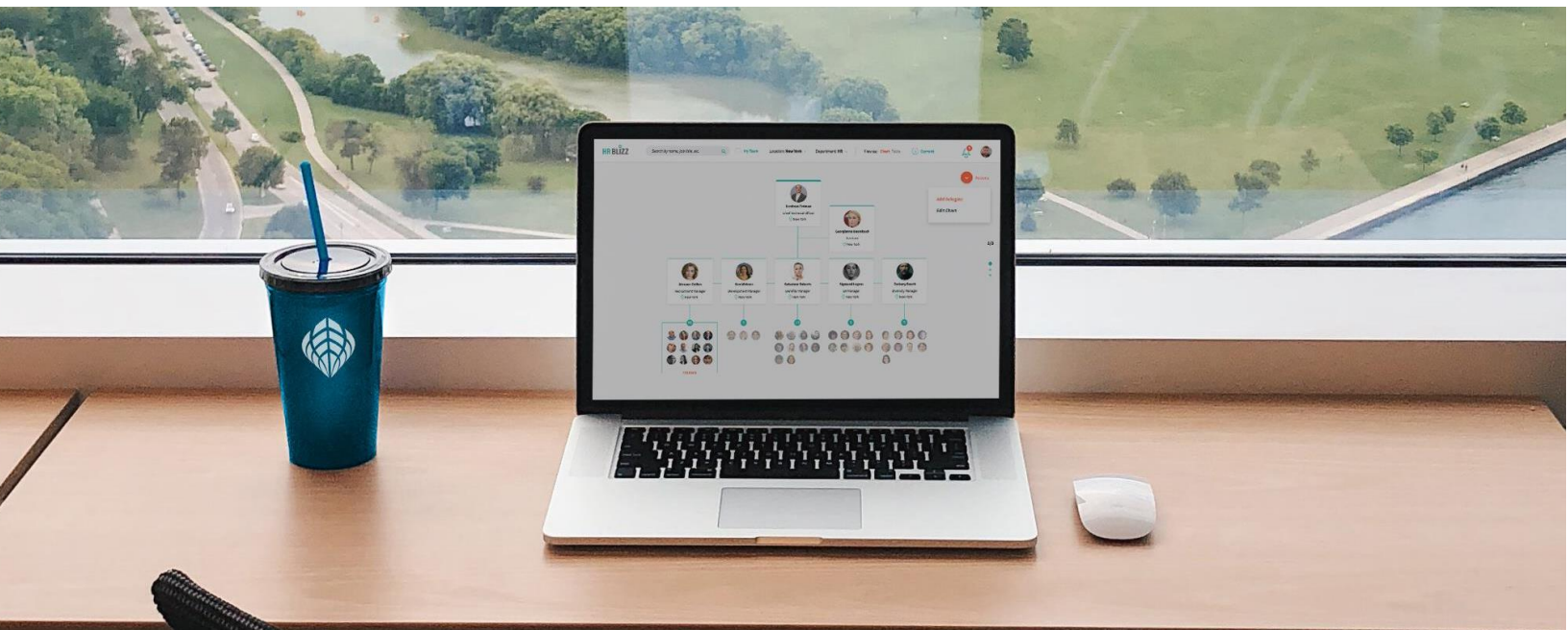




Simplifying Employment
Tasks Worldwide

Poland Payroll & Tax Highlights

2020 Global Payroll Country Guide for Poland



POLAND



April 2, 2020



MERCANS

We help you achieve your global ambitions

Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



Global Payroll Solutions – Boost your HR brand and employee satisfaction

Rationalize your HR budgets, monitor your data, and optimize your global payroll tasks in real-time. Systematize processes and streamline HRM lifecycles with HR Blizz™, our unified SaaS platform, to ensure your employees are paid accurately and on time.



PEO/GEO Services – Easily hire, deploy and manage your workforce abroad

A reliable Professional Employer Organization (PEO), Mercans is your trusted employer of record to globally select, engage, and manage highly-qualified personnel on your behalf, through integrated Global Employment Outsourcing (GEO).



Global Talent Acquisition – Quickly fill vacancies with only the best candidates

Mercans supports you in designing/deploying long-term HR strategies and processing full-cycle recruitment. Our ATS Suite Mesaar™ and our hiring experts help to screen, select, attract the right candidates for your organization, and populate your pipeline of prequalified talents.



BPO Services – Reclaim the focus on your core activities to expand your business

Concentrate on the essentials: outsource non-primary activities and your front- and back-office functions to Mercans. Save the time, money, and energy needed to refine the value chain engagement of your customers and suppliers, and increase revenue.



HR Management SaaS – Access customizable cloud-based online platforms

Centralize your HR function on an all-in-one user-friendly and self-service platform. Combined with the expertise of our consultants, the Mesaar SaaS offers a built-in applicant tracking system and easy-integration features to improve internal processes.



Local Statutory Compliance – Forget the hassle of setting up branches abroad

Mercans seasoned HR advisory team are compliance experts specialized in local cultures, business protocols, and tax and legal specificities. They are committed to ensure quick go-to-market abroad and achieve a compliant global expansion, risk-free from A to Z.



MERCANS

Mercans at a Glance

140+

Countries

20

Years of Success

500+

Specialists

5k+

Customers Worldwide

97%

Client Retention Rate

1.5X

Annual Revenue Growth

25k+

Largest Single Payroll

2.5M+

Pay Slips per Annum

0

Security Breaches

Number one for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certifications.





MERCANS

Table of Contents

DOING BUSINESS IN POLAND	6
BASIC FACTS	6
ENTITY REGISTRATION & INCORPORATION REQUIREMENTS	7
<i>Income Tax</i>	7
<i>Social Security</i>	7
<i>State Fund for Rehabilitation of Disabled Persons (PFRON)</i>	7
BANKING.....	8
WORKING WEEK.....	8
LABOUR LAW AND EMPLOYMENT IN POLAND	8
<i>Standards Employment Types</i>	8
<i>Employer Responsibilities</i>	9
TAX & SOCIAL SECURITY	10
PERSONAL INCOME TAX	10
<i>Solidarity Tax</i>	11
<i>Reporting and Payment</i>	11
<i>Foreign Tax Relief</i>	11
<i>Personal Allowances</i>	12
<i>Annual Tax Returns</i>	13
SOCIAL SECURITY	14
<i>Accident Insurance</i>	14
<i>Health Insurance</i>	15
<i>New Hires</i>	15
<i>Leavers</i>	15
REPORTING.....	16
<i>Social Insurance Institution – ZUS</i>	16
<i>Personal Income Tax</i>	17
<i>State Fund for Rehabilitation of Disabled Persons (PFRON)</i>	18
PAYROLL	19
EMPLOYMENT LAW	20
PAID LEAVE	20
DISABILITY LEAVE	20
SICK AND MATERNITY LEAVE AND BENEFITS	21
IMMIGRATION	23
WORK PERMITS	23
TEMPORARY WORK VISA	23
RESIDENCE PERMIT	23



Poland – economy set to keep growing in 2020 despite problems next door.

Poland has a convenient location – it is located in the center of Europe, at the intersection of main communication routes – it is a bridge between Western and Eastern Europe. This is a great advantage for potential investors – they have an easy access not only to the internal market (approximately 38 million people) but also to external markets in other European countries (over 0.5 billion people).

The main industries in Poland are mining and quarrying (hard coal, lignite, crude petroleum, and natural gas), food, textile, clothing, chemicals and chemical products, wood and products of wood, pulp and paper products, building materials, and automotive industry.

Poland's economy, one of the top performers in the European Union, is likely to face a slowdown in the 2020. However, any economic downtrend will be rather moderate owing to still rising wages and strong social benefits that are boosting domestic demand.

In the third quarter of 2019, Poland's economy grew by an annual 3.9 percent, with a quarter-to-quarter figure standing at 1.3 percent, the highest in the whole of the EU and over four times better than the EU average of 0.3 percent.

The relatively solid economic growth is accompanied by a constantly falling jobless rate. In November 2019, the country's unemployment rate stood at 5.1 percent – the lowest figure since September 1990.

This low rate of unemployment will continue to put pressure on wages and – as a result - on inflation. According to the IMF, Poland's consumer price index is expected to rise at the fastest pace in the European Union to even 3.5 percent in 2020.

With rising wages and record-low unemployment, Polish companies have been constantly struggling to find workers.

In 2020 these labor market tensions are likely to start easing, however, labor costs will remain a major concern for the country's companies.

The shortage of labor will eventually weigh heavily on potential GDP growth and be exacerbated by the early retirement of an increasing share of the workforce. Poland is at an advanced stage in its demographic transition; its working-age population is already shrinking and is forecast to further decline in the coming years.

Polish tax system for businesses has become somewhat more complicated. Policy changes are sometimes fast-tracked without input from businesses or labor unions. Rules supported by powerful labor unions cause employers to use more temporary and contract workers that they can fire more easily.

Mercans and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.



MERCANS

Doing Business in Poland

Poland is widely seen as one of the most attractive investment locations not only in Europe, but globally. Warsaw, Cracow, Poznan, Szczecin, Katowice, Łódź, Wrocław, Gdańsk are the key locations which companies choose worldwide for outsourcing purposes with highly qualified labor force and competitive employment costs.

Poland offers both political and economic stability linked with the dynamically expanding large domestic market. With the population of over 38 million the country is the 6th economy in the European Union. In addition, it is placed by the United Nations Conference on Trade and Development World Investment Report 2011 among the top locations to attract foreign investments (FDI). Poland is truly open for international business and the government supports in such initiative to attract new investors.

Basic Facts

Official State Name	Republic of Poland
Population	38.4 million
Capital	Warsaw
Major Languages	Polish
Currency	Złoty (PLN)
Main Industries	Machine Building, Iron and Steel, Mining Coal, Iron and Steel, Chemicals, Ship Building, Food Processing, Glass
GDP Growth	3.2%
Internet Domain	.pl
International Dialing Code	+48
Dates & Numbers	DD/MM/YY or YY/MM/DD. A full stop (period) is used for the decimal comma, and long numbers are written with a point (999,999,999.00)



MERCANS

Entity Registration & Incorporation Requirements

The company is required to have a legal entity established in order to process a payroll. To set up entity the company:

- identify the most beneficial legal form of business presence in Poland, both from business and tax perspective;
- set up a fully operational Polish entity;
- operational permits;
- open a bank account;
- understand and address Polish tax implications (income taxes, Vat, customs, etc.);
- obtain work and stay permits for your staff (if required).

Income Tax

There is no separate payroll registration for tax purposes in Poland. Each company is registered at the Tax Office when a legal entity is incorporated and no additional registration for payroll purposes is needed.

Social Security

There is a legal obligation to register a company for social security purposes within seven days from employing the first employee. The governing authority in Poland is the Social Security Office. The registration form for a company is called ZUS ZPA and it must be filed by the company representative or by the payroll provider. Typically, the registration of the employer for social security purposes is completed when the legal entity is incorporated.

There is a legal obligation to register each employee for social security purposes within seven days from the first day of work stated in their employment agreement. New hires are registered with the Social Security Office using forms ZUS ZUA or ZUS ZZA electronically using dedicated government software called "Platnik" — this software must be used by all employers in Poland for registration and monthly or annual social security reporting and can be downloaded from the Social Security website.

State Fund for Rehabilitation of Disabled Persons (PFRON)

Employers with at least 25 full-time employees must make contributions to PFRON. These contributions can be decreased for each disabled person employed. Companies employing 6% or more disabled persons are exempted from PFRON contributions. The respective registration forms are DEK-Z and ZAP1 and must be filed in hard copy with the signature of the person recognized in the Court Register document (KRS) of the company.



MERCANS

Banking

Effective from 1 January 2019, remuneration will be paid to employees to bank accounts of their choosing, while payment directly to employees in cash will only be possible if they specifically request it (hard copy or electronically).

As of 1st January 2020, for each Corporate entity taxpayer and tax remitter should transfer all of their Polish tax liabilities to a given tax office's bank account using a so-called individual tax account identifying a given taxpayer or tax remitter. An in-country bank account is mandatory to process the Payroll in Poland. Payments can be made from a Polish or a foreign bank account number. However, it is recommended to use a Polish bank account as this is easily recognized by the authority.

Working Week

Working time in Poland should not exceed 8 hours per day and an average of 40 hours per an average five-day working week. Normal working hours are from 8am to 4pm on weekdays and 8am to 2pm on Saturdays. Employees can take a 15-minute break, if they are working more than 6 hours a day.

For the work performed in excess of the working-time standards employee is entitled to an allowance. If it's justified by the type of work or the organization thus, the employer can introduce the other working-time systems which allow to extend daily amount of working time. Specific requirements related to this matter are indicated in the Polish Labor Code.

Labour Law and Employment in Poland

Standards Employment Types

There are two alternative contracting mechanisms available to employers:

- Employment agreement basis - the provisions of Polish Labor Code and other acts concerning labor law apply only to persons employed with employment agreements.
- Civil law agreements basis - persons performing work under civil law agreements are legally not considered employees thus above labor law mentioned is not applicable

By establishing an employment relationship, an employee undertakes to perform work of a specified type for the benefit of an employer and under his supervision, in a place and at the time specified by the employer. Employment contract cannot be replaced with a civil law contract where the performance of work conditions specified above remain intact.



MERCANS

Employer Responsibilities

Employers are responsible for the following HR processes:

- Coordination of medical checkup for new employees in order to confirm that the employee is allowed to perform his work on an appropriate position – before the start of the employment, then periodical and controlling
- Coordination of Hygiene and Safety trainings (BHP) for new employees – no later than on the first day of employment, periodical is excluded for administrative staff employed by an employer classified in the professional group no higher than 3rd risk category
- Creating and maintaining personal files for each of employee in accordance with Polish Labor Law in paper or digital form after completing requirements
- Employment contract signed on the first day of employment but before admitting to work and acquaintance with internal regulations



MERCANS

Tax & Social Security

The following are recent developments enacted and implemented in 2019 in the tax laws:

- Effective from 1 October 2019, deductible costs of an employee were increased from the statutory lump sum of PLN1 ,335 to a maximum of PLN 3,000 annually.
- Effective from 1 August 2019, the annual employment income tax exemption for taxpayers aged less than 27 years, was PLN 85,528.
- Effective from 1 October 2019, the income tax rate for final tax return purposes was reduced from 18% to 17%.

Personal Income Tax

Individuals following to the below categories are considered Polish tax residents and their personal income tax liability is determined as follows:

- Polish residents are taxed on their worldwide income.
- Non-residents are taxed on Polish-source income only.
- Under domestic law measures, individuals who have their centre of personal or economic interests (a centre of vital interests) in Poland or stay in Poland for a period of more than 183 days in a given tax year are generally considered Polish tax residents.
- Individuals who do not have their centre of personal or economic interests in Poland but stay in Poland for a period shorter than 183 days in a given tax year are taxed in Poland only on Polish source income.

Typical taxable pay elements may include:

- base salary
- payments for overtime
- various allowances (some only over a certain limit)
- awards and bonuses
- cash equivalents for holiday leave not used
- monetary performance made on behalf of employee
- value for other benefits-in-kind (non-monetary performance)
- housing provided by the employer
- payments made by the employer for the benefit of an expatriate in his/her home country, either to provide retirement benefits tailored to the individual employee or to all / the majority of employees.

General personal income tax rules provide for the rates shown in the following table:



MERCANS

Annual Taxable Income (PLN)		Annual Personal Income Tax Based on Column One Value	Tax Rate on Amount Exceeding Column One Value
More Than	Less Than		
0	85,528	0	17% of the base less the amount decreasing tax
85,528		15,395.04	32%

Personal income tax is subject to the following additional calculation rules:

- Annual personal tax exemption is PLN 8,000. Taxpayers earning less than PLN 8,000 per year will be exempt from paying tax.
- There are no provincial or local income taxes in Poland.
- Effective from 1 August 2019, annual revenue under an official relationship, employment relationship, contract work, cooperative employment relationship and mandate contracts, received by a taxable person aged less than 27 years, of PLN 85,528 per tax year is exempt from personal income tax.
- Monthly deductible costs due to one employment are PLN 250. The annual limit of tax costs from one employment cannot exceed PLN 3,000. In the case of obtaining income from more than one employment relationship, the upper limit of costs is PLN 4,500.

Solidarity Tax

Effective from 1 January 2019, individuals with annual taxable income in excess of PLN 1 million are obliged to pay solidarity tax at the rate of 4% on the amount exceeding PLN 1 million. The solidarity tax must be declared on a separate tax declaration by April 30 that follows the end of the tax year.

Reporting and Payment

Employers are obligated to withhold personal income tax from employees' salary payments as advance payments of their annual personal income tax liability. The tax withheld must be remitted to the tax authority by the 20th of the following month.

Effective from 1 January 2020, all taxpayers and tax remitters must transfer their taxes due to their individual tax accounts (micro accounts). Each micro account includes the relevant tax identification number of the taxpayer; i.e. PESEL or NIP number.

Foreign Tax Relief



MERCANS

Foreign earned income of Polish tax residents is subject to personal income tax in Poland. Foreign earned income is subject to Polish tax relief either under double-taxation treaties (DTT) or tax credit method for countries without a DTT with Poland.

Under the tax credit method, taxpayers Polish tax liability is reduced proportionally by the income tax paid abroad. Numerous DTTs provide for the same credit method. However, some of the DTT's provide for full tax exemption of the income earned abroad.

Effective from 1 January 2008, a special tax relief law was introduced. It uses a complex deduction system, which effectively allows Polish residents to use the exemption method for all their foreign incomes even if the applicable DTT states that the credit method should be used. However, this relief is not applicable to income earned in tax havens.

Personal Allowances

For 2020 tax year, a personal tax allowance; i.e. tax credit decreasing individual tax liability, is provided to all taxpayers whose annual taxable income does not exceed PLN 127,000. This allowance is a credit against personal income tax (not a deduction from taxable base) and is determined as summarized below.

Annual Taxable Income (PLN)		Annual Tax Credit Amount (PLN)
More Than	Less Than	
0	8,000	1,360
8,000	13,000	$1,360 - (834.88 \times (\text{Annual Taxable Income} - 8,000) / 5000)$
13,000	85,258	525.12
85,528	127,000	$525.12 - (525.12 \times (\text{Annual Taxable Income} - 85,528) / 41,472)$
127,000	+	0

In addition to personal allowance, taxpayers with children and eligible for the following tax credits towards their 2020 tax year liability. The below tax credits are prorated based on the partial custody of children.

Number of Children	Annual Tax Credit per Child (PLN)	Annual Taxable Income Limitations (PLN)
1	1,112	Joint Filers <112,000 Single Filers <56,000
2	1,112	None



MERCANS

3+	First & Second – 1,112 Third – 2,000 All Additional – 2,700	None
----	---	------

Annual Tax Returns

A Polish tax year is a calendar year. Employers are required submit tax returns to a local tax office. This includes their employees' income and tax advances withheld from the income. The tax return is filed only once for the whole year.

Employees must file personal annual income tax returns by April 30 following the end of the tax year. Married resident taxpayers may file either an individual or joint tax return.



MERCANS

Social Security

Employers and employees are required to contribute to the Polish social security system - ZUS. Employer and employee contribution rates have been summarized below and are applied to employees' gross remuneration. ZUS contributions must be remitted by employer by the 15th of the following month.

Contribution Type	Employer Contribution Rate	Employees Contribution Rate	Total Contribution
Pension/Retirement Contribution (1)	9.76%	9.76%	19.52%
Disability Insurance (1)	6.50%	1.50%	8.00%
Accident Insurance (2)	1.67% (0.67%-3.60%)	-	1.67% (0.67%-3.60%)
Sickness Contribution (3)	-	2.45%	2.45%
Health Contribution	-	9.00%	
Labour Fund (3)	2.45%		
Guaranteed Employment Benefit Fund (3)	0.10%		

(1) Up to the cap of PLN 156,810 in 2020.

(2) Contribution rate varies based on the industry of the employer.

(3) Applies to total gross salary.

The social security contributions payable by employer and employee are pre-tax deductions.

The maximum annual remuneration, which is the basis for calculating the contributions to retirement and disability insurance funds, is limited to 30 times the national average monthly salary. The above rates apply to salaries below the cap of PLN 156,810 in 2020. The cap is changing every year. After exceeding this cap, the salary is subject to a contribution rate of 3.22% to 6.41% payable by the employer and 2.45% payable by the employee.

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

Accident Insurance

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



MERCANS

Accident insurance contribution rate 1.67% of total gross salary for employers that employ up to nine employees. The contribution rates vary between 0.67% and 3.33% of total gross salary for employers that employ more than nine employees (the precise rate depends on the business sector). In practice, a flat rate of 1.67% is applied in respect of foreign employers.

Health Insurance

Monthly health insurance contribution is 9% of the assessment base. In the case of obligatory participation, the assessment base is equal to employee's gross income decreased by the amount of the employee's part of social security contributions. 7.75% of assessment base is deducted from the employee's personal income tax liability, while the remaining 1.25% is paid from the employee's net income. There is no cap on the health insurance contributions' assessment base.

New Hires

Employers must register with ZUS within 7 days from hiring their first employee, which requires the company to obtain a Polish tax identification number (NIP).

Employers are required to register their new hires with ZUS within 7 days. Employers with more than 5 are required submit their social insurance declarations via Płatnik system.

Płatnik system enables employers to comply with the following ZUS compliance requirements:

- Register new hires within 7 days from their hire date
- Deregister leavers within 7 days from the last date of employment
- Submit monthly ZUS declarations with employees' gross salary (and other benefits such bonuses etc.) with corresponding social contributions
- Register employees' family members with ZUS

Leavers

Polish Labor Law provides the following three termination alternatives and reasons:

1. Termination with mutual consent
2. Termination with a notice period. Employment agreements may be terminated by giving an advance notice to the other. The required notice period depends on the period of employment. Notice periods for definite and indefinite period agreements are the following:
 - 2 weeks if the employee was employed for less than 6 months
 - 1 month if the employee was employed for at least 6 months



MERCANS

- 3 months if the employee was employed for at least 3 years.

In case of an indefinite term agreement, employer's notice of termination should state the reason justifying the termination. The Labor Law does not provide a list of possible reasons, but the court precedencies have defined, that the acceptable reasons must be real, concrete and understandable for employee.

If an employment agreement is terminated during a probation period, the following notice periods apply:

- 3 business days if the probation period does not exceed 2 weeks
- 1 week if the probation period is longer than 2 weeks
- 2 weeks if the probation period is 3 months

3. termination without notice in conditions:

- In the event of a severe violation by the employee of the employee's basic duties
- If the employee commits an offence, which prevents further employment in the occupied job position – if the offence is obvious or has been declared by a final court sentence
- If the employee, through his fault, loses a license required to perform work in the occupied job position
- If an employee is unable to work as a result of an illness

Reporting

Employers are required to submit the below payroll-related declaration.

Social Insurance Institution – ZUS

Employers are required to declare and pay monthly social security contributions on all salaries. The deadline for submitting monthly returns and paying social security contributions is the 15th day of the following month. The monthly returns consist of the following forms:

- ZUS DRA — monthly aggregate form
- ZUS RCA — monthly individual form
- ZUS RSA — monthly sickness absences form
- ZUS RZA — monthly healthcare contributions form (for civil contractors only)

All declaration forms should be submitted to the Social Security Authorities via Platnik.

Description	Social Contribution for Employees	Social Security Annual Return (employers with at least 10 employees)
-------------	-----------------------------------	--



MERCANS

Form Type	ZUS DRA (monthly return)	ZUS IWA (annual return)
Form Submission Deadline	15 th of the following month	31 st January of the following year
Payment Deadline	15 th of the following month	N/A
Submission Authority	ZUS	ZUS
Submission Method	Platnik Software	Platnik Software

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

Personal Income Tax

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

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

Employers are obliged to provide each employee and the Tax Office with annual information on income earned and tax advances paid. The form is called PIT-11 (optionally) and the deadline for submission is the end of February of the year following the tax year to which the information relates. Annual information and returns must be submitted to the Tax Office via electronic software.

Description	Personal Income Tax on Employees' Salaries	Annual Income Tax Withholding Statements
Form Type	PIT-4R/PIT-8AR (annual return)	PIT-11 (annual statement)
Form Submission Deadline	31 st January of the following year	28 th February of the following year
Payment Deadline	N/A	N/A
Submission Authority	Tax Office	Tax Office & Employees
Submission Method	Electronically	Electronically



MERCANS

State Fund for Rehabilitation of Disabled Persons (PFRON)

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

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

Description	Monthly PFRON Return (Employers with at least 25 Employees)	Annual PFRON Return
Form Type	DEK-I-0 (monthly return)	DEK-R
Form Submission Deadline	20 th of the following month	20 th of January
Payment Deadline	20 th of the following month	N/A
Submission Authority	PFRON Authority	PFRON Authority
Submission Method	Online Portal	Online Portal



MERCANS

Payroll

According to the Polish Labor Law, employees must be paid monthly by the end of the respective month or at the beginning of the next month, but by no later than the 10th day of the following month. If 10th falls on a Saturday, Sunday or bank holiday, the salaries must be paid by the previous working day. Salaries can be paid through bank transfers or in cash. There are no legal restrictions regarding salary transfer — it can be paid into a Polish bank account or a foreign bank account. Salary payments can be made from a Polish or a foreign bank account number. However, it is recommended to use a Polish bank account as this is easily recognized by the authorities.

There is no legal obligation to provide payslips to employees. However, it is a common practice to issue payslips on a monthly basis. Payslips can be either in electronic or hard copy format.



MERCANS

Employment Law

As per Article 94 of the Polish Labor Code, employers in Poland are required to set up, keep and update a personal file for each employee. All the documents regarding employment (i.e., personal questionnaires, employment contract and health certificate) must be kept within the file in chronological order, including proper descriptions of each document. The employer is obliged to store the personal file of each employee for 50 years. A draft regulation has been issued which would reduce the period from 50 to 10 years and allow electronic versions of the files to be stored).

In accordance with the Polish Labor Code Act, employers with 20 or more employees are required to develop working (i.e., on working hours, discipline at work etc.) and remuneration regulations. If the company employs less than 20 employees, the employer is obliged to inform them in writing about the basic regulations of the company.

Employer are obliged to organize health and safety regulations course for each new employee. The course should take place within working hours. A training company specializing in this type of workplace training should be used. The costs of this training are borne by the employer.

Paid Leave

Employees are entitled to an annual, paid vacation leave of 20 days, if the employees have been employed for less than 10 years or to 26 days, if an employee has been employed for at least 10 years.

In case an employee changes their employer during a year, the employee is entitled to paid leave as follows:

- with current employer – in an amount proportional to the period worked at this employer during the calendar year in which employment relationship ends, unless the employee has already used up or exceeded the leave days they are entitled to.
- with new employer – proportional to the time remaining until the end of the calendar year – if the employee is employed for a period not shorter than up to the end of the calendar year, or proportional to the employment period in the calendar year – if the employee is employed for a period shorter than up to the end of the calendar year

The employee is entitled to remuneration for the period of holiday leave, which he would have received if he had worked at that time. This rule applies fully only to components of remuneration specified in a fixed monthly rate. Variable elements can be calculated on the basis of the average remuneration from the three months preceding the month of the start of the holiday or over a period of 12 months if they fluctuate significantly.

Disability Leave

For the period of an employee's incapacity to work, the employee retains the right to remuneration. The remuneration is due in amount of 100% or 8 % of regular remuneration depending on the cause of the incapacity. The employer is obliged to pay the remuneration for the first 33 days of incapacity in any given



MERCANS

calendar year. If the incapacity lasts longer the employee is entitled to receive sickness benefit paid by social security institution for a period of up to 182 days.

Sick and Maternity Leave and Benefits

Employees who are subject to obligatory sickness insurance acquire the right to sickness benefits after 30 days of continuous sickness insurance coverage. Those who are subject to this type of insurance on a voluntary basis acquire the right upon the lapse of 90 days of continuous sickness insurance coverage.

Sickness benefits is due to the insured person in the amount of 80% of the assessment basis and of 70% of the assessment basis for the period of hospitalization. However, when the incapacity for work occurred as a result of an accident on the way to or from work, during pregnancy, or affected donors of tissues, cells or organs, the sickness benefit is paid in the amount of 100% of the assessment basis.

Women are eligible for maternity benefits if during their period of sickness insurance or maternity leave:

- gave birth,
- have adopted a child at the age of up to 7 years or a child at the age of up to 10 years for whom a decision on the postponement of the school obligation has been taken and have filed a motion with the guardianship court for its adoption,
- have taken a child at the age of 7 years or a child at the age of up to 10 years for whom a decision on the postponement of the school obligation has been taken for upbringing in a foster family, excluding professional foster families who are not relatives of the child.

The provision on the right to maternity benefits for those who take children for upbringing also apply to the insured male persons. Maternity benefits may also be used by the insured father of the child, if its mother has used at least 14 weeks of maternity leave.

Maternity benefits are payable for the periods which fall in the below categories:

- maternity leave and a leave under the conditions of a maternity leave – from 20 to 37 weeks depending on the number of children who have been born at a time or the number of children who have been taken for:
- parental leave – up to 32 weeks in case one child has been born, up to 34 weeks in case two or more children have been born at a time, or up to 29 weeks in case a child has been taken for upbringing and the worker has the right to a leave under the conditions of a maternity leave of 9 weeks,
- paternity leave – 2 weeks.

Maternity benefits are due in the amount of 100% of the assessment basis. On the other hand, in the period established as the period of the parental leave, the maternity benefit amount to 100% of the assessment basis for the first 6 (or 8 in the case of multiple birth) weeks of the leave and with the remaining 26 weeks of the parental leave the benefits are 60%.



MERCANS

If an insured woman applies for maternity benefits for the period of parental leave in the full amount within 21 days after giving birth to a child (or taking a child for upbringing), the maternity benefit for the joint period of the maternity and parental leave amounts to 80% of the calculation base.

In the case of insured persons who are/and not workers, the benefit assessment basis is the average monthly remuneration paid in the period of the 12 calendar months preceding the month the benefit is given. Pension insurance contributions are calculated on the maternity benefit (they are financed by the state budget).

Rehabilitation benefits are granted to an insured person who has exhausted his/her right to claim sickness benefits, but they are still not capable to work, while the further treatment or rehabilitation give a chance to regain the capacity to work. This benefit due for the period, which is necessary to restore the capacity to work, however not longer than 12 months;

Compensating benefit is paid to an insured person whose capacity to work is reduced and whose remuneration has been reduced due to professional rehabilitation (professional rehabilitation implies assistance for the person with disabilities to gain and maintain appropriate employment and promotion) in order to adapt or train for a particular job.



MERCANS

Immigration

All non-EU foreign nationals who intend to work and live in Poland must obtain a work permit and a Polish visa for the purpose of employment. The work permit and visa must be obtained before new hire starts to work in Poland.

Work Permits

In order to obtain work permit, the employer obtains permission to employ a foreign national expert. The Labor Office then must offer the job position to Polish and EU national candidates, recorded as unemployed applicants on Polish Labor market. The search process takes approximately 21 working days. If no candidate is found, the individual can submit the documents to the Labor Office for obtaining the work permit and receive it within 40 working days. According to the Polish immigration law, an individual is obligated to start working in Poland within three months from the date of the work permit validity date.

Temporary Work Visa

After obtaining a work permit in Poland, the individual should apply for the work visa to the Polish consulate in one's country of origin or permanent stay. The work visa procedure in the Polish consulate lasts approximately 14 working days.

The individual (non-EU citizen) may perform work in Poland only based on the work permit and work visa/residence card. Visa with the right to work for the working person is issued for one year, while the stay visa for family members is issued for 90 days. Also, the consulate has a right to ask for providing additional documents if needed.

Residence Permit

Family members should apply for a visa together with the individual who will perform work in Poland. If the individual intends to work and stay in Poland longer than a year (i.e. longer than one's work permit and visa are valid), it is necessary to extend one's work permit and visa (a document that extends a visa and work permit is a residence card with right to work).



MERCANS

They already trust Mercans

accenture



AIRBUS



ATKearney



BLACKROCK

BOMBARDIER

CLARIANT



Electrolux

ERICSSON

Johnson & Johnson

KRATOS

KÄRCHER



Mclaren
AUTOMOTIVE

ManTech
International Corporation

NOKIA



3M



MERCANS

What Makes Mercans your HR and Payroll **Partner of Choice?**

We Simplify Employment Tasks Worldwide

Everywhere for Everyone

We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

Local Presence. Regional Strategy. Global Success

Supported by 500+ payroll and HR specialists with in-depth local knowledge, Mercans operate globally. Our pioneering human resources consulting services and trailblazing SaaS platforms are already satisfying 5,000+ international clients, ensuring timely measurable results and bottom-line savings. Thanks to success-oriented teams striving for excellence and taking care of our clients' tasks within budget, we have gained the trust of major multinational companies.

A Revolutionary Service Delivery System

Say goodbye to third-party service providers, offshore call centers, fragmented data, and endless chains of sub-contracts.

Mercans cloud-based SaaS Products, HR Blizz™ & Mesar™, combine the performance of proprietary technologies with a human touch. Cost-effective, they are fully-compliant self-service tools, packed with smart built-in features for your peace of mind. All your data are integrated into single interfaces accessible from everywhere and on any device.

Trailblazing Cloud-Based SaaS Products

HR Blizz & Mesar, our Software-as-a-Service platforms, both propose a preconfigured API integration capability with all the major global HRMS platforms, including SuccessFactors, Workday, Oracle HCM, and MS Dynamics. All Mercans systems and processes are GDPR compliant, ISO 9001, 20000, 27001 certified, and SOC 1 and SOC 2 audited. A registered Finpro expert, Mercans is also a member of the Global Payroll Association and the Global Payroll Management Institute.



Simplifying Employment
Tasks Worldwide

+1 877 MERCANS (637 2267) | Toll-Free

Europe: +44 20 328 777 62

North America: +1 646 798 5541

Middle East: +971 43 999 260

info@mercans.com | mercans.com

© 2020 Mercans LLC