million (inclusive of contributions for old-age and disability pension insurance, and of health insurance contributions together with the statutory interest). In 2016, on average 47,000 benefits were paid out monthly.

---

Further information on material support for families on the website [www.mpips.gov.pl](http://www.mpips.gov.pl).



# 9. Unemployment benefits

The tasks of the State in the field of employment promotion, mitigating the effects of unemployment, and professional activation is defined in the Act of 20 April 2004 on employment promotion and labor market institutions.

The tasks are exercised on the basis of the National Action Plan in Favour of Employment, adopted by the Council of Ministers, which includes the principles for the implementation of the European Employment Strategy, and on the basis of initiatives submitted by municipality, *poviat* (district) or voivodship local government as well as social partners.

The National Action Plan is drafted by the minister in charge of labour issues, in collaboration with the minister in charge of economic issues, the minister in charge of education and the minister in charge of higher education, and then it is submitted to the Supreme Employment Council for its judgement.

The Act provides several services and instruments in the field of employment promotion, mitigating the effects of unemployment and promoting occupational activity. They include among others: job placement, vocational guidance, trainings, subsidised (intervention) jobs, public works, reimbursing entities running a business for the costs of equipment or the supplementary equipment of work posts for placed unemployed persons and lump-sum aids for unemployed persons starting up a business, apprenticeships for graduates, special programmes, fellowships, training allowances, unemployment benefits.

Measures for preventing unemployment and mitigating its effects are financed by the Labour Fund, composed mainly of contributions payable at a rate annually fixed by the Budgetary Law – since 1999 at an unchanged rate of 2.45% of the calculation basis of the contribution to old-age and disability pension insurance.

Total incomes of the Labour Fund in 2016 amounted to PLN 12.14 billion. Contributions equalled PLN 10.59 billion (87.2%), inflows from European Union – PLN 1.29 billion (10.6%) and other revenues – PLN 0.26 billion (2.2%).

The following are the main areas of costs within the structure of the Labour Fund's total expenditure:

- programmes of counteracting unemployment,
- spending on unemployment benefits (with the social insurance contribution),
- pre-retirement allowances and benefits,
- activating supplements and integration benefits.

The right to the unemployment benefit is awarded to an unemployed person who has lost their job and during a total period of at least 365 days in the period of 18 months before the day of registration in the labour office met one of the following conditions:

- was employed and received remuneration equal to at least the minimum remuneration, on which a compulsory contribution was paid to the Labour Fund,
- performed work on the basis of a full employment contract, if s/he has reached in this respect an income amounting to at least the minimum remuneration,
- provided services on the basis of an agency, mandatory contract or other contract of services, or cooperated in the implementation of such contracts, if the basis for the calculation of the social insurance contributions and contributions to the Labour Fund was equal to at least the minimum remuneration,
- paid social insurance contributions in respect of activity outside of agriculture or collaboration in such activity, if the basis for the calculation of the social insurance contributions and contributions to the Labour Fund was equal to at least the minimum remuneration,
- performed work during a period of temporary detention awaiting trial or deprivation of liberty, if the basis for the calculation of the social insurance contributions and contributions to the Labour Fund was equal to at least the minimum remuneration,
- performed work in a production cooperative or cooperative of agricultural circles or agricultural services, while being a member of such a cooperative, if the basis for the calculation of the social insurance contributions and contributions to the Labour Fund was equal to at least the minimum remuneration,
- paid the contribution to the Labour Fund in connection with employment or other gainful activity abroad with a foreign employer in a country outside EEA amounting to 9.75% of average remuneration for each month of the employment
- was employed abroad and arrived in Poland as a repatriate,
- was employed or performed other gainful employment and received remuneration or income on which compulsory contribution is payable to the Labour Fund.

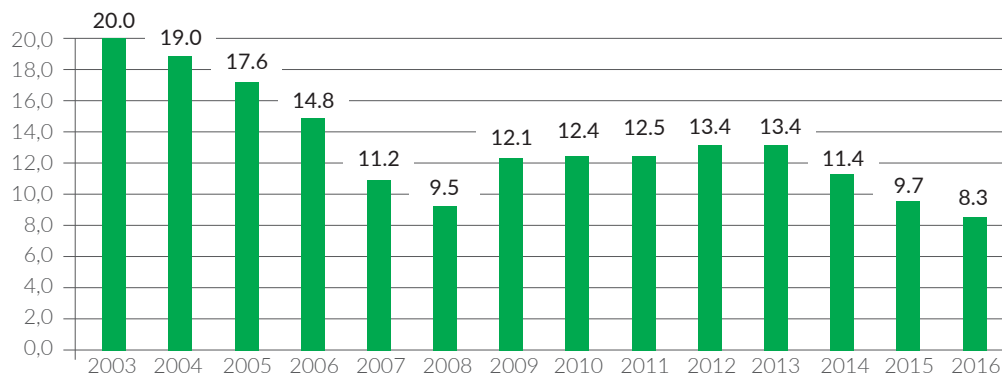
## Unemployment benefits rates\*

Length of employment	% of basic benefit payment	PLN monthly	
		During the first 3 months	During subsequent months of the benefit period 3 months
less than 5 years	80 (reduced)	664.90	522.10
<b>from 5 to 20 years</b>	<b>100 (basic)</b>	<b>831.10</b>	<b>652.60</b>
over 20 years	120 (raised)	997.40	783.20

\* ratified in 2016

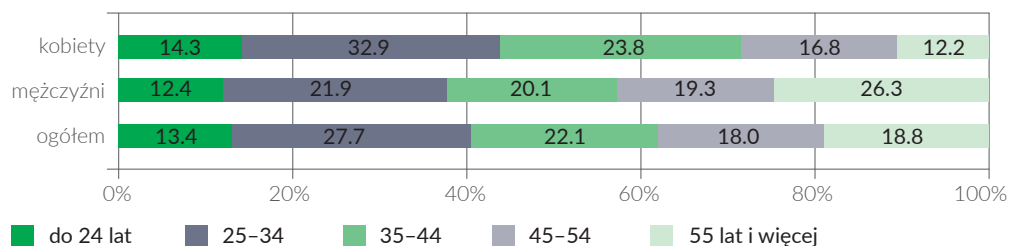
At the end of 2016 the number registered as unemployed was 1,335,200, while the rate of unemployment was 8.3%.

### Unemployment rate in Poland in 2003–2016 (in %)



In the entire 2016 2,169.8 thousand people were registered in employment offices among which 378.1 thousand people were registered for the first time. 2,398.0 thousand people were deregistered and 1,208.5 thousand of them have taken a job.

### Structure of the unemployed at the end of 2016 by age and gender



At the end of 2016, the share of long-term unemployed amounted to 56.0% among the unemployed who are in a special situation on the labour market. People who were less than 30 years old accounted for 23.3% of all unemployed, and people who were over 50 years old – 28.2%.

---

Further information on unemployment benefits on the website: [www.mpips.gov.pl](http://www.mpips.gov.pl).

# 10. Social assistance

## 10.1. The scope and criteria for the awarding of social assistance

---

Social assistance enables the recipient to cope with difficult life situations which they are not in a position to overcome using their own capabilities, funds and possibilities. The main aim of social assistance is to support individuals and families in their efforts to satisfy basic needs as well as enabling them to live in dignified conditions, but also to avert difficult life situations through undertaking actions designed to make individuals and families independent, together with their integration into society.

Social assistance is organised by the organs of government administration (the minister responsible for matters of social insurance, provincial governors) and that of local government (the provincial councils, those at municipality and district level, the mayors of towns and cities at municipal level). In realising the tasks of social assistance and aid they cooperate on a partnership basis with social organisations and NGOs, Churches, denominational groups as well as with legal and natural persons.

The right to benefits from social assistance is applicable to individuals and families who have incomes that do not exceed the income criteria while at the same time manifesting at least one of the below mentioned circumstances: poverty, orphanhood, homelessness, unemployment, disability, long-term or chronic illness, violence at home, the need for the protection of victims of human trafficking, the need to protect motherhood or large families, helplessness in care-upbringing affairs and running a household (home), particularly in broken families and ones with many children, difficulties in the integration of foreigners who have obtained refugee status in Poland or supplementary protection, difficulties in adapting to life after prison, alcoholism or drug abuse, fortuitous events and crisis situations, natural or ecological disasters.

Income criteria are verified every three years on the basis of the thresholds for social intervention. The verification of new income criteria is in force within a year from the 1 October. The last verification took place in 2012. The district/municipality council in the course of ratification may increase the sum, entitling one to temporary and specified benefit payments.

Social assistance benefit payments are made on the basis of applications submitted by interested parties, their legal representatives (e.g., in the case of a child – its parents or legal guardian) or by other parties. However in certain situations, particularly in relation

to those who are unaware or have no knowledge of their legal rights, social assistance is administered by government offices.

The basis for the giving of aid is the conducting of an **environmental interview** by a social worker at the place of abode of the individual applying for assistance, and in urgent cases at their place of residence. Failure to agree to an interview is equivalent to a renouncement of social aid. The environmental interview is conducted within the course of 14 days from the date of the earlier proceedings, and in the case of matters requiring the speedy administration of assistance – within two days. Its aim being the establishment of the personal, family, income and property situation of the individuals and families applying for aid.

The term family is understood within the social assistance system to be individuals related and unrelated yet remaining in an actual union, living collectively and within a system of economically mutual support. In connection with which the social worker collects information on all those individuals, and not only those, who have applied for assistance. Within social assistance the approach adopted towards an individual or family is highly individualised and each case is evaluated and considered separately.

## 10.2. Cash benefits from social assistance

---

Eligible to the right to cash benefits from social assistance are those individuals living alone whose incomes do not exceed PLN 634 monthly or families whose incomes do not exceed PLN 514 monthly per person. The above cited criteria has been in force since 1 October 2015.

Income is the sum of the monthly incomes of all family members derived from all sources and titles.

The following are not parts of income:

- lump-sum social assistance benefit
- directed benefit
- material help, which is of social or motivational character and is granted on the basis of education laws
- benefits in kind
- benefits for an unemployed person under the provisions on the promotion of employment and labour market institutions for performing works of social value
- cash benefits and financial assistance referred to in the act on anti-communist opposition activists and persons repressed for political reasons
- income from the agricultural land under 1 conversion hectare
- parental care and educational supplement
- cash benefits referred to in the Act on the Pole's Card.

In establishing entitlement to social security benefits the income of the individual and family for the month preceding the application is taken into account (while in the case of a loss of income, for example in connection with the loss of work or the right to benefits, from the month in which the application is submitted).

It is assumed that for an area of 1 hectare (approx. 2.47 acres) the monthly income obtained is PLN 288 (this amount is subject to verification when income criteria are verified). Income obtained from agricultural plots of less than 1 hectare are not included in income as a whole.

In the case of individuals conducting economic activity (micro businesses) income is deemed to be revenue obtained reduced by the sum of costs incurred, taxation paid,



contributions to the statutory health insurance, contributions to the statutory social insurance not included in the costs incurred connected with the running of such a business as well as those set off against income.

### 10.2.1. Permanent benefit

---

**The permanent benefit** – this is a cash benefit for those on low incomes, who are unable to work as a result of age or who are generally incapable of work. For an individual independently running a household the amount of this benefit is the difference between the sum of PLN 634 and their monthly income, for those living in a family the amount of the benefit is the difference between the amount of PLN 514 and the monthly income per person in such a family.

Permanent benefit entitlement is for:

- a legal adult independently running a home, incapable of work as a result of age or generally an ability to work e.g., as a result of disability, if their income is less than PLN 634 a month,
- a legal adult in a family, incapable of work because of age or in general a disability to work e.g., as a result of a handicap, if their income as equally the income per family member is less than PLN 514 a month.

In relation to an individual in a family the income of the person entitled to benefits and the income as calculated per family member is taken into account. In both cases this income cannot exceed the amount of PLN 456 per month.

In certain situations these benefits will not apply if the individual applying for them has already family benefit entitlement, nursing benefit or an additional payment to family allowance as a result of bringing up a child on their own, and also when they have lost the entitlement to unemployment benefit as a result of the elapsing of the period of its payment. The right to social assistance benefits, and therefore equally permanent benefit, is also not within the entitlements of a person serving a prison term, with the exception of those serving out their sentence under electronic surveillance. However, anyone temporarily arrested will have the right to benefits suspended for the duration of the temporary arrest.

### 10.2.2. Temporary benefit

---

**The temporary benefit** – this is a cash benefit for a definite period of time paid to individuals or families in difficult life situations, for example as a result of a long-term illness, disability or unemployment. For those living alone the maximum amount of temporary

benefit is PLN 418 monthly. The amount of temporary benefit cannot be lower than 50% of the difference between the sum of the income criterion being PLN 634 and the monthly income of the recipient, and also lower than PLN 20 a month. In the case of a family the maximum amount of benefit is the difference between the amount of the income criterion being PLN 514 per month and the monthly income per person in the family. The amount of temporary benefit cannot be lower than 50% of this difference as well as not being less than PLN 20 a month.

### 10.2.3. Directed benefit

---

**The directed benefit** – this is a benefit for individuals and families given to satisfy basic needs, in particular to cover a part or the entirety of food purchases, the buying of medicines and medical treatment, fuel, clothing, household items, small scale property renovation and repair work, as well as funeral expenses and payments.

The act does not stipulate the amount of directed aid. Its sum being established following an assessment of the claimant's material situation and the aim to which it will be directed, and also the financial possibilities of the centre.

Directed benefit is eligible for:

- those living alone whose income is lower than PLN 634 per month,
- a family whose income when calculated per person is lower than PLN 514 monthly.

Homeless persons and others without an income or the possibility of obtaining health care benefits may be entitled to directed benefit to cover the partial or complete costs of these (health care) benefits.

Directed benefit may also be allocated in the form of a credit voucher to those who as a result of needing to regulate important family or administrative matters are obliged to travel somewhere else. The credit voucher issued for a concrete day and travel route is valid in conjunction with an identification document.

Directed benefit may also be given with the aim of realising the decisions of a social contract. A social contract is an agreement concluded between a social worker and an individual in need of help. Individuals making use of social assistance following the signing of a social contract may retain the right to directed or temporary benefit even if during the duration of the agreement they find themselves employment. This entitlement relates to a period stipulated in the decision to award benefits, however to one not longer than two months.

Besides directed benefit given in order to cover existence needs there is also available: directed benefit to cover additional outgoings resulting from fortuitous events beyond the control of the recipient or natural and ecological disasters, as well as a special directed benefit given in the form of a repayable sum.

**Directed benefit to cover remaining expenditure resulting from a fortuitous event** may be given to an individual or family who have suffered losses as a result of a fortuitous event. In such a situation the directed benefit may be issued without reference to income levels and may equally not have to be repaid.

**Directed benefit to cover outgoings resulting from a natural or ecological disaster** may be given to an individual or family who have suffered losses as a result of a natural or ecological disaster. In such a case directed benefit may be allocated regardless of income levels and may not need to be repaid.

**Special directed benefit** may be given to an individual or family whose incomes exceed the statutory criterion in specially justified cases (in situations which are quite exceptional, that resulted as a consequence of events acute in their effects and ones which markedly have affected the life plans of the individual or family concerned).

This benefit payment cannot exceed the sum of the income criterion for an individual or family, that is PLN 634 monthly – in the case of an individual living alone or PLN 514 monthly in the case of a family. These benefit payments are non-repayable.

**Directed benefit on the principles of repayment** may be given in specially justified cases to an individual or family with incomes exceeding the income criterion, but only on the condition that repayment is made of a part or the entirety of the benefit sum.

## 10.2.4. Assistance for economic independence

---

**The assistance for economic independence** – is assistance in the form of cash or kind which can be allocated by a municipality authority to either an individual or a family. This form of aid is not obligatory and is dependent on the local budget held by the given municipality. In the allocation of this type of aid (both in terms of money or in kind) the municipality administrative district works in conjunction with the local employment office.

**The cash assistance** may be distributed in the form of:

- a lump-sum directed benefit (the amount and specific conditions and way of benefit payment for economic independence is determined by the municipality council through a resolution),
- a non-interest loan (the conditions for its giving and loan repayment as well as loan security are established in an agreement with the municipality), which may be frozen in its entirety or in part if this is to result in a faster obtainment of the aims of social assistance.

**The assistance in kind** is realised through the making available of machines and equipment enabling the construction of a working environment as well as the providing of equipment to aid work for persons with disabilities. This is available to individuals

living alone whose monthly income is less than PLN 634 as well as to families whose income per head is lower than PLN 514 a month.

### 10.2.5. Financial assistance for independent study or study continuation

This type of assistance may be granted for independent study or for study in lower secondary schools, post-primary schools, post-lower secondary schools or in higher education. In addition applications may be made for financial assistance in obtaining accommodation including in sheltered accommodation, help in employment as well as material aid in settling in. This assistance is available if the individual applying on the basis of a court order is resident or had resided for at least a year in a social care home, a specialist schooling-educational unit, a specialist educational unit or a youth sociotherapy unit providing twenty-four hour care. This type of aid may be applied for by those leaving a hostel for mothers with small children and those who are pregnant.

Financial assistance for independent living and financial assistance for continuing education are provided by the district governor in accordance with the child's place of residence prior to its stay in an educational institution.

The amount of financial assistance for continuing education and financial assistance for independent living as well as the amount for settling in – in the form of kind, is determined from the amount that constitutes the basic amount, which is at present PLN 1,722.

**Financial assistance for continuing education** is 30% of the monthly basis and is eligible to individuals independently continuing their education at lower secondary school, post-primary schools, post-lower secondary schools or in higher education. This assistance is granted for the duration of study, yet no longer than until the recipient has reached the age of 25. The amount of money given to facilitate independence is dependent on the type of institution which the given individual attends, as well as the number of hours that have been spent there (it is presented to individuals who have been at the institution for no less than 12 months).

Financial assistance for continuing education is available to those who live alone and whose monthly income does not exceed PLN 1,268 (which constitutes 200% of the sum of the income criterion for an individual living alone) as well as for a family member if the per head monthly income does not exceed PLN 1,028 (which constitutes 200% of the sum of the income criterion for an individual living in a family).

The condition to obtain this form of financial assistance is a commitment to carry out an independence programme worked on in conjunction with a tutor and with their help and confirmed by the head of the district family aid centre. Help in continuing education is given until the completion of the education though for no longer than until the recipient has reached the age of 25 years.

## 10.3. Other forms of social assistance

---

### 10.3.1. Social work

---

**The social work** is provided to help the functioning of individuals and families within their social environment. It is conducted with individuals and families with the aim of developing or enhancing their activeness and life self-sufficiency with local society in order to ensure the cooperation and coordination of action for institutions and organisations of importance in meeting the needs of the members of this society.

The social work is provided to individuals and families regardless of their income. It may be conducted based on social contact. It is a written agreement concluded with the person applying for help, elaborating its entitlements and obligations as well as those of the social worker so that they can jointly act to overcome the difficult life situation of the individual or their family. The social contract is intended to activate independent action and to achieve the designated goal. It may incorporate individuals directed by the district employment office, the unemployed who make use of social assistance benefits. The social assistance unit pays the health care national insurance contribution for the individual with whom they have concluded a social contract.

### 10.3.2. Specialist advice

---

**Specialist advice** in particular legal, psychological and family is directed towards those individuals and families who are experiencing difficulties or who would like to obtain support in the solving of their life problems. Specialist advice is provided without recourse to the income of the individual or family. No administrative decision needs to be taken to enable the providing of this type of benefit.

### 10.3.3. Crisis intervention

---

**Crisis intervention** – is help in the form of a series of interdisciplinary activities for individuals and families who find themselves in crisis. The aim is to return psychic balance and the ability to independently cope with issues.

Within the framework of crisis intervention specialist psychological help, legal or social advice is instantly provided, and in justifiable situations sheltered accommodation is provided for up to three months. In addition mothers with small children as well as

pregnant women subject to violence or finding themselves in a crisis situation may within the framework of crisis intervention find shelter and support in homes for mothers with small children and pregnant mothers. Fathers with small children may be also admitted to such homes or equally those exercising legal care over children. Crisis intervention covers individuals and families regardless of income while all assistance provided in crisis intervention units is free.

#### 10.3.4. Assistance in the form of sheltered accommodation, meals and clothing

---

**The assistance in the form of sheltered accommodation, meals, clothing** is given to individuals and families who are unable through their own efforts to provide themselves with sheltered accommodation, necessary clothing and food. The procedure for the allocation of such aid is the conducting of an environment interview on the issuing of an administrative decision. In a situation whereby sheltered accommodation is required immediately, this procedure is often conducted after assistance has been given.

#### 10.3.5. Funeral payment

---

Within the framework of social benefit payments the local administrative district is legally obliged to cover funeral costs in accordance with the denomination of the deceased or their wishes. The organisation of the funeral falls on the local parish administrative district when this obligation is unable to be fulfilled by the family itself.

#### 10.3.6. Carer services

---

**Carer services** cover assistance in providing aid to cover everyday needs, hygiene care, the nursing prescribed by a doctor and, if possible, a guaranteeing of contact with the outside world.

**Specialist carer services** are adapted to the specific needs resulting from the type of illness or disability and are provided by individuals with professional specialist training. The scope, period and place where these services are provided is determined by the social assistance unit. They are available to those alone who, as a result of age, illness or other factors require the assistance of others and yet are not provided with it, or an individual who requires the assistance of others yet for whom those closest are unable to provide such assistance.

The payment for carer services is determined by the hourly rate for the service, this being determined by the district council, the number of hours provided as well as the income of the person requiring such care or that of the family utilising the said. The greater the income the greater the cost of the services. For someone with an income below the criterion for income determination as regulated in the act on social benefit assistance payment for the services provided is completely covered by the social assistance unit.

### 10.3.7. Support units and social assistance homes

---

**Specialist care or meals at a support unit** can be given to those in need of help as a result of their age, state of health or disability. The support unit is a centre offering help in the form of day care, specialist care or meals. At a support centre twenty-four hour places may be organised for a temporary stay.

**Support units for those with psychiatric disorders** (environment self-help home or self-help club) are units for those who, as a result of psychiatric disorders, require support in adapting to life in a family and social environment as well as requiring support in integrating with society.

**Family help homes** – residence and care in such a home is designated for those requiring twenty-four hour support due to illness or disability, support that cannot be guaranteed for them in their own homes, yet as individuals still not requiring admittance to a social assistance home. This type of support is available to those with problems in living on their own as a result of illness or disability and who require twenty-four hour assistance, which cannot be provided in the existing place of residence. Admittance for either a permanent or temporary stay in a family help home takes place on application by the individual concerned or, with their agreement, on an application submitted by their legal guardian.

The decision as to whether to transfer an applicant to a family help home is taken by the head of the social assistance unit on the basis of a family environment interview conducted by an employee of the social unit, medical certification determining the absence of any health reasons as to why the said individual cannot be admitted to a family help home, with indication of the scope of carer services required along with proof of retirement pension, disability pension or permanent social security benefit payment entitlement. Residence at a family help home incurs costs directly related to the amount of expenditure incurred.

**Sheltered accommodation** is where those resident under the care of specialists are prepared to lead an independent life. Sheltered accommodation may also substitute residence in units with twenty-four hour care. This ensures conditions for independent functioning within an environment integrated with the local community. Such accommodation may be run by every organisational unit of social assistance or by any

public welfare organisation. Those residents have guaranteed support including that of social workers, therapists and psychologists, geared to their individual needs, seven days a week.

Sheltered accommodation is available to those who, as a result of their difficult life situation, age, disability or illness require support in their everyday functioning yet do not need the level of help provided in units of twenty-four hour a day care, and is also available to those with psychiatric disturbances, individuals leaving foster care in the understanding of regulations on family support and the foster care system, young offenders institutions, institutions for minors, as well as foreigners who have gained refugee status in Poland or additional protection.

The decision to provide support and allocate sheltered accommodation is taken on the basis of a family interview and is confirmed after agreement between the social worker of the organisational unit and the applicant (or their legal representative) as to the aim, period and bases for residence in sheltered accommodation and the resulting payment for the said.

**The social security homes** are homes guaranteeing their residents twenty-four hour care as well as auxiliary and educational services resulting from the individual needs of residents. The organisation, scope and level of the services provided takes into consideration the fitness level and psychic abilities of the participants. The social security home can also provide carer services and specialist care services for residents.

The social security homes are designated for those of an advanced age, the somatically or psychiatrically chronically ill, for intellectually handicapped adults, children and young people, for those with physical disabilities, as well as for those with alcohol addictions.

The right to residence in a social security home is given to those requiring twenty-four hour care as a result of age or disability, and who are unable to independently function in daily life, and who are unable to guarantee themselves the necessary help in the form of carer services.

Referral to a social security home requires an examination of the applicant's state of health. It should be preceded by an evaluation of the family situation and the establishment of the possibility for help to be given in the applicant's place of abode. Such an individual is directed towards a social security home of an appropriate profile, one located as close as possible to the place of residency, after obtaining agreement or that of the applicant's legal representative.

The decision as to the payment for residence in a social security home is decided on by the organ of the district relevant to the person in question on the day the application/referral for admittance to this type of centre was made. Payment for residence is equal to the amount of the average monthly cost of a resident. This cost, depending on the range: parish, district or regional of the given social security home, is established accordingly: by the *wójt* [commune head] (town mayor, city mayor), the district gover-



nor or provincial governor. The requirement to pay for residency at a social security home falls on, in order, the home's resident, though in the case of a minor their legal representative, spouse, descendants before forebears and the administrative district from which the person referred to a social security home comes from.

Those paying for a social security home may be exempt from payment, partially or in the entirety, if on their submission they can demonstrate justifiable conditions for a suspension in payments particularly in the case of a long-term illness, unemployment, disability, the death of a family member, material losses resulting from a natural disaster or some other fortuitous event.

---

Further information on social assistance on the website [www.mrpips.gov.pl](http://www.mrpips.gov.pl).