Social Security in Poland

Warsaw 2019
Social Security in Poland
The Social Insurance Institution (ZUS)

Editor
Anna Pątek
International Cooperation Department
of the Social Insurance Institution

in cooperation with 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
Ministry of National Defence
Ministry of Justice
Agricultural Social Insurance Fund

Translation
Grażyna Budziszewska

Graphic design and layout
Printomato

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Introduction

We are pleased to present to you the publication “Social Security in Poland”.

This guide presents the organisation and legal frameworks for the Polish social security system 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 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:
- benefits in favour of family,
- unemployment benefits,
- benefits from social assistance,
- farmers’ social insurance benefits,
- benefits from the health insurance system.

In this year’s edition, we present for the first time pension schemes for uniformed services, officers as well as prosecutors and judges.

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 Polish and English language version.

We would also like to note that the publication is non-specialist in nature and therefore it 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 please visit the ZUS website www.zus.pl.
1. The organisation of the Polish social security system
1.1. Organisational structure

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1.2. Government administration sections

The Act of 4 September 1997 on governmental administration sections (Journal of Laws 2019, item 945, as amended) defines the tasks and powers of the competent ministers, inter alia in the field of social security.

The social security section falls under the competence of the minister in charge of social security issues and covers:
- social insurance and social provision,
- 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 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.

In the publication “Social Security in Poland” we pay most of our attention to social insurance and benefits paid by the Social Insurance Institution.

Moreover, in the chapter on social assistance we describe cash benefits and other forms of social assistance.

The section rural development is under the jurisdiction of the minister in charge of rural development. This section includes inter alia social insurance for farmers. In this area the minister in charge of rural development cooperates with the minister in charge of social security. In our study we describe the functioning of the social insurance system for farmers.

The section health covers, among others: medical care and public health issues, 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. In the chapter Public health insurance we describe some of these issues.
The section family covers inter alia issues of health care and of support for families in difficult financial and social situation, in particular families with children. It is coordinated by the minister in charge of family issues. In the chapter on material support for families we describe inter alia family benefits.

Problems on employment and countering unemployment are to be found in the section work, these being coordinated by the minister in charge of labour issues.

In our study we describe unemployment benefits.

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

The system of pension provision for professional soldiers is under the authority of the minister in charge of national defence.

The system of social provision for judges is under the authority of the minister in charge of justice, and the system of social provision for prosecutors is under the authority of the Prosecutor General.
2. The legal framework for the social security system
2.1. National legislation

The social security system in Poland is composed of: the social insurance and social provision system, health insurance system, unemployment benefits 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)** – payment of cash benefits and benefits in kind within the framework of disability prevention from farmers' social insurance,
- **Ministry of Family, Labour and Social Policy (Ministerstwo Rodziny, Pracy i Polityki Społecznej, MRPiPS)** – benefits in respect of unemployment, in favour of family and social benefits (from social assistance),
- **National Health Fund (Narodowy Fundusz Zdrowia, NFZ)** – benefits in kind from health insurance,

Many legal instruments govern the legal obligation of insurance against specific social risks and the guarantee of benefits in the event of a given. Such provision has already appeared in 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 being:

- § Act of 13 October 1998 on the social insurance system (Journal of Laws of 2019 item 300) – the so-called Social Insurance System Act,
- § Act of 17 December 1998 on pensions from the Social Insurance Fund (Journal of Laws of 2018, item 1270, as amended) – the so-called Old-Age Pension Act,
- § Act of 20 April 2004 on the Individual Old-age Pension Accounts and Individual Old-age Pension Protection Accounts (Journal of Laws of 2019, item 1808) – the so-called IKE and IKZE Act,
- § Act of 20 April 2004 on the Occupational Pension Programmes (Journal of Laws of 2019, item 850, as amended) – the so-called PPE Act,
- § Act of 4 October 2018 on employee capital pension plans (Journal of Laws of 2018, item 2215, as amended) – the so-called PPK Act,
- § Act of 21 November 2008 on the old-age funded pensions (Journal of Laws of 2018, item 926),
- § Act of 28 August 1997 on the organisation and operation of old-age pension funds (Journal of Laws of 2018, item 1906, as amended),
- § Act of 19 December 2008 on the old-age bridging pensions (Journal of Laws of 2018, item 1924),
§ Act of 25 June 1999 on cash social insurance benefits in respect of sickness and maternity (Journal of Laws of 2019, item 645) – the so-called Sickness and maternity allowance Act,
§ 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 so-called Accident Insurance Act,
§ Act of 27 June 2003 on the social pension (Journal of Laws of 2019, item 1455),
§ Act of 30 April 2004 on pre-retirement benefits (Journal of Laws of 2017, item 2148),
§ Act of 31 January 2019 on supplementary parental benefit (Journal of Laws, item 303, as amended),
§ Act of 31 July 2019 on supplementary benefit for persons incapable of independent existence (Journal of Laws, item 1622),
§ Act of 23 January 2008 on the transfer of old-age pensions entitlements of European Union civil servants (Journal of Laws no. 47, item 274, as amended).

Health care benefits are granted pursuant to:
§ Act of 27 August 2004 on health care benefits financed by public funds (Journal of Laws of 2019, item 1373, as amended) – the so-called Health Care Act,

Benefits in respect of unemployment are granted pursuant to:
§ Act of 20 April 2004 on employment promotion and labour market institutions (Journal of Laws of 2019, item 1482).

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

Social assistance benefits are granted pursuant to:

Benefits in favour of family are granted pursuant to:

The “Good Start” benefit is granted pursuant to:
§ Regulation of the Council of Ministers of 30 May 2018 on detailed conditions for the implementation of the government programme Good start (Journal of Laws of 2018, item 1061, as amended).

Family benefits are granted pursuant to:
§ Act of 28 November 2003 on family benefits (Journal of Laws of 2018, item 2220, as amended),

Carer’s allowance is granted on the basis of:
§ Act of 4 April 2014 on the establishment and payment of allowances for carers (Journal of Laws of 2019, item 2092).
Benefits from the Maintenance Fund are granted pursuant to:

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

Benefits from the military pension scheme are granted pursuant to:

Benefits from the system of pension provision for officers are granted pursuant to:
§ Act of 18 February 1994 on pension provision for officers of the Police, the Internal Security Agency, the Foreign Intelligence Agency, the Military Counterintelligence Service, the Military Intelligence Service, the Central Anti-Corruption Bureau, the Border Guard, the Government Protection Bureau, the State Fire Service, and the Prison Service and their families (Journal of Laws of 2019, item 288, as amended).

Benefits from the system of social provision for judges, in particular, the rules under which the judges are retired are described in:
§ Act of 27 July 2001 – Law on the system of common courts (Journal of Laws of 2019, item 52),
§ Regulation of the Minister of Justice of 21 June 2018 on retired judges’ and retired judges’ family members’ emoluments and dates of transferring social insurance contributions to the Social Insurance Institution (Journal of Laws, item 1258).

Benefits from the system of social provision for prosecutors, in particular, the rules under which the prosecutors are retired are described in:
§ Act of 28 January 2016 – Law on the Public Prosecutor’s Office (Journal of Laws of 2019, item 740),
2.2. International legal framework 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 State’s (including Poland) legal order. Regulations are directly applicable with no necessity for their ratification, while directives should be introduced to the national legal order within a period from one to three years.

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

Issues related to coverage by several different national social security systems in EU or EFTA Member States is governed by the social security coordination, which is based on fundamental principles of:
- equal treatment,
- free movement of persons,
- unity of applicable legislation,
- retention of acquired rights,
- aggregation of periods.

The equal treatment principle applies to a national of an EU or EFTA Member State who works in another EU or EFTA Member State. It means that this person enjoys the same rights to benefits and has the same obligations as nationals of that state. This principle excludes any discrimination in granting the right to benefits on the basis of nationality.
The principle of free movement of persons allows nationals of an EU or EFTA Member State to move freely to another EU or EFTA Member State to work or run their own business there. Such a person is subject to social insurance in the country of employment or self-employment. According to this principle, he/she may enjoy the same rights to cash benefits in respect of sickness and maternity in that country as a national of that country.

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

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

The principle of periods’ aggregation allows taking into account periods of insurance in another EU or EFTA Member State in order to grant the right to benefits when the insured person does not have a sufficient period of insurance or residence in one country.

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

Legal acts of the European Union regulate the coordination of the following social security benefits:
- old-age pensions and pre-retirement benefits,
- disability and other pensions,
- sickness and maternity benefits,
- family benefits,
- health benefits,
- unemployment benefits,
- death benefits.

The basic legal acts of the EU in the social security sphere are the European Community treaties and the following acts issued on their basis:
- 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,
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.

They allow for:

- 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,
- determination of the appropriate legislation for the period before the regulations (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, several specific regulations of agreements between Poland and Austria and between Poland and Germany, advantageous for Polish citizens, still remain in force:

- Article 33(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 (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(5) and Article 28(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 the 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).

- Agreement between the Republic of Poland and the Republic of Germany on export of specific benefits for entitled persons who reside in the territory of the Republic of Poland, signed in Warsaw on 5 December 2014; it concerns persons persecuted by the National Socialist regime and members of their families who, due to their place of residence in the territory of the Republic of Poland, have not received benefits for periods of employment in a ghetto under German pension regulations; the agreement entered into force on 1 June 2015,

- Agreement on social security between the Government of the Republic of Poland and the Government of Quebec [Province of Canada], signed in Quebec on 3 June 2015, and the administrative arrangement for the implementation of the Agreement, signed on the same date (effective from 1 September 2018),

- Agreement between the Republic of Poland and Mongolia on social security, signed in Warsaw on 24 January 2018, and administrative arrangement for the implementation of the Agreement, signed on the same date (the Agreement entered into force on 1 July 2019),

- Agreement between the Republic of Poland and the State of Israel on social security, signed in Jerusalem on 22 November 2016, and the administrative arrangement for the implementation of the Agreement, signed on the same date (the ratification
process has not yet been completed on the Israeli side, therefore it is not possible to determine when the Agreement will enter into force),

- Agreement between the Republic of Poland and the Republic of Turkey on social security, signed in Warsaw on 17 October 2017, and the administrative arrangement for the implementation of the Agreement, signed on the same date (the ratification process has not yet been completed on the Turkish side, therefore it is not possible to determine when the Agreement will enter into force).

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 Social Insurance Institution is a state organisational unit with legal personality. 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.

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

3.1. ZUS tasks

The Social Insurance Institution:
- establishes entitlement to:
  - old-age pensions,
  - disability pensions,
  - survivors’ pensions,
  - sickness allowances,
  - maternity allowances,
  - care allowances,
  - compensatory allowances,
  - rehabilitation allowances,
  - funeral grants;
- pays benefits to which it has established entitlements;
- 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 correctness of certification for temporary incapacity for work;
- authorises doctors to issue medical certificates of temporary incapacity for work and withdraws these authorisations 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;
keeps a part of the pension contribution on the insured person's account and the remaining part on the sub-account, unless the insured person has submitted a declaration that a part of the contribution should be transferred to OFE; in such a case ZUS divides the part allocated to the sub-account and transfers the amount set by law to the relevant OFE;

divides and pays to eligible persons the funds kept on sub-accounts of insured person;

collects and accounts for the health insurance contribution and transfers it to the National Health Fund (NFZ);

collects the contribution to the Labour Fund and transfers it to the Ministry of Family, Labour and Social Policy;

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 keeps contributions on 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;

has at its disposal the financial resources of the Social Insurance Fund and the resources of the Maintenance Fund;

manages the Demographic Reserve Fund (Fundusz Rezerwy Demograficznej, FRD);

in the name of pensioners transfers personal income tax to Polish tax offices and submits health insurance contributions to the National Health Fund;

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 partnership 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 EU coordination of social security systems in the area covered within ZUS competence (general social insurance).
Due to the range of exercised tasks, the Social Insurance Institution is one of the biggest public institutions in Poland. On the one hand, ZUS holds financial functions, such as e.g. contributions collection, benefits payment, tax payment on behalf of pensioners, and on the other hand it endeavours to be an institution that should provide its clients – persons insured, beneficiaries and contribution payers – with a sense of security connected with efficient, friendly and reliable services.

3.2. The structure of ZUS

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

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

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

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

The number of Board members depends on the number of representative (nation-wide) employers’ and employees’ organisations existing at a given time. During the current term of office (October 2017 – October 2022) the number of Board members is eleven.

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

ZUS organisational structure includes:

- headquarters,
- 43 branches,
- 209 inspectorates,
- 71 local offices.
3.3. Types of social insurance and insurance coverage principles

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

The Polish social insurance system includes:
- old-age pension insurance,
- disability and survivors' 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 distinguishes 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,
- persons on child-care leave or receiving maternity allowance or benefits at the rate of the 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 2018 equalled 15,847.6 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, and
- 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,
- persons collaborating with persons running a non-agricultural business activity.

The number of insured persons in 1999–2018 (in thousand)

3.4. Types of benefits provided by ZUS

Pursuant to the Act of 13 October 1998 on the social insurance system, the Social Insurance Institution establishes the entitlement to social insurance benefits and pays those benefits. It also pays 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
   - survivors' pension,
   - supplement to a survivors' 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
   - parental supplementary benefit (Mama 4+),
   - funeral grant,
   - social pension,
   - pre-retirement benefit,
   - supplementary benefit for persons incapable of independent existence (500+ for persons with incapacity for independent existence),
   - medical rehabilitation within the framework of disability prevention,
   - subsidising within ZUS accident prevention of such activities carried out by contribution payers that are aimed to help in maintaining the earning capacity throughout the entire period of professional activity.
4. Finances of the social insurance
Pursuant to the Act of 13 October 1998 on the social insurance system, the Social Insurance Institution administers the Social Insurance Fund, the Old-age Bridging Pensions Fund and the Demographic Reserve Fund resources.

Family benefits, health benefits, benefits in respect of unemployment and benefits from the social insurance of farmers and pension provision for professional soldiers, officers, judges and prosecutors are financed from various sources and paid by other institutions.

4.1. The Social Insurance Fund

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

Incomes of the Social Insurance Fund come inter alia from:
- social insurance contributions except for those 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 obtained when the insured person has less than 10 years to the normal 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 also take out loans.

The following funds are distinguished within FUS:
- **old-age pension fund**, which is intended to finance:
  - old-age pensions – based on contributions credited to the insured person’s account in ZUS,
  - funded pensions – based on contributions credited to the sub-account in ZUS,
- **disability pension fund**, which is intended to finance:
  - disability pensions,
— training pensions,
— survivors’ pensions,
— supplements to survivors’ pensions for double orphans,
— nursing supplements,
— old-age pensions awarded by ZUS 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 allowances,
  — maternity allowances,
  — care allowances,
  — compensatory allowances,
  — rehabilitation benefits,

- **accident fund**, intended to finance:
  — work accident pensions,
  — supplements to pensions,
  — 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 and medical devices,
  — subsidies to contribution payers’ activities aimed to help in maintaining the earning capacity throughout the entire period of professional activity.

### 4.1.1. Contributions

**The rate of contributions for social insurance in 2019**

<table>
<thead>
<tr>
<th>Type of insurance</th>
<th>Total contributions (%)</th>
<th>Contribution payer (%)</th>
<th>Insured person (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>old-age pension</td>
<td>19.52</td>
<td>9.76</td>
<td>9.76</td>
</tr>
<tr>
<td>disability</td>
<td>8.00</td>
<td>6.50</td>
<td>1.50</td>
</tr>
<tr>
<td>sickness</td>
<td>2.45</td>
<td>—</td>
<td>2.45</td>
</tr>
<tr>
<td>work accident</td>
<td>0.67–3.33(^a)</td>
<td>0.67–3.33(^b)</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>1.67(^b)</td>
<td>1.67</td>
<td>—</td>
</tr>
</tbody>
</table>

\(^a\) The contribution for groups of activity, once differentiated, has been in force since 1 April 2018. 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.

\(^b\) The contribution for contribution payers applying for accident insurance for not more than 9 insured persons per month as well as for contribution payers not subject to REGON registration – this contribution is in force from 1 April 2018.
The percentage rates of pension and sickness insurance contributions are equal for all insured persons. Rules of financing contributions depend on the entitlement to insurance. Those applicable to employees and contractors are shown below.

Contributions for the old-age pension insurance (19.52% of the assessment basis) 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 has submitted a statement of contributions transfer to OFE, ZUS divides the contribution into three parts and transfers two parts to the Social Insurance Fund: a part of the contribution to person’s account and a part to the sub-account. The smallest part is transferred to the Open Pension Fund. The situation is different if the insured person has not submitted such a statement. Then ZUS divides his/her contribution into two parts, the smaller to be credited to the sub-account in ZUS.

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

<table>
<thead>
<tr>
<th>Contributions transfer to OFE</th>
<th>FUS (%)</th>
<th>FUS – sub-account (%)</th>
<th>OFE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>12.22</td>
<td>4.38</td>
<td>2.92</td>
</tr>
<tr>
<td>No</td>
<td>12.22</td>
<td>7.30</td>
<td>—</td>
</tr>
</tbody>
</table>

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 a contribution adjustment rate. The contribution adjustment covers the contribution amount credited to the individual account as at 31 January of the year that it refers to, and is increased by the amounts in respect of the adjustment. Contributions adjustment is carried out once a year, from 1 June each year.

Contributions for disability and survivors’ 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 for sickness insurance (2.45%) are fully financed by insured persons.

Contributions for 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.
Within the framework of an insured person’s account, additionally ZUS keeps a sub-account into which the contributions from the reduced contribution to the Open Pension Fund (OFE) are credited. The sub-account is kept by ZUS for each insured person who was born after 1948 and was a member of OFE and for each insured person who was born after 31 December 1968 and is subject to old-age pension insurance.

From 1 April to 31 July 2016, an insured person who was a member of OFE could decide whether he/she still wanted to transfer a part of his/her contribution to OFE or to the sub-account in ZUS. When he/she has decided that a part of his/her pension contribution should be still transferred to OFE, he/she had to make an appropriate statement. If he/she did not do so, a part of his/her pension contribution, which would go to OFE, is credited to the insured person’s sub-account in ZUS. The next change in the decision will be possible in 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 information, i.e. residence address, correspondence address;
- information on the amount of due and paid contributions for 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 and 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 regime and on natural persons to whom should be paid the resources credited to the sub-account of persons not being OFE members in the event of death (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 in which ZUS has established the right to the old-age pension;
information about the beneficiaries designated by the pensioner to receive the
guaranteed payment, if the pensioner has died during a period of three years from
the month of the first payment of the old-age pension;
information on the transfer of the old-age pension contribution 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 for the old-
age pension insurance, which have not been transferred to OFE;
- information on the amount of contributions paid for the old-age pension insurance
after adjustment;
- information on the value of resources equivalent to the value of 51.5% of the re-
deemed accounting units transferred by OFE in 2014, credited to the account of
each OFE member;
- information on the amount of resources equivalent to the value of 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 normal
retirement age.

Since 1 November 2014, based on the so-called security slide, the assets
accumulated in the account of an OFE member have been transferred gradu-
ally, on a monthly basis, to the Social Insurance Institution and credited to the
sub-account of the insured person. This mechanism is launched 10 years prior
to reaching the normal 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. From the month in which the ‘security slide’ is launched,
no contributions will be transferred by ZUS to OFE. They will be credited to the
sub-account of the insured person.

By the 31 August of each year ZUS is obliged to send to an insured party born after
31 December 1948 the “Information on the state of the insured person’s account
in ZUS” as at 31 December of the preceding year. In a paper version, ZUS provides
information to persons who do not have their profile on the ZUS Electronic Services
Platform (PUE). Persons who have such a profile are granted access to the electronic
version of information.

The “Information” shows the amounts of:
- the initial capital after adjustment, if this has been already calculated for the insured
person;
- contributions paid for 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 accounting 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 accounting documents delivered to ZUS by contribution payers) and actually transferred to OFE;
- an amount of the hypothetical old-age pension – an information for the insured person who has reached the age of at least 35 years as at 31 December of the year for which the “Information” is provided, is given in two variants:
  – according to the account and sub-account status as at 31 December of the year that the “Information” refers to, also taking into account the hypothetical amount of the contributions, that an insured person could accumulate on his/her account if he/she has worked until the retirement age,
  – only on the basis of the account and sub-account status as at 31 December of the year for which the “Information on the state of the insured person’s account” is provided.

An insured person who has no more than 10 years to the normal retirement age is additionally provided with information on the amount of the hypothetical old-age pension that he/she would receive on reaching the normal retirement age and at the age exceeding the normal retirement age by one, two, three, four or five years.

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

**The purpose of providing the insured persons with this “Information”** is to allow them to check the correctness of their account and sub-account records and to intervene if any irregularities are found (with the contribution payer, ZUS, OFE or an institution dealing with payments, respectively).

**The insured person** may also find information about the status of his/her account in ZUS on the ZUS Electronic Services Platform (Platforma Usług Elektronicznych, PUE). To have access thereto, he/she must authenticate his/her profile with a certified qualified signature or with a trusted profile or electronic banking. He/she may also authenticate the profile with an employee at ZUS branch, within 7 days, on the basis of an identity card with a photo.
### 4.1.3. Revenues of the Social Insurance Fund (FUS)


<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Percentage of revenues in 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenues</strong></td>
<td>218,298.2</td>
<td>227,812.8</td>
<td>100.0%</td>
</tr>
<tr>
<td>revenues from contributions</td>
<td>166,941.1</td>
<td>180,414.3</td>
<td>79.2%</td>
</tr>
<tr>
<td>state budget subsidy in total</td>
<td>40,978.7</td>
<td>35,822.7</td>
<td>15.7%</td>
</tr>
<tr>
<td>refund in respect of contributions transferred to OFE</td>
<td>3,235.3</td>
<td>3,304.1</td>
<td>1.5%</td>
</tr>
<tr>
<td>payments from OFE</td>
<td>6,148.2</td>
<td>8,008.9</td>
<td>3.5%</td>
</tr>
<tr>
<td>assets transferred from OFE with interest</td>
<td>718.0</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>other revenues</td>
<td>276.9</td>
<td>262.8</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

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

**Expenditure of the Social Insurance Fund (FUS) in 2017–2018 according to type (in million PLN)**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Percentage of expenditure in 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenditure in total, of which:</strong></td>
<td>212,947.6</td>
<td>229,887.2</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Cash benefits</strong></td>
<td>209,080.4</td>
<td>225,794.0</td>
<td>98.2%</td>
</tr>
<tr>
<td>including:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>old-age and other pensions</td>
<td>185,343.9</td>
<td>201,246.6</td>
<td>87.5%</td>
</tr>
<tr>
<td>sickness allowances</td>
<td>11,309.7</td>
<td>11,532.9</td>
<td>5.0%</td>
</tr>
<tr>
<td>care allowances</td>
<td>883.3</td>
<td>963.9</td>
<td>0.4%</td>
</tr>
<tr>
<td>maternity allowances</td>
<td>7,863.6</td>
<td>8,263.1</td>
<td>3.6%</td>
</tr>
<tr>
<td>compensatory allowances</td>
<td>0.6</td>
<td>0.6</td>
<td>0.0%</td>
</tr>
<tr>
<td>rehabilitation benefits</td>
<td>1,665.5</td>
<td>1,728.0</td>
<td>0.8%</td>
</tr>
<tr>
<td>lump-sum compensation in respect of an accident at work</td>
<td>318.8</td>
<td>323.1</td>
<td>0.1%</td>
</tr>
<tr>
<td>funeral grants</td>
<td>1,331.1</td>
<td>1,373.1</td>
<td>0.6%</td>
</tr>
<tr>
<td>other benefits</td>
<td>359.3</td>
<td>365.9</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>Benefits in kind</strong></td>
<td>254.7</td>
<td>382.4</td>
<td>0.2%</td>
</tr>
<tr>
<td>including:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>disability prevention</td>
<td>193.2</td>
<td>201.5</td>
<td>0.1%</td>
</tr>
<tr>
<td>accident prevention</td>
<td>61.5</td>
<td>180.9</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>Deduction for ZUS activities</strong></td>
<td>3,607.5</td>
<td>3,705.5</td>
<td>1.6%</td>
</tr>
<tr>
<td><strong>Other expenditure</strong></td>
<td>5.1</td>
<td>5.3</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
Total expenditure of the Social Insurance Fund in 2018 amounted to PLN 229,887.2 million, of which:

- **Cash benefits** amounted to PLN 225,794.0 million, which accounted for 98.2% of FUS expenditure; expenditure on pensions had the highest share in total FUS expenditure and equalled PLN 201,246.6 million, i.e. 87.5% of FUS expenditure,
- **Expenditure on disability and accident prevention** amounted to PLN 382.4 million, i.e. 0.2% of FUS expenditure,
- **Expenditure due to deduction for ZUS activities** amounted to PLN 3,705.5 million, i.e. 1.6% of FUS expenditure.

### Cash benefits from the Social Insurance Fund in 2018 according to fund type

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Amount (in million PLN)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>In total including:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>225,794.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Old-age pension fund</td>
<td>153,392.8</td>
<td>67.9</td>
</tr>
<tr>
<td>Disability pension fund</td>
<td>45,715.1</td>
<td>20.3</td>
</tr>
<tr>
<td>Sickness fund</td>
<td>21,726.3</td>
<td>9.6</td>
</tr>
<tr>
<td>Accident fund</td>
<td>4,959.8</td>
<td>2.2</td>
</tr>
</tbody>
</table>

### 4.1.5. Debt recovery from contribution payers

One of the Social Insurance Institution’s (ZUS) tasks is to recover debts in respect of unpaid contributions. ZUS conducts enforcement proceedings (the forced retrieval of debts) and uses the non-enforcement (contractual) forms provided by law.

The total amount of unpaid insurance contributions for social insurance as at 31 December 2018 increased by 6% as compared to 31 December 2017 and was PLN 22,320 million, of which:

- for the period until 31 December 1998 – PLN 418.0 million,
- for the period from 1 January 1999 – PLN 21,902.0 million.

The increase in debts is a natural consequence of the current economic situation. An overall economic growth is accompanied with the increase in the wage fund and thus in the amount of contributions to be paid. Unfortunately, there is a group of contribution payers who evade the obligation to pay contributions voluntarily. This results in arrears for the current year that exceed the amount recovered on account of arrears for previous years.

The structure of arrears (including the increase in arrears for 2018) is also affected by the rule, in force since 1 January 2018, that payments to individual numbers of contribution accounts (numery rachunków składkowych, NRS) are settled by ZUS first of all to cover arrears.
Importantly, interest on arrears is added. Therefore, arrears for the current year increase on the payer’s account who has been paying the amount resulting from the declaration submitted on a current basis, and these arrears are higher than the arrears covered by this payment due to unpaid contributions. In spite of this temporary adverse effect, the rule to cover the arrears first will reduce the limitation period for the claim. It will also lead to backlogs for the current years and, as a result, to more effective recovery.

By the end of 2018, the Social Insurance Institution (ZUS) carried out an enforcement regarding outstanding social insurance contributions which totalled PLN 12,758.0 million. In 2018, ZUS recovered PLN 1,426.0 million in outstanding contributions. The volume of recovered liabilities increased by more than 22% as compared to 2017, despite the fact that a significant part of the debt is composed of older liabilities, difficult to enforce.

Payers may pay their debt without execution, on the basis of an instalment settlement or apply for the deferment of due contributions payment.

An opportunity to pay the debt in instalments is offered by ZUS on the debtor’s request. The payer must meet the prescribed requirements, inter alia must submit documents enabling ZUS to carry out a calculation of his/her payment.

And if a debtor enters into an instalment settlement, the Social Insurance Institution suspends interest. However, ZUS calculates ipso jure a prolongation payment amounting to 50.0% of the default interest rate, which is aimed to partly compensate the loss of the Social Insurance Fund.

Moreover, ZUS may postpone the deadline for payment of social security contributions at the request of the payer only in relation to contributions whose payment deadline has not yet expired.

In 2018 ZUS concluded 55,754 instalment settlements and postponed 3,098 deadlines for payment of social insurance contributions resulting in the sum of PLN 2,434.7 million.

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

In 2018 ZUS remitted contributions and additional payments to the amount of PLN 68.4 million, including:

- PLN 6.9 million on the basis of system acts (Social Insurance System Act and the amending act of 18 December 2002),
- PLN 61.5 million on the basis of separate legal acts, including the so-called Abolition Act (the Act on remission of sums in respect of unpaid contributions by people running non-agricultural business activity), which allowed to remit pension and accident contributions for a period from 1 January 1999 to 28 February 2009.

In 2018, 2.3 thousand requests for remission of contributions were submitted to ZUS, based on the Abolition Act.
In the same year, based on the carried out proceedings (including those instituted in the preceding years) the Social Insurance Institution issued 3.7 thousand remission decisions and the total amount of PLN 458.0 million was remitted.

4.2. The Demographic Reserve Fund

The Demographic Reserve Fund (Fundusz Rezerwy Demograficznej, FRD) was established in 2002 based on the Act of 13 October 1998 on the social insurance system and is a contingency fund for the old-age pension fund separated from the Social Insurance Fund. The Demographic Reserve Fund has its own legal status and the Social Insurance Institution is its administrator.

A decision on making FRD funds available may be taken by the Council of Ministers or – up to the amount determined in FUS financial plan – also by the ZUS Management Board. In such case, the Council of Ministers orders to use FRD resources to guarantee the payment of benefits financed from the old-age fund.

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

To ensure the security and rate of return of its resources, the Social Insurance Institution invests FRD funds in certain financial instruments.

The structure of investment portfolio of FRD – as at 31 December 2018

- Government bonds: 63.69%
- Bank deposits: 19.31%
- Other bonds: 9.36%
- Shares: 7.64%
According to the main objective of the investment policy, which is to achieve maximum security combined with the profitability of the funds invested, Treasury securities predominated in the FRD portfolio. The average annual share of Treasury securities in the total portfolio amounted to 79.2% and the rate of return generated in this part of the FRD portfolio was 3.14%. The adopted benchmark, i.e. the December year-on-year inflation, amounted to 1.1%, so the rate of return on this part of assets was higher than the adopted benchmark by 2.04 percentage points. The achieved result was reflected in the fact that in the 2nd quarter FRD was ranked among 25 debt funds of Polish Treasury securities.

The return on the share portfolio amounted to −7.66% and was 1.84 percentage points higher than the adopted benchmark (changes of WIG index). The average annual share of equities in the Fund’s portfolio was 11.92%. The results achieved in the equity part allowed FRD to take 6th place among 59 funds investing in this market segment.

The rate of return on all assets managed by FRD amounted to 1.58%, and the result on operations reached PLN 621.23 million. In terms of profitability, FRD was ranked first among 34 stable growth funds with a similar investment profile. At the same time, the result achieved was higher than the average achieved by these funds by 6.10 percentage points.

FRD may be used only to:
- cover such deficit of the FUS old-age pension fund which is due to demographic reasons,
- grant a no-interest loan to complement the FUS old-age pension fund for the purpose of current payments; the loan is aimed to ensure the liquidity of the Social Insurance Fund and should be repaid within 6 months from the day of its receipt.

In the period from 2009 to the end of 2016 the FRD account was credited with a total of PLN 20.26 billion in respect of the State Treasury assets from privatisation. And in the period 2010–2014 an amount of PLN 19.39 billion was transferred from FRD to the old-age pension account.

Moreover, in 2018, bonds worth PLN 12.72 billion, issued by Bank Gospodarstwa Krajowego, were transferred to FRD from an off-balance sheet item. FRD account was also credited in December 2018 with funds transferred from the state budget, in the amount of PLN 2.0 billion.
At the end of 2018, total assets of the Demographic Reserve Fund amounted to PLN 42.43 billion.

**Assets in the Demographic Reserve Fund at the end of the year in the period 2002–2018 (PLN billion)**

![Bar chart showing assets growth from 2002 to 2018](chart)

**Results of the Demographic Reserve Fund compared to other investment funds**

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of the Fund</th>
<th>Rate of return (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FRD</td>
<td>154.77</td>
</tr>
<tr>
<td>2</td>
<td>Aviva Investors Fundusz Inwestycyjny Otwarty Subfundusz Aviva Investors Stabilnego Inwestowania</td>
<td>154.54</td>
</tr>
<tr>
<td>3</td>
<td>Investor Parasol Fundusz Inwestycyjny Otvartyy Subfundusz Investor Zabezpieczenia Emerytalnego</td>
<td>150.11</td>
</tr>
<tr>
<td>4</td>
<td>Gamma Parasol Fundusz Inwestycyjny Otvartyy Subfundusz Gamma Stabilny</td>
<td>146.35</td>
</tr>
<tr>
<td>5</td>
<td>Santander Fundusz Inwestycyjny Otvarty Subfundusz Santander Stabilnego Wzrostu</td>
<td>141.36</td>
</tr>
<tr>
<td>6</td>
<td>Skarbiec Fundusz Inwestycyjny Otvarty Subfundusz Skarbiec – III Filar</td>
<td>130.53</td>
</tr>
<tr>
<td>7</td>
<td>NN Parasol Fundusz Inwestycyjny Otvarty Subfundusz Stabilnego Wzrostu</td>
<td>118.43</td>
</tr>
<tr>
<td>8</td>
<td>Esaliens Senior Fundusz Inwestycyjny Otvarty</td>
<td>101.03</td>
</tr>
<tr>
<td>9</td>
<td>PKO Parasolowy Fundusz Inwestycyjny Otvarty Subfundusz Stabilnego Wzrostu</td>
<td>91.34</td>
</tr>
<tr>
<td>10</td>
<td>PZU Fundusz Inwestycyjny Otvarty Parasolowy Subfundusz PZU Stabilnego Wzrostu</td>
<td>75.71</td>
</tr>
<tr>
<td>11</td>
<td>Rockbridge Fundusz Inwestycyjny Otvarty Parasolowy Rockbridge Subfundusz Stabilnego Wzrostu</td>
<td>68.56</td>
</tr>
<tr>
<td>12</td>
<td>Novo Fundusz Inwestycyjny Otvarty Subfundusz Stabilnego Wzrostu</td>
<td>47.03</td>
</tr>
<tr>
<td>13</td>
<td>Pekao Fundusz Inwestycyjny Otvarty Subfundusz Stabilnego Wzrostu</td>
<td>20.36</td>
</tr>
</tbody>
</table>

**National mixed stable growth funds (Poland) – return on investment from 5 June 2002 to 31 December 2018**
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 on old-age bridging pensions to finance this type of benefits. FEP is administered by the Social Insurance Institution.

FEP revenues 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 the Budgetary Law, FEP may receive subsidies from the state budget to supplement the resources for the payment of old-age bridging pensions.

ZUS may invest available FEP resources in bank deposits and may buy 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 work 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 ceases to perform such work.

The FEP contribution is payable at a rate of 1.5% of the assessment basis. It is fully financed by the contribution payer. The contribution is calculated on the assessment basis of the pension insurance contribution. The contribution assessment basis is subject to the same limitations of the annual basis as when calculating pension contributions (thirtyfold of the projected average monthly wage/salary in the national economy for a given calendar year).

The total amount of contributions transferred to FEP in 2018 was PLN 271.0 million.
5. Benefits paid by ZUS
In 2018, the Social Insurance Institution paid out pensions to an average of 7.6 million people every month. The total amount of all types of pensions was PLN 196,681.5 million.

The chart below illustrates the changing number of recipients of the long-term benefits – old-age and disability pensions – over the last several years. The number of retirees is slowly growing, while the number of disability pensioners is decreasing.

<table>
<thead>
<tr>
<th>Benefit type</th>
<th>Monthly amount of the average benefit in PLN</th>
<th>% of average remuneration with the compulsory social insurance contribution (PLN 4,585.03)</th>
<th>% of average remuneration reduced by the compulsory social insurance contribution (PLN 4,003.88)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensions in total</td>
<td>2,161.65</td>
<td>47.1</td>
<td>54.0</td>
</tr>
<tr>
<td>Old-age pension</td>
<td>2,257.66</td>
<td>49.2</td>
<td>56.4</td>
</tr>
<tr>
<td>Disability pension</td>
<td>1,762.26</td>
<td>38.4</td>
<td>44.0</td>
</tr>
<tr>
<td>Survivors’ pension</td>
<td>1,976.97</td>
<td>43.1</td>
<td>49.4</td>
</tr>
</tbody>
</table>
The pension adjustment is carried out annually from 1 March. 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 in charge of social security issues in the Official Journal of the Republic of Poland Monitor Polski.

The following benefits are subject to adjustment:
- old-age pensions,
- disability pensions,
- survivors’ pensions,
- pre-retirement benefits and allowances,
- supplements and benefits payable with pensions,
- temporary funded pensions,
- old-age bridging pensions,
- teachers’ compensatory benefits,
- amounts of maximum pension reduction,
- 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 2019 pensions were adjusted by multiplication of the benefit amount and the pension assessment basis in the amount due on 28 February by the adjustment rate, which amounted to 102.86%, with the adjustment amount not lower than:

- PLN 70.00 – for old-age pensions, bridging pensions, teachers’ compensatory benefits, pensions in respect of complete incapacity for work and survivors’ pensions
- PLN 52.50 – for disability pensions,
- PLN 35.00 – for partial old-age pensions.

The guarantee of increasing the benefit by at least PLN 70.00 did not apply to old-age pensions, which were due on 28 February 2019 in amount lower than PLN 1029.80, to which the guarantee of increasing the benefit to the minimum benefit does not apply.

Supplements and benefits paid along with all types of pensions and the amount of maximum pension reduction were also adjusted with the use of the adjustment rate equal to 102.86%.

From 1 March 2019 the amounts of the minimum pensions were also increased within the framework of pension adjustment.

### 5.1.2. Minimum pensions

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

As from 1 March 2019, the minimum benefits have been paid at a monthly rate of:

<table>
<thead>
<tr>
<th>Type of Pension</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>old-age pension</td>
<td>PLN 1,100.00</td>
</tr>
<tr>
<td>disability pension (complete incapacity for work)</td>
<td>PLN 1,320.00</td>
</tr>
<tr>
<td>survivors’ pension</td>
<td>PLN 990.00</td>
</tr>
<tr>
<td>disability pension (partial incapacity for work)</td>
<td>PLN 825.00</td>
</tr>
</tbody>
</table>

Minimum disability pensions in respect of an accident at work or occupational disease and work accident pensions for survivors are 20% higher than the above amounts and they amount to:

- PLN 1,320.00 – 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 990.00 – disability pension in respect of partial incapacity for work due to an accident at work or occupational disease.

In 2018, the minimum old-age pension accounted for:

- 58.5% of average old-age pension (PLN 2,257.66),
- 62.9% of minimum wage/salary (PLN 2,100.00).
5.1.3. Maximum pensions

The old-age pension calculated according to the rules valid before 1999 (see item 5.2.1.) may not be higher than 100% of the assessment basis.

The old-age pension calculated under the new rules (see item 5.2.2.) may be of any amount but depends on:
- an amount of collected contributions after adjustment,
- the initial capital after adjustment,
- an amount of funds credited to a sub-account,
- the retirement age.

5.1.4. Combining pensions with employment

Pensioners have the right to combine their old-age pension with remuneration for work with no restrictions if they meet both of the following conditions:
- have reached the normal retirement age, and
- have terminated their employment relationship before acquiring the right to an old-age pension.

ZUS suspends payment of the old-age pension if the insured person has acquired the right to the benefit and continues to work for the same employer without terminating the employment relationship. Such a person may terminate his/her employment relationship and then become reemployed with the existing employer (on the basis of a new employment contract) – then he/she will not lose the right to receive the old-age pension.

Restrictions concerning benefits combination with incomes from work relate to:
- old-age pension recipients who have not yet reached the normal retirement age,
- recipients of other pensions.

Their right to receive a pension depends on income acquired by the pensioner.

If the average monthly income equals:
- less than 70% of average monthly remuneration – the pension is payable in full amount,
- from 70% to 130% of the average monthly remuneration – the pension is reduced by such amount by which the received income exceeds 70% of the average monthly remuneration, however by no 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 2018, the annual income limit, corresponding to 70% of the average monthly wage/salary, was PLN 37,851.70. The annual limit, corresponding to 130% of the average monthly wage/salary, was PLN 70,295.30.
5.2. Old-age pension

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

From this moment two old-age pension schemes have been jointly in operation in Poland:
1) **old-age pension scheme operating under the earlier rules** – for persons born before 1 January 1949,
2) **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 an option to:
- remain in the pre-1999 pension scheme, i.e. pay-as-you-go scheme, where the contributions of economically active persons were allocated to pension payments and the value of these contributions was recorded in individual accounts with the Social Insurance Institution,
- join the new pension scheme, combining the pay-as-you-go and funded model, where contributions are accumulated both in FUS and in the Open Pension Fund.

The normal retirement age is:
- for women – 60 years,
- for men – 65 years.

With the new rules on acquiring the right to the old-age pension the right to receive a pension earlier than at the normal retirement age has been significantly reduced. This has increased the effective retirement age for both women and men. The chart below illustrates the upward trend over the last 20 years.
In 2018, the effective average retirement age for men was 64.4 years and for women – 60.7 years.

5.2.1. Old-age pensions operating under the earlier rules

The right to an old-age pension under the earlier rules is acquired when the insured person meets both of the following conditions:
- reaches the normal retirement age (see item 5.2.),
- completes the required insurance period.

The required insurance period is at least:
- 20 years for women,
- 25 years for men.

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

Insured persons who have reached the normal retirement age and have a shorter insurance period than the required one may receive an old-age pension with reduced insurance period.

The reduced insurance period is:
- at least 15 years for women,
- at least 20 years for men.
The pension granted on the basis of the reduced insurance period is not increased by ZUS to the amount of the minimum pension.

Some groups of persons employed in special conditions or working in a special character may retire before the normal retirement age.

**An old-age pension calculated according to the earlier rules equals:**

24% of the base sum

+ 1.3% of the contribution assessment basis for each year of contributory periods

+ 0.7% of the contribution assessment basis for each year of non-contributory periods; they can account for no more than ⅓ of documented contributory periods.

**The old-age pension assessment basis** is an average assessment basis of contributions for pension insurance or social insurance in one of the following options:

- from 10 consecutive calendar years, which the person concerned selects from the last 20 calendar years,
- from 20 calendar years selected from the whole insurance period.

The assessment basis is increased by the following amounts due to the person insured in a given calendar year:

- remuneration for the period of incapacity for work,
- sickness allowance,
- maternity allowance,
- care allowance,
- rehabilitation benefit,
- compensatory allowance,
- compensatory benefit or supplement,
- a value of financial compensation due to a temporary non-increase of wages/salaries in the public sector.

The amount of unemployment benefits, training allowances or scholarships paid from the Labour Fund for the period of documented incapacity for work is also included in the abasis for old-age pension.

To establish the assessment basis, first ZUS aggregates the amounts of the contribution assessment bases and the amounts of the aforementioned benefits for each of the selected calendar years. Then ZUS calculates the ratio of each of these total amounts to the annual amount of the average wage/salary announced for a given calendar year. The result is expressed in percentages. Then the arithmetic mean of these percentages is calculated. It is the **assessment basis index** (which may amount to a maximum of 250%). At the end ZUS multiplies the base amount by this index.
The base sum equals 100% of the average wage/salary from the preceding calendar year, reduced by the compulsory social insurance contributions deducted from earnings of the persons insured. The base sum is fixed from 1 March of each year.

In the period from 1 March 2018 to 28 February 2019 the base sum equalled PLN 3,731.13, and from 1 March 2019 it amounts to PLN 4,003.88.

5.2.2. Old-age pensions operating under the new rules

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

- the general pension scheme with the following funds:
  - Social Insurance Fund, managed by a public institution – the Social Insurance Institution,
  - Open Pension Funds (Otwarte Fundusze Emerytalne, OFEs) managed by private institutions – General Pension Societies (Powszechne Towarzystwa Emerytalne, PTEs);
- the voluntary funded pension scheme managed by private institutions; the membership is entirely voluntary; it is intended to provide in the future increased pension benefits for additional contributions.

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

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

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

\[
\text{NEW PENSION FROM FUS} = \frac{\text{total amount of the credited old-age pension insurance contributions after adjustment} + \text{initial capital after adjustment} + \text{funds credited to the sub-account}}{\text{average life expectancy for persons of an age equal to the retirement age of the insured person concerned, expressed in months; according to tables published by the Central Statistical Office}}
\]

A woman who has been granted by ZUS an old-age pension from FUS under the new rules and who is under 65 years old, i.e. has not reached the normal retirement age for men, receives a temporary funded pension. In order to receive such a pension, the value of funds credited to her sub-account in ZUS on the last day of the month preceding the month from which the pension will be granted must be at least equal to twentyfold of the nursing supplement. From 1 March 2019 an amount equal to twentyfold of the nursing supplement is PLN 4,440.20 (20 × PLN 222.01).
The amount of the temporary funded pension is calculated by ZUS by dividing the funds credited to the sub-account by the average life expectancy for people of the age equal to the age at which the insured person retires.

If the value of funds from the sub-account is lower than required, ZUS shall add them to the basis for calculating the old-age pension from FUS pursuant to the principles laid down in the Old-Age Pension Act. The Social Insurance Institution shall then calculate the general old-age pension from FUS on the basis of the credited old-age pension insurance contributions after adjustment, the initial capital after indexation and funds from the sub-account.

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

The right to the temporary funded pension will also expire if there are no more funds on the sub-account or if the entitled woman dies.

In 2018, ZUS paid out an average of 240.5 thousand temporary funded pensions per month, with the average amount of PLN 198.70.

ZUS increases the old-age pension to the amount of the minimum benefit, if:
- the insured man has reached the normal retirement age and his insurance period is at least 25 years,
- the insured woman has reached the normal retirement age and her insurance period is at least 20 years.

The initial capital is a component of the pension calculation basis. The period of contribution payments until 1 January 1999 is calculated in this way. ZUS sets the initial capital for each insured person born after 31 December 1948, for whom a social insurance contribution has been paid before 1999.

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

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

Additionally, some professional groups may take advantage of the old-age pension awarded under the new rules at lower retirement age than the normal retirement age. These are employees performing work in special conditions or in a special character, who:
- have completed the required qualifying period of a general character and the period of employment in special conditions or of a special character before 1 January 1999,
- have not joined OFE (and if they have, they have requested the transfer of the funds accumulated in OFE account to the state budget revenues).
Voluntary funded pension scheme

The following institutions exist under the voluntary funded pension scheme:
- Open Pension Funds (Otwarte Fundusze Emerytalne, OFEs),
- Occupational Pension Schemes (Pracownicze Programy Emerytalne, PPEs),
- Individual Pension Accounts (Indywidualne Konta Emerytalne, IKEs),
- Individual Pension Security Accounts (Indywidualne Konta Zabezpieczeń Emerytalnego, IKZEs),
- Employee Capital Plans (Pracownicze Programy Kapitałowe, PPKs).

Open Pension Funds (Otwarte Fundusze Emerytalne, OFEs)

Until 31 January 2014, participation in the Open Pension Fund was compulsory for persons born in 1969 or later. Currently, people who take their first job can choose whether to join such a fund. Persons who have been OFE members already, could choose, from 1 April to 31 July 2016, whether to continue their membership in the Fund. The next opportunity to change the decision will be in 2020.

At the end of 2018, there were ten Open Pension Funds. They had a total of 15.9 million members (16.1 million in 2017). The value of the investment portfolio of Open Pension Funds amounted to PLN 156.6 billion.

At the end of 2018, the investment portfolio of OFEs included:
- shares of companies listed on a regulated stock market (85%),
- bonds (7%),
- bank deposits (6%),
- other deposits (2%).


Occupational Pension Schemes (Pracownicze Programy Emerytalne, PPEs)

Occupational Pension Schemes (PPEs) is a voluntary form of collective saving for old-age pension, organised by the employer in cooperation with employees. The basic contribution is financed by the employer, and the employee may declare the payment of additional contribution which is withheld from remuneration.

The funds are transferred by a financial institution chosen by the employer and the employees during the organisational stage of the programme. This institution manages all the funds.

The funds accumulated on the employee’s account 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 of age and submitting his/her decision to grant the right to a pension,
- without the employee’s request after he/she reaches 70 years of age if he/she has not requested the withdrawal before,
- at the request of the survivor in case of death of the employee.
At the end of 2018 there were 1,230 Occupational Pension Schemes, including:

- 623 in the form of a contract with an insurance company,
- 582 in the form of a contract with an investment fund,
- 26 with the occupational pension fund.

At the end of 2018, 426.0 thousand people were covered by Occupational Pension Schemes, which accounted for 2.6% of the total number of employees.

In 2018, employers who ran the programmes paid PLN 1,310.8 million of basic contributions to PPEs, while the voluntary contributions of PPEs' participants amounted to PLN 45.8 million.

The average annual basic contribution per one PPE's participant in 2018 was PLN 4,070.00, while the average annual additional contribution was PLN 1,253.00. In 2018, the maximum amount of additional contributions a participant could deposit in one Occupational Pension Scheme was PLN 19,993.50, while in 2019 it was PLN 21,442.50.

At the end of 2018, the value of assets accumulated in Occupational Pension Schemes was PLN 12.8 billion and it has increased by 1.2% compared to the previous year.

In 2018, the total amount of money withdrawn from PPEs was PLN 5,779.7 million, i.e. PLN 78.2 million more than in the previous year. The average payout was PLN 37.3 thousand.

Source of data: Komisja Nadzoru Finansowego [Financial Supervision Authority], Pracownicze programy emerytalne w 2018 r. ["Occupational Pension Schemes in 2018"].

**Individual Pension Account (Indywidualne Konto Emerytalne, IKE)**

At the end of 2018, Individual Pension Accounts were maintained by:

- 14 life insurance companies,
- 18 investment fund companies,
- 7 entities conducting brokerage activities,
- 7 commercial banks,
- 4 cooperative not associated banks,
- 2 cooperative associated banks,
- 5 general pension societies.

A total of 57 financial institutions included IKEs in their offer.

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

The contribution to IKE is taxed and the tax is levied on the income from which the IKE contribution is paid. A person who saves on IKE is exempted from capital gains tax.
At the end of 2018, IKE was held by 995.7 thousand people, i.e. 5.8% of employed persons. The value of the IKE market in terms of accumulated assets amounted to PLN 8.7 billion (growth by 9.2% as compared to 2017). Most of IKE's assets were accumulated in investment funds (PLN 2.7 billion) and in insurance companies (PLN 2.6 billion).

In 2018, 95.9 thousand new IKEs were created, i.e. 0.9 thousand less than in 2017. Most of the IKEs were established in investment funds (65.6 thousand accounts) and the least in voluntary pension funds (0.9 thousand accounts).

The average contribution to IKE in 2018 amounted to PLN 4.2 thousand and increased slightly compared to 2017 – by PLN 0.3 thousand. The highest value of the average payment was recorded in entities conducting brokerage activities (PLN 9.8 thousand) and the lowest in insurance companies (PLN 3 thousand).

There is an annual limit for contributions paid to IKE. It is an amount equal to 3 projected average monthly wage/salary in the national economy for a given year, specified in the Budget Law or the Provisional Budget Law. In 2018, this limit was PLN 13,329.00, and in 2019 – PLN 14,295.00.

The average balance of the IKE account in 2018 was PLN 8.7 thousand. It increased by PLN 0.3 thousand compared to 2017.

Funds may be withdrawn in one-off formula or in instalments. The vast majority of withdrawals (96.8%) was made on one-off basis, and only 3.2% of people withdrawing from IKE took advantage of the possibility to withdraw funds in instalments.

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

Source of data: Komisja Nadzoru Finansowego, Departament Funduszy Inwestycyjnych i Funduszy Emerytalnych [Financial Supervision Authority, Department of Investment Funds and Pension Funds], Indywidualne Konto Emerytalne i Indywidualne Konto Zabezpieczenia Emerytalnego w 2018 r. ["Individual Pension Accounts and Individual Pension Security Accounts in 2018"], Warsaw 2019.

**Individual Pension Security Account**

*Indywidualne Konto Zabezpieczenia Emerytalnego, IKZE*

At the end of 2018, Individual Pension Security Accounts were maintained by:
- 9 life insurance companies,
- 16 investment fund companies,
- 6 entities conducting brokerage activities,
- 1 commercial bank,
- 2 cooperative banks,
- 7 general pension societies.

A total of 41 financial institutions included IKZEs in their offer.
The right to pay contributions to IKZE is exercised by an individual who is over 16 years of age. He/she may pay contributions to a pension account only in the calendar year in which he/she receives income under an employment contract and in the amount that does not exceed such income.

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

At the end of 2018, IKZE was held by 730.4 thousand people, i.e. 4.3% of employed persons. The total value of IKZE accounts was PLN 2.3 billion (an increase by 35.6% as compared to the end of 2017).

Net deposits into IKZEs in 2018, i.e. deposits of new funds less withdrawals and refunds, amounted to PLN 706.4 million (an increase by PLN 135.7 million).

In 2018, 74.8 thousand new IKZEs were created, 12.2 thousand more than in 2017. Most IKZEs were established in investment funds (37.3 thousand accounts) and the least in entities conducting brokerage activities (2.8 thousand accounts).

There is an annual limit for contributions paid to IKZE, which is an amount equal to 1.2 of the projected average monthly wage/salary in the national economy for a given year, specified in the Budget Law or the Provisional Budget Law. In 2018, this limit was PLN 5,331.60, and in 2019 – PLN 5,718.00.

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

Source of data: Komisja Nadzoru Finansowego, Departament Funduszy Inwestycyjnych i Funduszy Emerytalnych [Financial Supervision Authority, Department of Investment Funds and Pension Funds], Indywidualne Konta Emerytalne i Indywidualne Konta Zabezpieczenia Emerytalnego w 2018 r. [“Individual Pension Accounts and Individual Pension Security Accounts in 2018”], Warsaw 2019.

Employee Capital Plans (Pracownicze Programy Kapitałowe, PPKs)

The Employee Capital Plans are regulated by the Act of 4 October 2018 on employee capital plans. From 1 January 2021, PPKs will automatically cover all employees between 18 and 54 years of age, for whom the employer pays pension contributions. The programme will not cover self-employed persons, uniformed services’ employees and farmers. Employees between 55 and 69 years of age will be able to participate in PPKs on the basis of a declaration of intent.

The introduction date of Employee Capital Plans depends on the number of employees in the company. From 1 July 2019, this programme applies to companies with more than 250 employees. From 1 January 2020, PPKs will cover companies with more than 50 employees, and from 1 July 2020 – with more than 20 employees. From 1 January 2021, PPKs will cover employees of any other companies.
The Employee Capital Plans will constitute a compulsory package of employee benefits. The employer is obliged to select an institution running a PPK and to create a PPK for its employees.

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

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

<table>
<thead>
<tr>
<th>Contribution from the employee's gross remuneration, to be paid by:</th>
<th>the employer</th>
<th>the employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic compulsory contribution</td>
<td>1.5%</td>
<td>2%</td>
</tr>
<tr>
<td>Additional voluntary contribution</td>
<td>up to 2.5%</td>
<td>up to 2%</td>
</tr>
</tbody>
</table>

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

**Subsidies to PPK participant’s account are financed from the Labour Fund**

Each PPK participant receives a welcome payment of PLN 250.00. In addition, a PPK participant will receive an annual subsidy of PLN 240.00 if the amount of paid basic and additional contributions is equal to the amount of basic contributions due from 6 minimum wages/salaries. When a basic contribution of a PPK participant is reduced to 0.5%, he/she is entitled to an annual subsidy if the amount of basic and additional payments in a given year is equal to 25% of the basic payments due from 6 minimum wages/salaries.

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

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

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

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

- have at least 3 years’ experience in the field of management of investment (open-ended) funds, pension funds or open-ended pension funds; the insurance company should have in its offer, for at least 3 years, insurance with investment elements;
- have equity (or eligible own funds) of at least PLN 25 million, with at least PLN 10 million in liquid funds (i.e. deposits specified for money market funds);
- operate an appropriate number of defined-date funds or sub-funds.
Each institution that undertakes to operate the PPK is required to establish a minimum of 5 defined-date funds. The investment portfolio in each of them should be designed in a way ensuring that the investment risk decreases with the progressive age of a PPK member.

**Investment limits apply to particular capital tools. These are the following:**
- at least 40% – WIG20 companies,
- maximum 20% – WIG40 companies,
- maximum 10% – other listed companies,
- at least 20% – foreign investment.

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

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

Accumulated funds will be owned by a PPK participant.

**Funds may be disbursed to a PPK participant:**
- upon reaching the age of 60 years by the participant,
- before the participant has reached the age of 60 years.

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

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

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

**Rules for funds withdrawal before reaching the age of 60 years by a PPK participant**
A PPK participant who is under 60 years old will be able to withdraw his/her funds:
- in the case of a serious illness (including malignant tumour, stroke, myocardial infarction, encephalitis, atrophic lateral sclerosis, Alzheimer’s disease, Parkinson’s
Benefits paid by ZUS

5.2.3. Old-age bridging pension

The right to an old-age bridging pension is acquired by an employee 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 (woman) and 60 years (man),
- has completed the insurance period (contributory and non-contributory) of at least 20 years (woman) and 25 years (man),
- being a woman – performed work in special conditions or of a special character before 1 January 1999,
- after 31 December 2008 performed work in special conditions or of a special character,
- has terminated his/her employment relationship.

The pension amount is calculated by ZUS 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 the old-age bridging pension expires on the day preceding the day of acquiring the right to an old-age pension. If the person concerned is not entitled to an old-age pension, it expires on the day preceding the normal 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 transferred to the Old-Age Bridging Pensions Fund (see item 4.3).
In 2018 the old-age bridging pensions were paid by ZUS to an average of ca 24.8 thousand pensioners. The average amount of the pension was PLN 2,696.57.

The expenditure on old-age bridging pensions in 2018 was PLN 801,112.9 thousand.

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

The disability pension of persons who have reached the normal retirement age is replaced by ZUS, *ex officio*, with the old-age pension.

An *ex officio* pension is granted regardless of the insurance period. ZUS shall not grant an *ex officio* pension to a person who:
- has been granted a disability pension due to an accident at work or an occupational disease,
- applies for a pension on reaching the normal retirement age.

The amount of this pension shall not be lower than the amount of the previously received disability pension. If the period of insurance is 20 years (woman) or 25 years (man), ZUS shall increase the old-age pension granted *ex officio* to the minimum old-age pension amount. The minimum old-age pension is PLN 1,100.00.

The *ex officio* pension is paid out by ZUS from the day on which a person reaches the normal retirement age. ZUS will also pay out such a pension if it has previously suspended payment of the disability pension, e.g. with granting the right to the *ex officio* pension, the right to the disability pension ceases.

### 5.2.5. Supplementary parental benefit “Mama 4+”

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

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

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

The benefit for a person who is not entitled to any benefit is equal to the amount of the minimum old-age pension, which is PLN 1,000.00 from 1 March 2019. For a person who already receives a benefit lower than the minimum pension, the parental benefit complements the benefit received to the amount of the minimum pension.

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

The supplementary parental benefit is adjusted on an annual basis.

### 5.3. Disability pension

The **disability pension** is granted to an insured person who:
- is incapable of work,
- has completed the required contributory and non-contributory period of at least 5-years during the last decade before claiming the pension or before the occurrence of the incapacity for work; if the incapacity for work occurred at the age lower than 30 years, the required insurance period is respectively shorter; the person whose incapacity for work is due to an accident on the way to or from work, does not have to meet this condition,
- has become incapable of work during a contributory or non-contributory period as defined in the Old-Age Pension Act or within 18 months of the end of that period; a person who has completed at least 20 years (woman) or 25 years (man) of contributory and non-contributory periods and is totally incapable of work does not have to meet this condition,
- does not have an established right to a pension from FUS or does not meet the conditions to establish it.

Furthermore, the condition of documented 5 years of insurance period within 10 years before the incapacity for work has arisen or before a claim has been lodged, does not have to be met by a person who has met both of the following conditions:
- has been considered as completely incapable of work,
- has completed a contributory period of at least 25 years (woman) or 30 years (man).

Medical assessment for the purposes of social insurance benefits and other benefits paid by ZUS is carried out by ZUS evaluating doctors and ZUS medical boards.

They evaluate the incapacity for work and its degree on the basis of the insured person’s medical records and examination. They also determine:
- 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 incapability to independent existence,
the suitability of vocational retraining of the insured person.

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

Completely incapable of work is a person who has lost his/her capability to any work.

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

ZUS evaluating doctor or ZUS medical board certify incapacity for work for a maximum of 5 years. This period may be longer if, according to medical knowledge, the insured person will not regain the capacity for work before its expiry. The insured person is entitled to a pension during the period of certified incapacity for work, which ZUS indicates in the decision.

ZUS medical board considers the case if:
- the person concerned does not agree with the decision of ZUS evaluating doctor and raises an objection within 14 days of receiving the decision,
- ZUS president raises an objection that the ruling is defective within 14 days from the day on which ZUS evaluating doctor issued his/her decision.

ZUS decision on disability pension is issued based on:
- a decision of ZUS evaluating doctor, which has not been objected against and has not been claimed as being defective,
- the decision of ZUS medical board.

The disability pension in respect of an accident at work or an occupational disease is awarded irrespective of the duration of the accident insurance period and irrespective of the date on which incapacity for work occurred.

The disability pension in respect of a complete incapacity for work amounts to:
- 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 (non-contributory periods are taken into account at a rate not exceeding 1/3 of the documented contributory periods)
- + 0.7% of the calculation basis for each year missing up to the full 25 years of the insurance period – from the day of claiming the pension to the day when the pensioner would have reached 60 years, i.e. the retirement age determined for women.
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 in respect of partial incapacity for work is payable at a rate of 75% of the pension in respect of complete incapacity for work.

A person entitled to the disability pension who has been recognised by ZUS evaluating doctor as completely incapable of work and of 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. It cannot be lower than:

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

The assessment basis of the disability pension in respect of an accident at work or an occupational disease may be established by ZUS on the basis of an assessment index higher than 250%. When the assessment was made by ZUS using such index, the above mentioned guarantees do not apply.

### The structure of disability pensions in December 2018 on the basis of the degree of incapacity for work

<table>
<thead>
<tr>
<th>Disability pensions in general including those in respect of:</th>
<th>100.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>complete incapacity for work and incapability to independent existence</td>
<td>9.7%</td>
</tr>
<tr>
<td>complete incapacity for work</td>
<td>25.8%</td>
</tr>
<tr>
<td>partial incapacity for work</td>
<td>64.5%</td>
</tr>
</tbody>
</table>

## Number of disability pension recipients in 1998–2018 (in thousands)

![Graph showing the number of disability pension recipients from 1998 to 2018](chart.png)
In 2018 disability pensions were paid on average to 779.0 thousand persons, including 42.9 thousand persons who have received it for the first time this year.

The average monthly amount of the pension was PLN 1762.26.

A monthly average of 168.3 thousand persons received pensions in respect of accidents at work and occupational diseases in 2018, including:
- 83.7 thousand persons who received pensions in respect of occupational diseases,
- 73.8 thousand persons who received pensions in respect of accidents at work,
- 10.8 thousand persons who received pensions in respect of accidents on the way to or from work.

5.3.1. Supplementary benefit for persons incapable of independent existence “500+”

The benefit is granted to a person who is incapable of independent existence. It is granted on the basis of the Act of 31 July 2019 on supplementary benefit for persons incapable of independent existence.

The benefit is granted to a person who:
- is over 18 years old,
- is incapable of independent existence, which has been established by a decision on incapability to independent existence or complete incapacity for work and incapability to independent existence,
- lives in Poland,
- has Polish citizenship,
- has the right of residence in Poland or the right of permanent residence in Poland if he/she is a national of one of the Member States of the European Union or the European Free Trade Association (EFTA),
- has a legalised stay in Poland if he/she is a national of a non-EU or non-EFTA country.

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

The supplementary benefit is granted in the amount of PLN 500.00 to a person who:
- has no established right to an old-age pension, disability pension or other cash benefit financed from public funds,
- has such benefits, but their total gross amount does not exceed PLN 1,100.00.

In the case of a person who receives benefits in a total amount higher than PLN 1,100.00, the benefit complements the benefit received up to PLN 1,600.00.

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

The benefit is paid by the Social Insurance Institution or the Agricultural Social Insurance Fund. The benefit and the costs of its service are financed by the Solidarity Fund for Support of the Disabled People.

5.4. Training pension

The training pension is payable to a person meeting the conditions for a disability pension, to whom ZUS evaluating doctor has issued a decision on the advisability of vocational retraining due to incapacity for work in an earlier practised profession.

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

ZUS extends this period at starosta’s (district governor’s) request, for the time required for professional retraining. However, the extended period may not be longer than 30 months.

ZUS shortens this period when it receives information from a starosta that a person concerned cannot be retrained for another profession or that he/she has not undergone professional retraining.

The training pension is payable at the rate of:
- 75% of the pension assessment basis,
- 100% of the assessment 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 person concerned receives any remuneration or income, irrespective of its level.

In 2018 training pensions were received on a monthly basis by an average of 34 persons. Their average monthly amount was PLN 2,858.95.
5.5. Survivors’ pension

The survivors’ pension is awarded to eligible 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 awarding one of these benefits. When the right to a survivors’ pension is established, ZUS assumes that the deceased person was completely incapable of work.

The survivors’ pension is also awarded to 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 teachers’ compensatory benefit. In such a case ZUS assumes that the deceased person has fulfilled the conditions to be awarded the pension in respect of a complete incapacity for work. The survivors’ pension is not awarded if the deceased person has been receiving the temporary funded old-age pension.

**The following persons have the right to the survivors’ pension:**
- one’s own children, a spouse’s children, adopted children:
  - until they reach the age of 16 years,
  - in the case of children in education – until they reach 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 – till the end of this year of study),
  - irrespective of age if they have become completely incapable of work before reaching the age of 16 years or – while in education – before reaching the age of 25 years;
- grandchildren, siblings and other children, if they meet such conditions as own children, and in addition:
  - have been accepted for upbringing and maintenance before reaching the age of majority at least one year before the death of the insured or the pensioner, unless the death resulted from an accident (except for children accepted for upbringing and maintenance within a foster family or family home);
  - are not entitled to a pension after death of their parents, and when the parents are alive, if they cannot provide for their subsistence, or the insured person or the pensioner or his/her spouse was a guardian of the children established by the court;
- the spouse (widow, widower, pensioner) if he/she meets one of the following conditions:
  - at the time of death of the spouse was over 50 years of age or was incapable of work or,
  - brings up at least one of the children, grandchildren or siblings who are entitled to the survivors' pension after the deceased spouse and are under 16 or – if in education – 18 years old,
— takes care of a child who is totally incapable of work and of independent existence or who is totally incapable of work and entitled to the survivors’ pension,
— reached 50 years of age or became incapacitated within 5 years after the death of his/her spouse or since he/she stopped raising legitimate children;
■ a divorced spouse or a widow(er) who, at the time of death of the spouse, was not married to him/her if they meet the conditions for a widow(er) and, in addition, were entitled to maintenance at the time of the death of the spouse as determined by the court; as well as an ex-wife or separated wife, if she proves that she has been receiving maintenance by agreement between her and the deceased immediately before his death;
■ a spouse or a widow(er) who does not meet the conditions but does not have the necessary means of subsistence; a pension may be granted:
— for a maximum of one year after the death of the spouse,
— for a maximum of 2 years after the death of the spouse, if the widow(er) attends a training course after which he/she is going to obtain qualifications for gainful employment;
■ the deceased person’s parent (mother, father, stepfather, stepmother, adopter) who fulfils the conditions for a widow(er) if the deceased person contributed to his/her subsistence immediately before the death.

The survivors’ pension is payable to all eligible family members in one total amount. ZUS distributes it equally among the entitled persons:
■ one eligible person is entitled to 85% of the benefit that the deceased would be entitled to,
■ two eligible persons are entitled to a total of 90% of the benefit that the deceased would be entitled to,
■ more than two eligible persons are entitled to a total of 95% of the benefit that the deceased would be entitled to.

The survivors’ pension may be supplemented with a double orphan’s allowance.

At the end of 2018, survivors’ pensions were usually received by women – they received 89.0% of them. Among women, the benefit was most often collected by persons aged 55 years and older (88.9% of eligible women). Among men, the most numerous group were people between 10 and 24 years of age (42.3% of eligible men).

In 2018, survivors’ pensions were received by 1,218.3 thousand people, and their average amount was PLN 1,977.85 per month.

5.6. Medical rehabilitation within disability prevention and accident prevention

The Social Insurance Institution performs tasks of disability prevention (including medical rehabilitation) and of accident prevention.
5.6.1. Disability prevention

As part of the disability prevention ZUS:
- refers to medical rehabilitation,
- disseminates knowledge about activities preventing incapacity for work.

For medical rehabilitation the Social Insurance Institution refers to rehabilitation centres selected by means of tender. Medical rehabilitation is available for persons at risk of long-term work incapacity for the following groups of diseases:
- within an inpatient system:
  - motor system diseases,
  - cardio-vascular system diseases,
  - psychosomatic diseases,
  - respiratory system diseases,
  - oncological diseases – after treatment of the mammary gland tumour,
  - vocal organ diseases,
  - motor system in early states after accidents;
- within an outpatient system:
  - motor system diseases,
  - cardio-vascular system diseases (including telemedically monitored rehabilitation).

In 2018 the medical rehabilitation programme was completed by 90,570 persons. Costs of rehabilitation (including the cost of resort payments and a refund of travel costs) equalled PLN 201.2 thousand.

The number of persons who have undergone a medical rehabilitation programme within the framework of ZUS disability prevention in 2018 by rehabilitation profiles
As a part of disability prevention promotion activities ZUS has co-financed 13 scientific projects. It has also ordered the publication of articles disseminating knowledge about the rehabilitation programme within the framework of disability prevention addressed to people with cardiovascular, respiratory, psychosomatic diseases and people after treatment of breast cancer. In addition, it commissioned the development of a medical rehabilitation programme for people with damage to the central nervous system.

Expenses for these purposes in 2018 amounted to PLN 175 thousand.

### 5.6.2. Accident prevention

In 2018, within the framework of accident prevention, the Social Insurance Institution carried out the following activities:

- co-financed contribution payers’ activities aimed to maintain earning capacity throughout the period of professional activity, including projects to reduce or eliminate harmful factors in the workplace in order to reduce the number of accidents and occupational diseases;
- analysed the causes of accidents at work and occupational diseases (in particular fatal, serious and collective accidents) and occupational diseases;
- carried out scientific and research works aimed to identify or reduce the causes of accidents at work and occupational diseases.

Within the framework of the task concerning the co-financing of contribution payers’ activities, in 2018 ZUS granted subsidies to 2,553 contribution payers in the amount of over PLN 177 million.

In addition, ZUS requests studies which contain analyses of accidents at work and occupational diseases and discuss the risks occurring in the working environment. Then, on the basis of conclusions from these studies ZUS:

- sets out the directions for preventive activities;
- prepares materials for the participants of the trainings organised by ZUS;
- develops information materials.

The Social Insurance Institution disseminates knowledge about threats which contribute to accidents at work and occupational diseases and about methods to counteract them. It uses various forms, such as training, as well as preparation and distribution of brochures, leaflets and posters with information on safety and protection of a human being in the working environment, as well as the purchase of personal protective equipment.

These activities are aimed to:

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

In 2018, expenditure on accident prevention tasks totalled PLN 180.9 million.
5.7. Social pension

The social pension is payable to an adult, 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 25 years if he/she was in the course of education at school or an institution of tertiary education. It is also payable if the impairment of body functions occurred 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 ZUS medical board state in their medical decision 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 (for a period indicated in ZUS decision). If the person concerned wishes to extend his/her social pension period, he/she should apply for the reconsideration of the right to this benefit.

The social pension equals 100% of the amount of the minimum pension payable in respect of complete incapacity for work, i.e. PLN 1,100.00. The entitlement to the social pension is suspended by ZUS if the entitled person reached in a given month an income exceeding 70% of the average monthly wage/salary for a previous calendar quarter, announced by the President of the Central Statistical Office.

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

In the case of an overlapping of entitlement to the social pension with an entitlement to the survivors’ pension, the social pension amount is reduced by ZUS to ensure that the total amount of both benefits does not exceed 200% of the minimum pension for a complete incapacity for work, i.e. PLN 2,200.00, with the reservation that the minimum social pension may not be lower than 10% of the minimum pension for a complete incapacity for work, i.e. PLN 110.00. The social pension is not payable if the amount of the survivors’ pension exceeds 200% of the minimum pension in respect of complete incapacity for work.

In 2018, ZUS paid out social pensions to 280.5 thousand persons in a total amount of PLN 3,197.5 million.
5.8. Pre-retirement benefit

The pre-retirement benefit is granted to a person who has the status of an unemployed person and meets the conditions concerning, inter alia, the mode of employment relationship termination, age and insurance period.

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

**Situation 1**
- the employment or service relationship has been terminated due to liquidation or insolvency of the employer,
- employment with this employer lasted at least 6 months,
- before the date of termination of employment or service relationship with that employer:
  - the person concerned has reached at least the age of 56 years (woman) or 61 years (man),
  - his/her insurance period was at least 20 years (woman) or 25 years (man).

**Situation 2**
- the employment or service relationship has been terminated for reasons attributable to the work establishment,
- employment with this employer lasted at least 6 months,
- before the date of termination of employment or service relationship with that employer:
  - the person concerned has reached at least the age of 55 years (woman) or 60 years (man),
  - his/her insurance period was at least 30 years (woman) or 35 years (man).

**Situation 3**
- the person concerned had been continuously running a non-agricultural business activity for at least 24 months and had been paying the social insurance contributions for this period,
- he/she has declared bankruptcy of business operations,
- on or before the date of bankruptcy declaration:
  - he/she had reached at least the age of 56 years (woman) or 61 years (man),
  - his/her insurance period was at least 20 years (woman) or 25 years (man).

**Situation 4**
- the person concerned has registered with the competent poviat (district) labour office within 30 days from the day of cessation of the disability pension entitlement, which he/she had been receiving continuously for at least 5 years,
- on or before the day of cessation of the disability pension entitlement:
  - he/she had reached at least the age of 55 years (woman) or 60 years (man),
  - his/her insurance period was at least 20 years (woman) or 25 years (man).
**Situation 5**
- the person concerned has registered with the competent poviat (district) labour office within 60 days from the day of cessation of the entitlement to one of the following benefits:
  - nursing benefit,
  - special care allowance,
  - carer's allowance,
- had been receiving one of these benefits continuously for at least 365 days, provided that the loss of the entitlement was caused by the death of the person he/she had cared for,
- on or before the day of cessation of entitlement to one of these benefits:
  - he/she had reached at least the age of 55 years (woman) or 60 years (man),
  - his/her insurance period was at least 20 years (woman) or 25 years (man).

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

**Situation 7**
- the employment or service relationship has been terminated due to liquidation or insolvency of the employer,
- the person concerned had been employed by that employer for at least 6 months,
- until 31 December of the year preceding the termination of the employment or service relationship, his/her insurance period was at least 34 years (woman) or 39 years (man).

A person who is in one of these seven situations will be entitled to the pre-retirement benefit if he/she has been receiving unemployment benefit for at least 180 days and meets all of the following conditions:
- is still registered as an unemployed person,
- within the period of receiving unemployment benefit did not refuse, without justified reason, a proposal of suitable employment or other gainful work or intervention works and public works,
- will submit an application for the pre-retirement benefit within 30 days from the day of issue by the poviat (district) labour office of a document certifying the 180-day period of receiving the unemployment benefit.

As from 1 March 2019, the amount of the pre-retirement benefit is PLN 1,140.99 and is subject to periodic adjustment.

In 2018, ZUS paid the pre-retirement benefits to 108.9 thousand people. The total amount of benefits was PLN 1,368.8 million. These benefits are financed from the Labour Fund.
5.9. Sick pay and sickness allowance

The sick pay and sickness allowance are payable 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 the first 33 days of incapacity for work in a calendar year. If the employee has reached 50 years of age, it is payable for the first 14 days in a calendar year (after the year when the employee reached the age of 50 years).

Sick pay is paid in the following amounts (respectively):
- 80% of the assessment basis (labour regulations applicable for a given employer may provide for a higher remuneration in this respect),
- 100% of the assessment basis, if the incapacity for work:
  — was a result of an accident on the way to or from work,
  — occurs during pregnancy,
  — was the result of undergoing necessary medical examinations provided for potential cell, tissue and organ donors and the 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).

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

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

The assessment 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. respectively from:
- 34th day of incapacity for work in a calendar year,
- 15th day of incapacity for work in a calendar year, if the employee has reached the age of 50 years.

The right to sickness allowance from the compulsory insurance 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. However, the sickness allowance is payable only after 90 days of the qualifying period.

The qualifying period is increased by previous periods of sickness insurance coverage, both on a compulsory and voluntary basis, in the following situations:

- if the gap between the present and the previous period does not exceed 30 days,
- if the gap between the present and the previous period was due to:
  - child-care leave,
  - unpaid leave,
  - active military service by a nonprofessional soldier.

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

- 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,
- persons whose incapacity for work was a result of an accident on the way to or from work,
- persons compulsorily insured who have earlier completed at least a 10-year period of compulsory sickness insurance,
- Members of Parliament who have joined sickness insurance within 90 days from the date of the end of their elected term of office.

ZUS or an employer pays sickness allowance for a maximum period of 182 days. The exception is when the incapacity for work is caused by tuberculosis or falls within the period of pregnancy – then the allowance period is 270 days.

The sickness allowance is payable at a rate of:

- 80% of its assessment basis,
- 70% of its assessment basis for a period of hospitalisation; however, an employee who has reached the age of 50 years is entitled to sickness allowance for a period of hospitalisation from the 15th to the 33rd day of his/her incapacity for work in a calendar year at the rate of 80% of the assessment basis,
- 100% of its assessment basis, also during a period of hospitalisation, 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 is payable from accident insurance. It is payable from the
first day of the insurance and the first day of the incapacity for work, at a rate of 100% of the assessment basis.

The assessment 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 and it is reduced by the deducted social insurance contributions.

The assessment basis of sickness allowance for an insured person not being an employee is the average monthly income for 12 calendar months preceding the month when the incapacity for work had occurred. Account is taken of income, on the basis of which the sickness insurance contribution was calculated, and it is reduced by this contribution.

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

The sick pay or sickness allowance is paid to persons to whom a doctor issues a certificate of temporary incapacity for work. From 1 December 2018, the certificate may be issued only in electronic form (e-ZLA). Until 30 November 2018, it could be done in paper form on ZUS ZLA printout or electronically.

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

In 2018, PLN 18,444.5 million was paid due to sickness absenteeism, including:
- in the form of allowances from FUS – PLN 11,532.8 million,
- in the form of sick pay from employers – PLN 6,910.8 million.

The Social Insurance Fund paid for 149.8 million days of absence due to sickness, and employers paid for 79.8 million days.

5.9.1. Correctness control of certifying temporary incapacity for work

The Act of 25 June 1999 on cash social insurance benefits in respect of sickness and maternity introduced provisions aimed at strengthening the correctness control of certifying the incapacity for work and the control of the correct use of medical certificates on incapacity for work. Inspections were also aimed at rationalising expenditure on these benefits. To achieve this, the following solutions were introduced:
- the employee had to provide the employer or the Social Insurance Institution with the printout of ZUS ZLA in paper form within 7 days from receiving it,
- the right to allowance in respect of incapacity for work after cessation of sickness insurance has been limited,
the assessment basis of the allowance assessment after the cessation of sickness insurance has been limited to 100% of the average remuneration from the previous quarter,

the qualifying period has been introduced:
- 30 days for people insured compulsorily,
- 90 days for people insured voluntarily.

ZUS controls the correctness of certifying temporary incapacity for work and the correctness of use of medical certificates on incapacity for work. The use of sick leaves may be also monitored by allowance payers.

In 2018, ZUS carried out 496.3 thousand inspections. As a result, it suspended payment of sickness allowances to 32.6 thousand people. The amount of the withheld allowances was PLN 31.2 million.

The Social Insurance Institution must also reduce the assessment basis for the assessment of sickness allowance and the rehabilitation benefit when the insurance entitlement has ceased. The total amount of benefits reduced in this respect in 2018 for 166.7 thousand people was PLN 160.3 million.

The insured person, who has received a medical certificate on incapacity for work in paper form before 1 December 2018, had to submit it to the contribution payer within 7 days. If this obligation was not complied with (for reasons attributable to the insured person), ZUS reduced the sickness allowance, as well as the care allowance, by 25%. The reduction was applicable from the 8th day of incapacity for work until the day when the insured person delivered the certificate. In 2018, ZUS reduced benefits in this respect for 52.7 thousand people to a total of PLN 3.5 million. The reduction does not apply to sick pay.

The total amount of cash social insurance benefits in respect of sickness reduced and withdrawn in 2018 was PLN 195.0 million.

5.10. Rehabilitation benefit

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

The rehabilitation benefit is payable for a maximum of 12 months, at a rate of:
- 90% of the assessment basis of the sickness allowance during the first 90 days of its receipt,
- 75% of this basis for the remaining period,
- 100% of this basis, if the incapacity for work occurred during pregnancy.
The rehabilitation benefit from accident insurance in the event of incapacity for work caused by accident at work or occupational disease is payable to persons covered by accident insurance. It amounts to 100% of the assessment basis.

The rehabilitation benefit is not available, inter alia, to persons entitled to:
- an old-age pension,
- a disability pension,
- an unemployment benefit,
- a pre-retirement allowance,
- a pre-retirement benefit,
- a health leave,
- a teachers’ compensatory benefit.

It is also not payable to persons on unpaid or child-care leave.

The decision whether the health condition justifies granting the rehabilitation benefit is made by ZUS evaluating doctor. The person concerned who does not agree with doctor’s decision, may appeal to ZUS medical board. He/she must do it within 14 days of receiving the decision. In turn, ZUS president may raise an objection that the decision is defective and refer the case to ZUS medical board for consideration. He/she may do so within 14 days from the day when ZUS evaluating doctor issued the decision.

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

In 2018, an average of 86.0 thousand people received the rehabilitation benefit per month. Its monthly average amount was PLN 1,675.52.

The expenditure on the rehabilitation benefits in 2018 amounted to PLN 1,728.0 million.

The Social Insurance Institution pays rehabilitation benefits to employees of work establishments that employ up to 20 persons. Whereas in work establishments with more than 20 employees, the rehabilitation benefit is paid by the employer. In both cases, the benefit is financed from the Social Insurance Fund.

5.11. Compensatory allowance

The compensatory allowance is granted 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 voivodeship occupational medicine centre.
The entitled person receives the compensatory benefit from sickness insurance. However, a person who has undergone vocational rehabilitation as a result of an accident at work or occupational disease receives the benefit from the accident insurance.

The compensatory benefit is not granted for periods of:
- incapacity for work due to sickness,
- care,
- receiving the maternity allowance,
- unpaid absence from work for other reasons.

A person who is entitled to the old-age pension, the disability pension or teachers’ compensatory benefit shall not receive the compensatory allowance.

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

The expenditure on the compensatory allowances in 2018 amounted to PLN 614.5 thousand.

The Social Insurance Institution pays the compensatory allowance to employees of work establishments that employ up to 20 persons. In larger companies, however, the compensatory allowance is paid by the employer. In both cases, the allowance is financed from the Social Insurance Fund.

5.12. Maternity allowance

The maternity allowance is granted to a person who is covered by sickness insurance and has become a mother or a father or has accepted the child for upbringing.

The maternity allowance is granted during the period defined in the Labour Code as the period of:
- maternity leave,
- leave under maternity leave conditions,
- parental leave.

The legislation does not provide for a qualifying period.

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

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

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

The allowance may also be granted to an insured woman if she gives birth to a child after the insurance has ceased. This will be the case if the employment ceased during pregnancy and the reason for this was the declaration of bankruptcy or liquidation of the employer or a violation of the law confirmed by final judicial decision. If the employer has been declared bankrupt or liquidated and the pregnant female employee was not provided with other employment, she is entitled to an allowance in the amount of the maternity allowance until the day of childbirth.

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

The maternity allowance for the period of leave on the conditions of maternity leave is payable to a person who:
- has accepted for upbringing a child under 7 years of age, or a child under 10 years of age in relation to whom compulsory schooling has been deferred – and has applied to the guardianship court for adoption,
- has accepted for upbringing within a foster family a child under 7 years of age, or a child under 10 years of age in relation to whom compulsory schooling has been deferred (the person who runs a professional foster family will not receive the benefit).

The period of payment of the maternity allowance due to the birth of a child or accepting a child for upbringing for the period of maternity leave or leave under the conditions of maternity leave depends on the number of children born on one confinement or accepted for upbringing at the same time. It is equal to:
- 20 weeks – if one child is born or accepted,
- 31 weeks – if 2 children are born or accepted at the same time,
- 33 weeks – if 3 children are born or accepted at the same time,
- 35 weeks – if 4 children are born or accepted at the same time,
- 37 weeks – if at least 5 children are born or accepted at the same time.

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

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

Employees may be granted the parental leave immediately after their maternity leave. Insured persons who are not employees are entitled to the leave immediately after they have used up the maternity allowance for the period corresponding to this leave.

Parents can divide the leave between themselves into a maximum of 4 parts, each of which must be a multiple of the week. They must fall directly one after other or directly after the insured person has used the maternity allowance for the period corresponding to the part of the parental leave.

Each of these 4 parts should last for at least 8 weeks, with the exception of:
- the first part; it has to last at least 6 weeks if one child is born, and if the insured person has accepted one child for upbringing – at least 3 weeks,
- the last part, if less than 8 weeks are left until the end of the whole leave.

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

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

The maternity allowance for the period of the parental leave is granted for a maximum of:
- 32 weeks – when one child is born or accepted,
- 34 weeks – when at least 2 children are born or accepted at the same time,
- 29 weeks – when the employee has accepted a child for upbringing and is entitled to leave on conditions of the maternity leave at a minimum rate of 9 weeks.

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

An insured father of the child or a man accepting the child for upbringing is entitled to the **maternity allowance for the period of paternity leave**. It is up to 2 weeks. The father must take the leave before the child is 24 months old, and the man accepting the child – within 24 months from the effective date of the adoption court’s decision and before the child turns 7 or 10 (with regard to the child in relation to whom compulsory schooling has been deferred).

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

The amount of the maternity allowance is 100% of the calculation basis for the period corresponding to the period of:
- maternity leave,
- leave under maternity leave conditions,
- paternity leave,
- parental leave for:
  - the first 6 weeks of the parental leave – when one child was born or accepted for upbringing;
  - the first 8 weeks of the parental leave – when at least 2 children were born or accepted at the same time;
  - the first 3 weeks of parental leave with a minimum of 9 weeks – when the insured person takes advantage of the maternity allowance because he/she has accepted the child for upbringing.

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

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

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

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

An employee may simultaneously work and take the parental leave. The amount of the maternity allowance is then reduced in proportion to the working time of the employee when taking the parental leave.

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

Expenditure on maternity allowance in 2018 amounted to PLN 8,263.2 million.

The Social Insurance Institution pays maternity allowances to employees in work establishments that employ up to 20 persons. And in work establishments with higher employment this allowance is paid by the employer. In both cases the maternity allowance is financed from the Social Insurance Fund.

5.13. Care allowance

The care allowance is granted to an insured person for the duration of a period of leave resulting from the necessity to take personal care of family members.

The insured person receives care allowance when he/she takes personal care of his/her family members:

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

The following persons shall be considered as children:

- the insured person's own children or his/her spouse's children,
- adopted children,
- children accepted for upbringing and maintenance.
The following shall be considered as family members: persons who remain with the insured person in the common household during the period of care over the insured person:

- husband or wife,
- parents,
- other parent of the child,
- stepfather,
- stepmother,
- parents-in-law,
- grandparents,
- grandchildren,
- siblings,
- children over 14 years old.

The right to the care allowance is acquired by the insured person from the moment of sickness insurance coverage.

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

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

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

- persons completely incapable of work,
- sick persons or persons who due to age are physically or mentally disabled,
- persons running a business.

The care allowance is granted for a maximum of:

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

If in a calendar year the insured person takes care only of a disabled child and other sick family members (and there are no other children under 14 years of age), the care allowance is granted for a maximum of 30 days in a calendar year, including a maximum of 14 days for taking care of sick family members.
The total allowance period in respect of care of children and other family members may not exceed 60 days in a calendar year. It does not depend on the number of persons entitled to the allowance, number of children or family members who require care.

The insured father of the child or another insured member of the closest family (e.g. the child’s grandmother) may also be entitled to an additional care allowance. It may be granted for a maximum of 8 weeks (56 days) after the birth of the child. Such an allowance is granted to the father or another member of the closest family if he/she personally takes care of the newborn child and has stopped working for this purpose, because the child’s mother:

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

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

In order for the insured person to be entitled to the care allowance for a sick family member, a doctor must issue an electronic certificate (e-ZLA), which confirms the sickness of the family member. The paper certificate on ZUS ZLA printout could be obtained until 1 December 2018.

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

The expenditure on care allowances in 2018 amounted to PLN 963.9 million.

The Social Insurance Institution pays care allowances to employees in work establishments that employ up to 20 persons. And in work establishments with higher employment the care allowance is paid by the employer. In both cases, the allowance is financed from the Social Insurance Fund.

### 5.14. Nursing supplement

The nursing supplement is granted to a person entitled to a pension when he/she is completely incapable of work and of independent existence.

The right to the nursing supplement is confirmed by a certificate of complete incapacity for work and incapability to independent existence issued by ZUS evaluating doctor or ZUS medical board. The right to the nursing supplement – under the general rules – is also granted to persons entitled to the bridging pension and teachers’ compensatory benefit.
Persons who are over 75 years of age are granted the nursing supplement by ZUS ex officio.

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

As from 1 March 2019, the nursing supplement has been fixed at PLN 222.01 per month.

The total expenditure on nursing supplements in 2018 amounted to PLN 6,048.7 million. The average monthly number of nursing supplements paid by ZUS amounted to PLN 2,334.8 thousand.

5.15. Supplement to the survivors’ pension for double orphans

The supplement to the survivors’ pension for double orphans is payable to a person entitled to the survivors’ pension who has lost both parents or whose mother has died and whose father was unknown.

From 1 March 2019 the supplement to the survivors’ pension for double orphans has been fixed at PLN 417.27 per month. It is adjusted on the same dates as pensions. It is payable from the same fund from which the orphan receives the survivors’ pension (from pension or accident fund).

5.16. Funeral grant

The funeral grant is paid to cover funeral expenses.

It is due in case of death of:
- the insured person,
- the retired person,
- the (disability) pensioner,
- members of their families,
- persons who have fulfilled the conditions for a pension.

The funeral grant is also awarded in respect of the death of the insured person after the end of insurance, if the death occurred during the period of receiving the sickness allowance, rehabilitation benefit or maternity allowance.
The funeral grant amounts to a maximum of PLN 4,000.00. It is granted to persons or entities that have covered the funeral costs.

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

On the other hand, if the funeral costs were covered by a person from outside of the family (e.g. neighbour, employer) or an entity (e.g. a social welfare facility, municipality, powiat, legal person, church or religious association), the funeral grant is payable in the amount of documented funeral costs, a maximum of PLN 4,000.00. If the costs were incurred by several persons or entities, the funeral grant is divided among them in proportion to their share.

In 2018, 343.7 thousand funeral grants were paid in a total amount of PLN 1,373.1 million.

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

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

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

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

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

From 1 April 2019, an injured person has been entitled to a compensation of PLN 917.00 for each per cent of permanent or long-term bodily injury.

A person, who has been recognised as completely incapable of work and of independent existence as a result of an accident at work or occupational disease, is entitled to a lump-sum compensation of PLN 16,048.00.

Lump-sum compensations are payable by ZUS. They are financed from the accident fund within the Social Insurance Fund and from the state budget.
In 2018, 62.1 thousand compensations were paid from the Social Insurance Fund. The total payment amounted to PLN 323.1 million and the average compensation was PLN 5,206.13.

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

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

The Social Insurance Institution may cover the costs of:
- effects of accident at work or occupational disease connected with dentist services and prophylactic vaccinations, to which the insured person was referred by ZUS evaluating doctor at the request of the attending physician (if such costs are not subject to refund under separate legislation),
- medical devices – to an amount equal to that financed by the insured person, fixed by the legislation on health care benefits financed by public funds.
6. Social insurance for farmers
6.1. System organisation

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

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

The Farmers’ Social Insurance Council (hereinafter referred to as the Farmers’ Council) represents the interests of all the insured persons and beneficiaries of the Fund. It consists of 25 members, who are appointed for a three-year term of office by the minister in charge of rural development from among the candidates proposed by social and professional organisations of farmers and the nationwide trade unions of individual farmers and by the National Council of Agricultural Chambers (from 17 May 2018). The Farmers’ Council gives its opinion on draft legal acts governing the insurance, in particular executive acts to the Act and legal acts having direct impact on the functioning of insurance, as well as draft action programmes and financial plans of the Fund. It is empowered to control and evaluate KRUS activity. The Farmers’ Council also sets the amount of monthly contribution for accident, sickness and maternity insurance for one or several subsequent quarters.

The Agricultural Social Insurance Fund operates on the basis of a statute appended to the Regulation No 14 of the Minister of Agriculture and Rural Development of 20 May 2010 on granting the statute to the Agricultural Social Insurance Fund (Official Journal of the Ministry of Agriculture and Rural Development No 10, item 10, as amended) and the organisational regulations appended to Regulation No 34 of KRUS President of 21 December 2018 on adopting the organisational regulations of the Agricultural Social Insurance Fund (Official Journal of KRUS, item 35).

KRUS organisational structure includes:
- headquarters,
- 16 regional branches,
- 256 local offices,
- 6 farmer rehabilitation centres.

**KRUS performs the following tasks:**
- dealing with matters concerning the insured persons and beneficiaries: the issues of the farmers’ social insurance coverage, the assessment and collection of social insurance contributions as well as the award and payment of benefits from this insurance,
granting and payment of pension benefits, as well as accident, sickness and maternity benefits and non-insurance benefits, which are paid in concurrence with the benefits from the farmers' social insurance;
keeping accounts in respect of health insurance contributions for farmers and their family members, as well as farmers' helpers and agricultural pensioners;
crediting contributions to payers' accounts;
providing the National Health Fund with information on persons insured and the health insurance contributions paid for them;
providing the National Health Fund with information on family members of persons insured reported for health insurance;
collecting advance payments to personal income tax in respect of pensions paid, and – after the end of the tax year – calculating the personal income tax or drawing up information about income from the agricultural pension;
performing tasks resulting from EU regulations on the coordination of the social security systems and international social security agreements, including the handling of benefits provided under these regulations;
providing farmers with information on agreements they may conclude when they want to stop their agricultural business;
cooperating with government administration bodies, with foreign insurance institutions and international organisations;
carrying out activities aimed to prevent accidents at work in agriculture and agricultural occupational diseases, including:
   – analyses of the causes of these accidents and diseases,
   – dissemination among insured persons the knowledge of life and health protection rules in agricultural holding and of the risks of accidents and diseases in agriculture,
   – taking efforts to ensure the proper production and distribution of safety measures, equipment and clothing used in agriculture,
carrying out activities in favour of insured persons at risk of complete incapacity for work in an agricultural holding or persons entitled to insurance benefits showing complete incapacity for work in an agricultural holding, if there is a good prognosis as to restoration of their earning capacity as a result of medical treatment and rehabilitation;
initiating and supporting the development of voluntary insurance.

### 6.2. System functioning

In 2018, the system of social insurance for farmers covered:
- 1,233,685 insured persons (as of 31 December),
1,157,425 pensioners (monthly average), of which:
- 914,389 recipients of farmers’ old-age pensions,
- 199,694 recipients of farmers’ disability pensions,
- 43,233 recipients of farmers’ survivors’ pensions.

The number of KRUS beneficiaries and persons covered by farmers’ social insurance in 2000–2018 (in thousands)

Contributions within the farmers’ social insurance system are paid to:
- the Farmers’ Pension Fund,
- the Contributory Social Insurance Fund of Farmers.

The Farmers’ Pension Fund is a special purpose state fund. It finances, among others, benefits from pension insurance and contributions for separate health insurance for farmers.

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

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

After adjustment of the basic pension from 1 March 2019, the basic contribution for this insurance in the second quarter of 2019 was PLN 94.00 per month.

Farmers whose agricultural holdings cover an agricultural area of more than 50 conversion hectares pay an additional monthly pension contribution for themselves and their spouses at the rate of:
- 12% of the basic old-age pension – the agricultural holding of less than 100 conversion ha;
24% of the basic pension – the holding from 100 to 150 conversion ha,
36% of the basic pension – the holding from 150 to 300 conversion ha,
48% of the basic pension – the holding over 300 conversion ha.

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

If the insured farmer, farmer’s spouse or household member additionally runs a non-agricultural business activity or cooperates in such activity, and if he/she fulfils the conditions set forth in the Act on social insurance for farmers, the basic monthly pension contribution is equal to twofold of the basic contribution for pension insurance.

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

When a farmer or a household member insured with KRUS ceases his/her agricultural activity in order to take care of a relative, he/she may receive a nursing benefit, a special care allowance or carer’s allowance (under the Act of 28 November 2003 on family benefits) or carer’s allowance (under the Act of 4 April 2014 on the determination and payment of allowances for carers). In order to receive a pension, such a person should apply for insurance coverage in KRUS for the period during which he/she will receive a given benefit. Then, until his/her insurance period reaches 25 years, the pension insurance contributions for such a person will be paid by the head of the municipality, mayor or city president who pays the granted benefit.

The amount of the monthly contribution for accident, sickness and maternity insurance is determined by the Farmers’ Social Insurance Council. This amount is announced by KRUS President in the Official Gazette Monitor Polski. For each insured person (farmer, farmer’s spouse, household member and farmer’s helper) the farmer pays the same rate, except for persons covered by the insurance on request to a limited extent. In the second quarter of 2019 the contribution equalled PLN 42.00.

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

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

- **from pension insurance:**
  - farmers’ old-age pension, including the temporary farmers’ old-age pension,
  - farmers’ disability pension,
  - farmers’ training pension,
— survivors’ pension,
— an old-age and disability pension from social insurance of individual farmers and members of their families,
— supplements to pensions,
— funeral grant,
— maternity allowance,

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

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

**The preventive activities** of the Agricultural Social Insurance Fund are carried out in many ways. They help to reduce the number of accidents at agricultural work, to eliminate their causes and prevent occupational diseases and other occupational threats to farmers. The accident rate in individual agriculture decreased from 10.2 in 2017 to 9.5 in 2018.

**The medical rehabilitation** carried out under the Agricultural Social Insurance Fund is a health benefit in kind. It is intended for persons demonstrating complete incapacity for work in an agricultural holding, if there is a good prognosis as to restoration of their earning capacity as a result of medical treatment and rehabilitation, or persons at risk of complete incapacity for work in an agricultural holding. It is carried out in specialised KRUS rehabilitation centres for farmers, which have the status of independent public health care facilities. Rehabilitation is voluntary and does not limit the right to spa treatment financed by the National Health Fund. Recommendation for medical rehabilitation is issued by KRUS medical expert or KRUS medical board. Rehabilitation may also be granted at the request of the attending physician, after obtaining an opinion of a regional inspector of medical certification. In 2018, the rehabilitation was received by 14,587 entitled persons and 1,179 children of farmers insured in KRUS.

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

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

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

In 2018, KRUS medical experts (1st instance) issued 118,239 certificates, including:
- 66,353 certificates of complete incapacity for work on the agricultural holding,
- 16,446 certificates of incapability to independent existence,
- 20,894 certificates of sickness allowance of an extended duration after the lapse of the 180-day period, and
- 14,546 certificates of the percentage of health damage.

And KRUS medical boards (2nd instance) issued 16,077 certificates, including:
- 8,733 certificates of complete incapacity for work on the agricultural holding,
- 2,088 certificates of incapability to independent existence,
- 2,133 certificates of sickness allowance of an extended duration after the lapse of the 180-day period, and
- 3,123 certificates of the percentage of health damage.

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

In 2018, the budgetary expenditure on tasks exercised by KRUS amounted to ca PLN 17.5 billion. In 2019, in accordance with the Budgetary Law, the allocation for KRUS was PLN 17.7 billion, representing 4.3% of the state budget.

The 2018 total expenditure on tasks exercised by KRUS amounted to PLN 20.2 billion. The largest part of expenditure were expenses on pension benefits – PLN 17.9 billion.

In turn, 2018 revenues of the Pension Fund amounted to PLN 20.2 billion. The share of the complementary subsidy in the Pension Fund revenues amounted to 91.9%, the share of revenues from contributions – 7.4%, the share of other revenues – 9.2% (sic!). Revenues met the demand for cash required to pay benefits and cover the deduction for the Administrative Fund.

The 2018 revenues of the Contributory Social Insurance Fund of Farmers amounted to PLN 648 million. They included:
- revenues from insurance contributions – PLN 622 million (96.0% of total revenue),
- other revenues – PLN 26 million (4.0% of total revenues).
### Expenditure on tasks exercised by KRUS in 2018 (in million PLN)

<table>
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<th>I. Pension Fund, of which:</th>
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### 6.3. Social insurance benefits for farmers

#### 6.3.1. Benefits from pension insurance

In 2018 the Agricultural Social Insurance Fund paid out pensions to about 1.2 million people. The total expenditure of the Pension Fund for these benefits amounted to over PLN 17.5 billion. An average amount of the farmers’ old-age pension was PLN 1,123.69 and the farmers’ disability or other pension – PLN 1,116.70.

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

In addition, some insured farmers may be entitled to the farmers’ old-age pension referred to as the early old-age pension. It may be granted to persons who fulfilled the below-mentioned conditions by 31 December 2017. These are persons who by that date:
- reached the age of 55 years (women) or 60 years (men),
- ceased their agricultural activities,
- completed at least 30 years’ period of agricultural pension insurance.
In 2018 KRUS paid out an average of about 914 thousand farmers’ old-age pensions every month, including 69 thousand early pensions. Approximately 27 thousand old-age pensions were granted, including 7 thousand early pensions.

The temporary farmers’ old-age pension is granted to a person who may no longer receive a structural pension co-financed by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund or from the European Agricultural Fund for Rural Development and has not yet reached the retirement age. The benefit is paid until that age.

The farmer’s disability pension is granted to an insured person who meets all of the following conditions:
- has been subject to pension insurance for the required period (at least 5 years within 10 years before claiming the pension for persons over 30 years of age, or shorter if the person concerned is not yet 30 years old),
- is completely incapable of working on the agricultural holding, permanently or temporarily,
- complete incapacity for work on the agricultural holding occurred when the claimant was subject to farmers’ pension insurance.

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

Periods under the pension insurance include periods subject to farmers’ social insurance as well as contributory and non-contributory periods – similarly as in ZUS.

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

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

If KRUS medical expert or KRUS medical board does not establish complete incapacity for work on the agricultural holding, KRUS may restore the right to the pension if, within 18 months from the date on which entitlement to the pension ceases, the insured person again becomes completely incapable of work on the agricultural holding.
When a person who receives the farmers’ pension due to his/her incapacity for work reaches the retirement age, KRUS may grant him/her the old-age pension ex officio. For this to happen, the person concerned must have sufficient pension insurance period. The old-age pension granted ex officio may not be lower than the disability pension that the person has received.

In 2018, KRUS paid out an average of 200 thousand disability pensions every month. Only 13,000 of them are pensions in respect of incapacity for work, which was caused by an accident at agricultural work or agricultural occupational disease. It means that accident pensions account for 6.5% of the total number of agricultural disability pensions.

The structure of the pensions paid is as follows: 40% of farmers’ pensions are temporary pensions, and 60% – permanent pensions.

In 2018 KRUS granted 53 thousand pensions, including 2.3 thousand disability pensions in respect of accident at work.

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

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

The amount of supplements to all types of pensions and of the funeral grant is identical to that in the general system (see items 5.14.–5.16.).

In 2018, KRUS paid an average of 43 thousand survivors’ pensions per month. And 4.1 thousand pensions were granted.

In 2018, KRUS paid a monthly average of:
- 7.5 thousand supplements for double orphans,
- 475 thousand nursing supplements, including:
  - 367 thousand supplements due to reaching 75 years of age,
  - 109 thousand supplements due to complete incapacity for work accompanied by incapability to independent existence.

In 2018, KRUS paid 52 thousand funeral grants.

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

Farmers’ pensions consist of 2 parts: contributory and supplementary. When someone acquires the right to a benefit, KRUS always pays out the contributory part. However, it may suspend the payment of the supplementary part: in full, in 1/2 or 1/4. This is the case when the beneficiary still runs an agricultural business. What part of the pension will be suspended depends on the person’s situation. The payment of the supplementary part of the pension may also be suspended by KRUS in a situation where the pensioner receives income from an activity which results in the necessity to pay
social insurance contributions. The rules of suspension for this reason are the same as in the general system.

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

For each year of paying contributions for agricultural insurance, KRUS grants 1% of the basic old-age pension. From 1 March to the end of 2018 the basic old-age pension amounted to PLN 912.86. If in the years 1983–1990 a farmer paid contributions higher than 120% of the basic pension, KRUS grants more than 1%, in proportion to the amount of the contribution paid. Periods under other insurance (e.g. on account of employment or non-agricultural business activity) are calculated at a rate of one and a half, but this does not apply to all farmers. Since 1 January 2009, for those born after 31 December 1948, KRUS has been taking into account only the agricultural insurance period.

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

The temporary farmers’ old-age pension is equal to the minimum employee old-age pension, which from 1 March to the end of 2018 was PLN 1029.80. The pension insurance period is irrelevant here.

For a person who receives a temporary farmers’ pension and at the same time runs an agricultural activity or earns income from an activity which results in the necessity to pay social insurance contributions, KRUS suspends the payment of the supplementary part (95% of the basic old-age pension). General rules, such as in ZUS, apply in this case.

In 2018, an average pension in the agricultural system amounted to PLN 1,122.16. The average old-age pension amounted to PLN 1,123.69 (the early pension – PLN 1,023.96) and the disability pension – PLN 1,091.07 (the accident pension – PLN 1,133.58).

**Maternity allowance**

The maternity allowance from the agricultural system is granted to an insured person covered by accident, sickness and maternity insurance and pension insurance, or only by the pension insurance, who is in one of the following situations:

- is a mother or father of a new-born child, has adopted a child under 7 years of age or a child under 10 years of age in relation to whom compulsory schooling has been deferred, has accepted for upbringing a child under 7 years of age or a child under 10 years of age in relation to whom compulsory schooling had been deferred, and submitted an application for its adoption,

- has accepted for upbringing within a non-professional foster family a child under 7 years of age, or a child under 10 years in relation to whom compulsory schooling had been deferred.
The insured father of the child is entitled to the maternity allowance only if:

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

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

The maternity allowance is granted for a period of:

- 52 weeks – in case of a single birth, adoption of one child or one child taken for upbringing,
- 65 weeks – in case of two children born on one confinement or simultaneously adopted or taken for upbringing,
- 67 weeks – in case of three children born on one confinement or simultaneously adopted or taken for upbringing,
- 69 weeks – in case of four children born on one confinement or simultaneously adopted or taken for upbringing,
- 71 weeks – in case of at least five children born on one confinement or simultaneously adopted or taken for upbringing.

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

The amount of the allowance does not depend on the number of children. Each eligible person is entitled to the allowance at the same rate, which from 1 January 2016 is PLN 1,000.00 per month.

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

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

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

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

Certificates of the permanent or long-term damage to health are issued by KRUS medical experts (1st instance) and KRUS medical boards (2nd instance). Starting from 17 May
2018, the lump-sum compensation for 1% of the damage to health has been fixed at PLN 809.00, previously it amounted to PLN 700.00.

In 2018, KRUS paid 12,312 lump-sum compensations. The average compensation was PLN 5,622.31.

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

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

The sickness allowance amounts to PLN 10.00 for each day of incapacity for work in the agricultural holding.

In 2018, KRUS paid out sickness allowances for 30.6 million days of incapacity for work.

More information about social insurance of farmers can be found at www.krus.gov.pl.
7. Other pension provision schemes
7.1 Military pension provision system

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


Under the military pension provision system, professional soldiers and their family members are entitled to:
- military old-age pension,
- military invalidity pension,
- military survivors’ pension,
- pension supplements,
- funeral grant.

7.1.1. Military old-age pension

The old-age pension for a soldier who has been in service before 31 December 2012

The old-age pension for a soldier who has been in service before 31 December 2012 amounts to 40% of the calculation basis for 15 years of military service in the Polish Army and is increased by:
- 2.6% of the assessment basis for each further year of military service,
- 2.6% of the assessment basis for each year of child-care leave, not more than 3 years in total,
- 0.7% of the assessment basis for each year of child-care leave over 3 years.

A full military old-age pension amounts to a maximum of 75% of the assessment basis and is due after 29 years of service.

Service in special conditions increases the pension by 2% or 1% of the assessment basis for each year of such service.

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

The pension eligibility period of soldiers who have entered the service before 31 December 1998 shall be further increased by:
- 2.6% of the assessment basis for each year of contributory periods preceding the service, but no more than for 3 years of those periods,
1.3% of the assessment basis for each year of contributory periods over 3 years,
0.7% of the assessment basis for each year of non-contributory periods preceding the service.

Periods of pension insurance contributions due after dismissal from service shall be added to the pension eligibility period if:
- the old-age pension is less than 75% of the assessment basis,
- the retired person is over 55 years old (man) or 50 years old (woman) or has become an invalid.

In the case of soldiers admitted to professional military service for the first time after 1 January 1999, the military old-age pension will be determined solely for the period of military service. For periods of non-military employment, soldiers will be eligible for a second pension under the general old-age pension scheme.

The military old-age pension for professional soldiers is calculated based on the emolument payable in their last official position. This emolument includes:
- basic emolument according to the official position,
- supplement for long service in the army,
- permanent supplements,
- 1/12 of the additional annual emolument.

**The old-age pension for a soldier who has been in service after 31 December 2012**

A soldier called for the first time to professional military service after 31 December 2012 is entitled to an old-age pension if he/she meets the following two conditions jointly:
- is 55 years old,
- has been in service for 25 years.

A soldier who has served 25 years but has not reached the age of 55, shall be entitled to an old-age pension on the date on which he/she reaches that age only if he/she has been dismissed from the service because:
- the military medical board has determined that he/she is unfit to serve,
- the deadline of notice of termination of the service relationship terminated by a military authority has expired,
- he/she was not assigned to an official post while he/she was in reserve,
- he/she has not been appointed to an official post for another term,
- the needs of the Armed Forces occurred – with the written consent of the soldier.

The old-age pension for 25 years of service amounts to 60% of the assessment basis and increases by:
- 3% for each further year of service,
- 0.5% of the assessment basis for each started month of service on battlefields during the war and in the war zone.

A full old-age pension amounts to a maximum of 75% of the assessment basis. And the assessment basis of the benefit is an average emolument of a soldier due for the consecutive 10 calendar years chosen by the soldier.
If the soldier does not indicate the consecutive calendar years, the assessment basis of pension is an average emolument of the soldier due for the consecutive 10 calendar years preceding the year of dismissal from service.

7.1.2. Military invalidity pension

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

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

Due to the degree of the physical or mental impairment and the requirement of care of other persons, the military invalids are divided into 3 groups:

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

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

The invalidity pension for invalids included in:

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

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

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

- **group I** – 90% of the assessment basis,
- **group II** – 80% of the assessment basis,
- **group III** – 50% of the assessment basis.
7.1.3. Military survivors’ pension

The military survivors’ pension has the most common features with the employee old-age pension system. It is due in the amount and on the principles specified in the regulations on pensions from the Social Insurance Fund:

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

The military pension regulations only provide for the amount of the assessment basis of the military survivors’ pension.

In case of a dead or missing soldier, the survivors’ pension is calculated based on the invalidity pension in the group, which would have been due to that soldier on the day when he died or went missing, without taking into account the nursing supplement.

The survivors’ military pension after the deceased pensioner is calculated based on the amount of the benefit to which the deceased would have been entitled, but not less than the amount of group II invalidity pension to which the deceased would have been entitled.

The military survivors’ pension is due to eligible family members of:

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

All eligible family members are entitled to one total military survivors’ pension.

The military survivors’ pension is granted to a spouse irrespective of age and health condition in the amount of the emolument of the deceased or missing professional soldier, if the soldier died or went missing in the course of performing official tasks outside the state borders in implementation of objectives referred to in Art. 2(1) of the Act of 17 December 1998 on the principles of use or stay of the Armed Forces of the Republic of Poland outside the state borders (Journal of Laws No. 162, item 1117).

If the death of a soldier in connection with military service is a consequence of a punishable act, the suspension or reduction of the survivors’ pension, provided for in the Act on pensions from the Social Insurance Fund, shall not apply to the payment of
a survivors’ pension in the event of achieving income from activities subject to compulsory social insurance. In this case, the military survivors’ pension is also payable to the spouse regardless of his/her age and health condition.

The right to pension supplements and funeral grants is acquired on the same principles and in the same amounts as in the general system.

The payment of pension benefits is handled by 15 military pension offices.

7.2. The system of pension provision for officers

The system of pension provision described in this chapter covers officers of:
- the Police,
- the Internal Security Agency,
- the Foreign Intelligence Agency,
- the Military Intelligence Service
- the Military Counterintelligence Service,
- the Central Anti-Corruption Bureau,
- the Border Guard,
- the Government Protection Bureau,
- the State Fire Service,
- the Customs and Tax Service,
- the Prison Service.

In this chapter we collectively call them “officers”.

Officers dismissed from service are entitled to the pension provision from the State budget in respect of the length of their service or in the event of complete incapacity for service, and members of their families – in the event of death of the breadwinner.

The rules of granting benefits are set forth in the Act of 18 February 1994 on the old-age pensions of officers of the Police, the Internal Security Agency, the Military Intelligence Service, the Military Counterintelligence Service, the Central Anti-Corruption Bureau, the Border Guard, the Government Protection Bureau, the State Fire Service, the Customs and Tax Service and the Prison Service as well as their families (Journal of Laws of 2019 item 288, as amended).

Within the framework of the system of pension provision for officers the following are payable:
- police old-age pension,
- police invalidity pension,
- police survivors’ pension,
- pension supplements,
- funeral grant.

### 7.2.1. Police old-age pension

The police old-age pension is granted to an officer released from service who, on the day of release, served 15 years in:
- the Police,
- the Internal Security Agency,
- the Foreign Intelligence Agency,
- the Military Intelligence Service,
- the Military Counterintelligence Service,
- the Central Anti-Corruption Bureau,
- the Border Guard,
- the Government Protection Bureau,
- the State Fire Service,
- the Customs Service,
- the Customs and Tax Service, or
- the Prison Service.

The old-age pension for an officer who has been in service before 2 January 1999 amounts to 40% of its assessment basis for 15 years of service and is increased by:
- 2.6% of the assessment basis – for each subsequent year of service;
- 2.6% of the assessment basis – for each year of contributory periods preceding the service, however, no more than for 3 years of such periods;
- 1.3% of the assessment basis – for each year of contributory periods exceeding 3 years of contributory periods referred to in point 2;
- 0.7% of the assessment basis – for each year of non-contributory periods preceding the service.

The old-age pension is increased by:
- 2.0% of the assessment basis for each year of service performed directly as a diver or scuba diver and in the physical fight against terrorism;
- 1.0% of the assessment basis for each year of direct service:
  - as a member of the flying crew of aircraft and helicopters,
  - as a member of the surface vessels,
  - as a parachute jumper and sapper,
  - in the intelligence service abroad;
- 0.5% of the assessment basis for each year of service in conditions particularly threatening to life or health.

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

The old-age pension is increased by 15% of the assessment basis for a pensioner whose invalidity is related to the service.
The old-age pension for an officer who has been admitted to service for the first time after 31 December 2012 is due when the officer:

- is 55 years old,
- has been in service for 25 years.

The old-age pension of the officer amounts to 60% of its assessment basis for 25 years of service and increases by 3% for each further year of that service. The old-age pension is increased by 0.5% of the assessment basis for each started month of service on battlefields during the war or in the war zone.

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

The amount of the old-age pension without supplements, allowances and cash benefits may equal a maximum of 75% of its assessment basis.

### 7.2.2. Invalidity pension

The invalidity pension is granted to an officer dismissed from the service who has become disabled due to permanent or long-term physical or mental impairment:

- during service, or
- within 18 months of leaving the service if the invalidity results from an injury sustained in the course of service or from a disease which has developed during that time, or
- within 3 years after dismissal from service, if the invalidity results from an accident in connection with the service or from a disease arising from specific characteristics or conditions of the service.

There are 3 groups of invalidity for officers who are totally incapacitated for service:

- group I – covering officers who are completely incapable of professional work,
- group II – covering officers who are partially incapable of professional work,
- group III – covering officers who are capable of professional work.

The invalidity pension for invalids included in:

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

If the invalidity results from an accident related to the service or from a disease resulting from specific characteristics or conditions of this service, for which compensation benefits are due, the invalidity pension is increased by 10% of the assessment basis.
The maximum amount of the invalidity pension for officers may be equal to an average disability pension paid from the Social Insurance Fund.

7.2.3. **Survivors’ pension**

The survivors’ pension is due to eligible family members of:

- an officer who died or went missing during the service;
- an officer who died within 18 years after his/her dismissal from service, if the death occurred as a result of injuries sustained during service or diseases which developed during that time or within 3 years after dismissal from service, if the death occurred as a result of an accident related to the service or a disease resulting from the specific characteristics or conditions of the service;
- an officer of Military Counterintelligence Service or Military Intelligence Service who died within 3 years after his/her release from service, if the death occurred as a result of injuries sustained during service or diseases which developed during that time or if the death occurred as a result of an accident related to service or a disease resulting from specific characteristics or conditions of service;
- a deceased police pensioner.

The family members of a deceased police pensioner are also considered eligible if, on the day of death, they fulfilled the conditions required to obtain an old-age pension or an invalidity pension.

The survivors’ pension is due in the amount and on the principles set forth in the Act on pensions from the Social Insurance Fund. The survivors’ pension after the deceased pensioner is calculated on the basis of the amount of benefit to which the deceased was entitled.

The minimum survivors’ pension is the same as the group II disability pension that the deceased would be entitled to.

The maximum amount of the survivors’ pension may be equal to the average survivors’ pension from the Social Insurance Fund.

7.2.4. **Other cash benefits**

Recipients of pensions may be also granted the nursing supplement and supplement for double orphans.

In case of death of an officer or a member of his/her family the funeral grant is payable.

The supplements and the funeral grant are due in the amount and on the principles set forth in the Act on pensions from the Social Insurance Fund.
7.3. The system of social provision for judges

The institution of judges’ retirement was introduced on 1 January 1998 by the Act of 28 August 1997 amending the Law on the organisation of common court system and certain other Acts (Journal of Laws of 1997 No 124, item 782, as amended).

On the basis of these provisions, as of 1 January 1998 all judges and prosecutors have been excluded from the general social insurance system, and their salaries are not subject to social insurance contributions. The judges do not receive social insurance benefits – such as a disability pension or survivors’ pension – referred to in the Act of 17 December 1998 on pensions from the Social Insurance Fund (Journal of Laws of 2018, item 1270, as amended).

Detailed regulations related to judges’ retirement and rules of granting family benefits are specified in the Act – the Law on the organisation of common court system of 27 July 2001 (Journal of Laws of 2019, item 52), hereinafter referred to as the Law on the organisation of common courts.

7.3.1. Retirement status

Under this Law, the judge may be retired in the following cases:

- after reaching the statutory retirement age, which is 65 years (Art. 69(1) of the Law on the organisation of common courts), unless the judge has obtained the consent of the National Council of the Judiciary to continue to hold office; then the judge may remain in office, but no longer than until he/she is 70 years old; in such a situation the retirement takes place in accordance with the principles set out in Article 69(3) sentences 2–4 of the Law on the organisation of common courts,

- a judge may be retired upon his/her request, if he/she – as of 31 December 2017 – has the required age and the period of service as a judge or a prosecutor, amounting to 55 years of age and a minimum of 25 years of service for a woman and 60 years of age and a minimum of 30 years of service for a man, respectively; in such a situation the retirement takes place on the principles set forth in Article 69(2) and (2a) of the Law on the organisation of common courts,

- a female judge may be retired upon her request, after reaching the age of 60, regardless of the work period on the position of a judge or prosecutor (Article 69(2b) of the Law on the organisation of common courts),
due to illness or physical incapacity (Article 70 of the Law on the organisation of common courts),

- in case of a change in the court system organisation or in the boundaries of courts’ circuits (Article 71(3) of the Law on the organisation of common courts).

### 7.3.2. Family emoluments

In the event of the death of a judge or a retired judge, the eligible members of the judge’s family are entitled to family emolument instead of a survivors’ pension.

Family emoluments are due when the eligible family members meet the conditions for a survivors’ pension from the Social Insurance Fund. The manner of determining and paying these emoluments is specified in the Regulation of the Minister of Justice of 21 June 2018 on the retired judges’ emoluments and family emoluments of judges’ and retired judges’ family members and the dates of transferring social insurance contributions to the Social Insurance Institution (Journal of Laws of 2018, item 1258).

### 7.3.3. Funeral grant

The funeral grant is due to the person or institution that has covered the funeral costs of:

- the judge,
- the retired judge,
- a member of his/her family,
- a recipient of the family emolument,
- a family member of that person.

This benefit is payable in the amount and on the terms and conditions specified for the funeral grant from the Social Insurance Fund.

### 7.3.4. Other benefits

Retired judges and persons entitled to family emoluments may receive additional benefits such as the combatant supplement, compensatory supplement and energy lump-sum allowance referred to in the Act on combatants and certain victims of war and post-war repressions of 24 January 1991 (Journal of Laws of 2018, item 276, as amended).

Persons who are entitled to family emoluments may receive a supplement for double orphans in the amount and on the principles set out in the Act on pensions from the Social Insurance Fund.
7.4. The system of social provision for public prosecutors

Since 1 January 1998, on the basis of the Act of 28 August 1997 amending the Act – the Law on the organisation of common court system and certain other Acts (Journal of Laws of 1997, No. 124, item 782, as amended), public prosecutors have been excluded from the general social insurance system, and no contributions for this insurance are paid from their salaries.

The Law on the organisation of common court system also applies to public prosecutors, although the public prosecutor’s office is not considered in the Constitution of the Republic of Poland as the judicial authority. It is, however, part of the law enforcement authorities. The status of a judge and a prosecutor in terms of professional requirements, remuneration, rights and obligations and social security has always been equal.


7.4.1. The rules for prosecutors’ retirement

The prosecutor retires at the age of 65, regardless of his/her position. The General Prosecutor, at the prosecutor’s request, may agree to further holding of the office by the prosecutor but not longer than until he/she reaches 70 years of age. The General Prosecutor makes such a decision after consultation with the National Council of Prosecutors at the General Prosecutor’s office and after hearing the opinion of the superior prosecutor, as well as on the basis of the prosecutor’s health certificate.

The prosecutor may retire at his/her request even before reaching the age of 65 years and retain his/her right to an emolument. However, he/she must meet the age and seniority requirements for being a judge or a prosecutor. He/she must be at least 55 years old and have a minimum of 25 years’ work period (woman) or be at least 60 years old and have a minimum of 30 years’ work period (man). This entitlement may be exercised by persons who have fulfilled the required conditions by 31 December 2017.

The prosecutor may be retired if:
- due to illness or physical incapacity he/she has been declared permanently incapable of performing the duties of a prosecutor by ZUS evaluating doctor,
without a justified reason, he/she has not undergone an examination by ZUS evaluating doctor, in case the examination was requested by the prosecutor’s superior,
the public prosecutor’s offices organisation or the boundaries of the prosecutor’s offices circuits have changed, if he/she has not been transferred to another prosecutor’s office.

7.4.2. Retired prosecutors’ emoluments

A prosecutor who is retired because of age, illness or physical incapacity is entitled to 75% of the basic salary and the length of service increment received in his/her last post.

A prosecutor who is retired due to the change in the prosecutor’s offices system or in the boundaries of prosecutor’s offices circuits is entitled, until the age of 65, to emolument in the amount of the salary received in his/her last post.

7.4.3. Family emoluments for prosecutors’ family members

In the event of the death of a public prosecutor or a retired public prosecutor, members of his/her family who meet the conditions for receiving a survivors’ pension under the Act on pensions from the Social Insurance Fund are entitled to family emolument.

A widow is entitled to the family emolument if at the moment of death of her husband she is:
- at least 50 years of age, or
- incapable of work, or
- raising at least one of the children, grandchildren or siblings entitled to a survivors’ pension after the deceased husband, who has not reached the age of 16 years or, if he/she is at school, 18 years of age, or
- caring for a child who is completely incapable of work and of independent existence or completely incapable of work and entitled to a survivors’ pension.

The prosecutor’s parents are entitled to the family emolument if the prosecutor has contributed to their subsistence immediately before his/her death and if they meet the conditions set for the widow and regarding the age, incapacity for work or raising children.

The family emolument equals:
- for 1 person – 85% of the assessment basis,
- for 2 people – 90% of the assessment basis,
- for 3 or more people – 95% of the assessment basis.

The assessment basis is the emolument which was payable at the time of death to the deceased prosecutor or the retired prosecutor.
If the right to family emolument coincides with the right to a pension, the eligible person is entitled to one of these benefits – according to his/her request.

Double orphans are entitled to a supplement to their family emolument in the amount and on the principles set forth in the Act on pensions from the Social Insurance Fund.

The retired prosecutors and persons receiving family emolument who have combatant privileges are paid the war combatant supplement, compensatory supplement or energy lump-sum allowance, respectively. These supplements come from the financial resources of the Ministry of Justice.

The payment of retirement emoluments and family emoluments is carried out by competent organisational units of the public prosecutor’s offices.
8. Public health insurance
In 1999, the Polish health care financing system was transformed into an insurance-budgetary system. It replaced the system in which funds came exclusively from the state budget. Health services are financed by the National Health Fund. It is composed of the Headquarters and 16 voivodeship branches, within which field offices (delegations) may be established.

A significant feature of the Polish social insurance system after the reform of 1999 is the separation of sickness and health insurance.

The sickness insurance provides cash benefits in the event of sickness and maternity (see items 5.9.–5.16, p. 72 ff.).

And the public health insurance is the system responsible for public funding of:
- preventive services,
- diagnostic services,
- medical services,
- rehabilitation services,
- provision of medicines, orthopaedic items and aids.

The scope of these services is defined in:
- the Act of 2004 on health care benefits financed by public funds,
- the Regulations of the Minister of Health issued on its basis.

Almost the entire population of our country is covered by the compulsory health insurance. Persons who are not subject to this obligation, but are resident in Poland, may take out voluntary insurance. To do so, they must submit a written application to the National Health Fund.

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

Revenues from health insurance contributions are the main source of health care finance. The contribution rate amounts to 9% of its assessment basis. Persons who have joined health insurance on a voluntary basis pay a contribution of 9% of their declared income. This income must not be less than the average monthly salary in the enterprise sector from the previous quarter, including the share in the profits.

The health insurance contribution is collected by the Social Insurance Institution and the Agricultural Social Insurance Fund and then transferred to the National Health Fund.

The contribution for certain groups of people is financed from the state budget. These groups include, among others:
- individual farmers running farms with an area of agricultural land under 6 conversion hectares,
- the spouses and members of the household of these farmers,
- unemployed persons without the right to benefits,
- persons in receipt of social assistance allowances.
On the other hand, farmers who run farms with an area of agricultural land of 6 or more conversion hectares and special sections of agricultural production pay contributions individually for themselves, their spouses and household members.

Farmers who have concluded a harvest assistance contract with their helpers pay a health insurance contribution for these helpers.

Since 1 January 2017, the manner and procedure of determining the amount of health insurance contributions for farmers (and their spouses and household members) who conduct agricultural activity on an agricultural holding are regulated by the provisions of the Act on health care benefits financed by public funds.

Some health care tasks are still financed by the state budget. This concerns mainly epidemiological and pharmaceutical supervision, investments and medical education. Moreover, some health care benefits are financed by the state budget, such as preventive vaccinations, as well as services provided within the framework of preventive health programmes, such as, for example, the breast cancer prevention programme (mammography), the cervical cancer prevention programme (cytology), and the programme for the prevention of tobacco diseases, including chronic obstructive pulmonary disease (COPD).

In addition, the state budget finances health policy programmes and multi-annual programmes aimed to meet the growing health needs resulting, among others, from the increased incidence of civilisation diseases. Currently, the following programmes are implemented:

- National Programme for Combating Cancer Diseases,
- neonatal screening programme in Poland,
- Cardiovascular Disease Prevention and Treatment Programme POLKARD,
- national programme to reduce mortality from chronic lung diseases by creating non-invasive mechanical ventilation rooms,
- National Programme for Prevention of Drug Addiction,
- National Programme for Combating AIDS and Preventing HIV Infections,
- National Mental Health Programme.

The state budget also finances the costs of benefits provided to specific groups of non-insured persons. These are:

- small income earners, who acquire the right to benefits on the basis of a decision of a head of the municipality or a mayor,
- children and young people under the age of 18,
- women during pregnancy, childbirth and puerperium,
- drug and alcohol addicts,
- people with mental disorders,
- people with certain infectious diseases.

In 2018 the Social Insurance Institution transferred to the National Health Fund PLN 76.4 billion in respect of contributions for the public health insurance. The Agricultural Social Insurance Fund transferred PLN 3.3 billion.

More information about the public health insurance can be found at www.nfz.gov.pl.
9. Material support for families, in particular for families with children
9.1. Child-support benefit under the “Family 500+” programme

The basic support for families bringing up children is provided by the government programme “Family 500+” introduced on 1 April 2016 by the Act of 11 February 2016 on state aid in raising children (Journal of Laws of 2018, item 2134, as amended). Under the “Family 500+” programme, families with children are entitled to the child-support benefit of PLN 500.00 per month per child until the age of 18. The child-support benefit is granted to parents, legal guardians or actual guardians of the child and in certain cases to directors of social assistance facilities.

As of 1 July 2019, the child-support benefit is of general nature. It is due for every child under 18 years of age.

Until 30 June 2019, the child-support benefit was due:
- for the first child – understood as the only or the oldest child in the family who is under 18 – when the average monthly income did not exceed PLN 800.00 net per person in the family or PLN 1,200.00 net per person in the family with a disabled child,
- for each next child regardless of income.

The child-support benefit is granted and paid by a competent body of the municipality, i.e. a head of the municipality, mayor, city president or an authorised head or employee of a social assistance centre or other organisational unit of the municipality competent for the place of residence of the person who applies for the benefit. In order to receive the benefit, the application must be submitted to the competent body of the municipality providing the child-support benefit, electronically through electronic banking channels, a portal or in a paper form at the office or by post.

As a rule, the child-support benefit is granted for a one-year period.

Exceptionally, in cases of applications for child-support benefit submitted from 1 July 2019, the right to the child-support benefit is established for a special extended period which shall last until 31 May 2021. From 2021, there shall be a target, one-year period of benefit payment, from 1 June to 31 May of the following year.

The benefit is not included in income when determining the right to other benefits, e.g. from social assistance, family benefits, benefits from the Maintenance Fund, as well as scholarships for pupils and students.

In cases where EU regulations on the coordination of social security systems apply (when a family member resides in another EU country, EEA or Switzerland), the right to the child-support benefit is determined by the competent voivode. The child-support benefit granted by the voivode is paid by the competent municipal body.
In 2018, the state budget paid PLN 22.8 billion for the child-support benefits and allowances in foster custody, of which PLN 330.6 million for service costs. On average, 3.7 million such benefits were paid monthly.

9.2. “Good Start” benefit

The “Good Start” programme, as another component of a comprehensive and long-term family policy, alongside the “Family 500+” programme, was introduced on 1 June 2018 by the Regulation of the Council of Ministers of 30 May 2018 on detailed conditions for the implementation of the government’s programme “Good Start” (Journal of Laws of 2018, item 1061, as amended). Under the “Good Start” programme, guardians of children between 7 and 20 years of age learning at school (in the case of disabled children – up to 24 years of age) receive a benefit of PLN 300.00 per child once a year – in connection with the beginning of the school year. The “Good Start” benefit is granted regardless of income.

The following persons may apply for the “Good Start” benefit:

- parents,
- actual guardians (according to the definition of the Regulation, the actual guardian is a person who actually takes care of the child and has applied to the family court for child adoption),
- legal guardians for the child.

The benefit for a child placed in foster custody may be requested by:

- foster families,
- persons running family homes,
- directors of care and educational facilities,
- directors of regional care and treatment facilities.

The “Good Start” benefit may also be claimed by a learning person, i.e. – as defined in the Regulation – “an adult person learning at school who is not dependent on his/her parents, in connection with their death or in connection with the court judgement or court settlement on the right to maintenance allowance on their part and a person in transition to independent living, as referred to in the Act on family support and foster custody system”.

The “Good Start” benefit is granted at the request of a party. The tasks related to accepting and processing claims for the “Good Start” benefit and determining the right to this benefit are carried out by the competent municipal body, i.e. a head of the municipality, mayor, city president or an authorised head or employee of a social assistance centre or other organisational unit of the municipality.

In the case of children placed in foster custody, it is the competent starosta or an authorised head/employee of the poviat organisational unit.
In 2018, an amount of PLN 1.3 billion was spent on the implementation of the "Good Start" programme. The benefit was paid to guardians of 4.4 million pupils.

9.3. Family benefits

The conditions for entitlement to these benefits are set out in the Act of 28 November 2003 on family benefits (Journal of Laws of 2018, item 2220, as amended). The family benefits are financed from the state budget.

The right to family benefits and the payment of the benefits granted is carried out by the competent municipal body, i.e. a head of the municipality, mayor or city president competent for the place of residence of the person who applies for or receives the family benefit. Family benefits’ delivery may be entrusted to municipal organisational unit, for example to a social assistance centre.

In order to acquire the right to family benefits and get paid, the person concerned should submit an application to the office of the municipality, town hall or other organisational unit of the municipality, i.e. for example a social assistance centre competent for the applicant’s place of residence.

In cases where EU regulations on the coordination of social security systems apply – when a family member resides in another EU country, EEA or Switzerland – the right to family benefits is determined by the competent voivode. Family benefits granted by the voivode are paid by the competent municipal body.

Three groups of benefits are payable under the family benefits scheme:
1) family allowance with supplements,
2) child birth-related benefits,
3) care benefits.

9.3.1. Family allowance and supplements to this allowance

The family allowance is granted if the family income per person in the family or the income of a learning person does not exceed PLN 674.00 per month. When a family member is a disabled child, the income threshold increases to PLN 764.00 net. These amounts have been valid from 1 November 2015.

If the income criterion for granting the right to family allowance is exceeded, the “zloty for zloty” mechanism applies. If a family applying for family allowance together with supplements exceeds the income threshold, it will not necessarily be excluded from the family benefits system. Such a family may receive the claimed benefits, but reduced accordingly by the amount by which it exceeded the income criterion.
The family allowance is payable until the child reaches 18 years of age or until the child completes school education, however not longer than until he/she reaches the age of 21 years. In special cases, the family allowance is due until the child reaches 24 years of age. This is the case when the child:

- continues education at school (also a tertiary level school) and holds a certificate of moderate or severe degree of disability,
- is adult, is studying at school (also a tertiary level school) and is not dependent on his/her parents (because they have died or have been awarded the maintenance allowance in his/her favour).

The right to the family allowance and to supplements to the allowance is awarded to:

- child's parent,
- child's legal guardian,
- child's actual guardian who has applied to the family court for child adoption,
- an adult who is studying and is not dependent on his/her parents because they have died or have been awarded the maintenance allowance in his/her favour.

From 1 November 2015, the family allowance is payable at the rate of:

- PLN 95.00 – for a child until he/she reaches 5 years of age,
- PLN 124.00 – for a child above 5 years of age until he/she reaches 18 years of age,
- PLN 135.00 – for a child above 19 years of age until he/she reaches 24 years of age.

The following supplements may be granted in addition to the family allowance:

- The child-birth supplement – is awarded in a lump sum of PLN 1,000.00 to the mother or father, legal guardian or actual guardian of a child, payable until the child reaches the age of one year. It may be granted to the child's biological parents, if the child’s mother remained under medical care not later than from the 10th week of pregnancy until the day of birth. This condition has to be confirmed by a medical certificate or a certificate issued by the midwife. Such a certificate does not have to be provided by the legal guardian, the actual guardian of the child or the adoptive parent who is applying for this supplement.
- The supplement in respect of care of the child during the period of the child care leave in the amount of PLN 400.00 per month – is granted to the mother or father, actual guardian of the child or legal guardian for the child for:
  - 24 months,
  - 36 months – if he/she takes care of at least 2 children born on one confinement,
  - 72 calendar months – if he/she takes care of a child who has a certificate of disability or severe degree of disability.
- The supplement for a single parent bringing up a child – is granted to the mother or father, the child's actual guardian or legal guardian in the amount of PLN 193.00 per month per child. The supplement may not exceed PLN 386.00 per month for all children. If a child is disabled, the supplement is PLN 273.00 per month for that child. In the case of more than one disabled children, the supplement may not exceed PLN 546.00 per month for all children. The supplement is payable if the other parent of the child is dead, the father of the child is unknown or if an action to establish a maintenance benefit from the other parent has been dismissed.
The supplement for bringing up a child in a multi-children family – is granted to the child’s mother or father, the child’s actual guardian or legal guardian in the amount of PLN 95.00 per month for the third and each subsequent child in the family entitled to family allowance.

The supplement in respect of the education and rehabilitation of a disabled child – is granted to the mother or father, actual guardian of the disabled child or legal guardian for a disabled child until the age of 16 years or for a child who holds a certificate of moderate or severe degree of disability until the age of 24. The supplement is also payable to a learning person who holds a disability certificate. The supplement is payable in the monthly amount of:
- PLN 90.00 per child until the age of 5;
- PLN 110.00 per child above 5 years of age until the child reaches the age of 24 years.

The supplement for a child starting the school year – is granted to the child’s mother or father, the child’s actual guardian or legal guardian, as well as to the learning person. The supplement amounts to PLN 100.00 and is paid once a year, in connection with the beginning of a new school year. It is also due to a child who starts a one-year pre-school preparation.

The supplement for a child starting education at school outside the place of residence – is due to the child’s mother or father, legal guardian or actual guardian for 10 months, from September to June. It is payable at the rate of:
- PLN 113.00 per month, if during education the child or the learning person is resident in the locality where the secondary school or art school, performing compulsory schooling and compulsory education, is situated and in the case of a child or a learning person holding a certificate of disability or degree of disability – also the primary school,
- PLN 69.00 per month if the child or the learning person commutes to a post-primary school or art school where the compulsory schooling and compulsory education is performed, in the scope corresponding to the education in the post-primary school.

In 2018, the state budget paid a total of PLN 4.4 billion for family allowances and supplements to them. On average, 2.2 million of these allowances were paid monthly.

9.3.2. Child birth-related benefits

Parental benefit

The parental benefit is granted to persons who do not receive a maternity allowance or a maternity emolument (i.e. emolument for the period determined by the Labour Code as a period of maternity leave, a period of leave under the principles of the maternity leave, or a period of parental leave). It amounts to PLN 1,000.00.

The parental benefit is payable to:
- the mother or father of the child,
- the actual guardian of a child who has taken care of him/her before he/she has reached 7 years of age or 10 years of age in the case of deferred compulsory schooling;
- a foster family, with the exception of a professional foster family, if they have taken care of the child before he/she has reached 7 years of age, or 10 years of age if the compulsory schooling has been deferred;
- a person who has adopted the child before he/she has reached 7 years of age or 10 years of age in the case of deferred compulsory schooling.

Persons eligible for this benefit may include among others the following persons not entitled to maternity allowance:
- unemployed persons,
- students,
- persons performing work on a basis of civil law contracts without voluntary sickness insurance,
- persons employed or engaged in non-agricultural business activities who have not been covered by voluntary sickness insurance.

The parental benefit does not depend on the income criterion and is payable for at least one year (52 weeks) from birth, adoption or taking the child into care. If 2 or more children are born on one confinement or 2 or more children are adopted or taken into care at the same time, the benefit period is longer. It depends on the number of children born, adopted or taken into care. The maximum benefit may be paid for 71 weeks.

In 2018, the state budget paid a total of PLN 999.4 million for parental benefits. On average, 91 thousand such benefits were paid monthly.

### 9.3.3. Care benefits

The care benefits include:
- nursing allowance,
- special care allowance,
- nursing benefit.

The **nursing allowance** is awarded to:
- a child with a disability,
- a person with a disability who is over 16 years old and has been certified as severely disabled,
- a person with a disability who is over 16 years of age and has been certified as having a moderate degree of disability if the disability had arisen before he/she reached 21 years of age,
- a person who is 75 years old.

The nursing allowance is not payable to a person who is entitled to the nursing supplement or to a person placed in an institution providing all-day maintenance.

From 1 November 2018, the amount of the nursing allowance is PLN 184.42 per month, and from 1 November 2019 it will amount to PLN 215.84 per month.
In 2018, the state budget paid a total of PLN 1.7 billion for nursing allowances. On average, PLN 911.3 thousand were paid monthly.

A special care allowance is granted to persons who, according to the Family and Guardianship Code, are under a maintenance obligation towards a disabled person and towards spouses. These persons will receive the allowance if they do not take up any gainful employment or have resigned from such employment in order to personally care for a relative with a severe degree of disability. This also applies to people who care for a child with a disability for whom special instructions have been issued as regards the care of a third party.

The right to special care allowance is usually established for a benefit period that runs from 1 November to 30 October of the following calendar year. The situation is different in case if the disability certificate has been issued for a fixed period. Then the right to this allowance is established until the end of the month in which the certificate expires, but no longer than the end of the allowance period.

The right to the special care allowance depends on the total income of the family of the person providing care and the family of the person requiring care. From 1 November 2015, this income may not exceed PLN 764.00 per month net per person in the family of a person providing care and a person requiring care. This allowance is not due to a person who has an established right to the nursing benefit.

From 1 November 2018 the amount of the special care allowance is PLN 620.00 per month.

As a rule, contributions for pension insurance and health insurance are also paid for persons receiving a special care allowance.

Contributions for pension insurance and health insurance are paid for a person receiving a special care allowance by the head of the municipality, the mayor or the city president.

In 2018, the state budget paid a total of PLN 343.3 million for special care allowances (including contributions for pension and health insurance). On average, 42.4 thousand such allowances were paid monthly.

Nursing benefits are granted to persons who do not take up employment or other gainful activity or resign from it in order to take care of:
- a disabled child for whom special instructions have been issued as regards the care of a third party, or
- a person with a severe degree of disability.

The nursing benefit may be claimed by persons who, according to the Family and Guardianship Code, are covered by the maintenance obligation towards a disabled person, that is:
- parents,
- a relative who is a foster family for the child,
- an actual guardian, i.e. the person who actually takes care of the child if he/she has applied to the family court for child’s adoption,
- other relatives of the disabled person obliged to provide maintenance, except for persons with a severe degree of disability.

The guardian has the right to the nursing benefit regardless of family income and for an indefinite period. However, if a certificate of disability or severe degree of disability has been issued for a definite period of time, the right to the benefit is exercised to the end of the month in which the certificate expires.

The nursing benefit is granted if the disability of a person who requires care had arisen before that person reached:
- 18 years of age, or
- 25 years of age if he/she was studying at school (also a tertiary level school).

In 2018, the amount of the nursing benefit was PLN 1,477.00 per month, and from 1 January 2019 it is PLN 1,583.00 per month.

Contributions for pension insurance and health insurance are paid for a person receiving a nursing benefit by the head of the municipality, the mayor or the city president.

In 2018, the state budget paid a total of PLN 2.8 billion for nursing benefits (including contributions for pension and health insurance). On average, 131.2 thousand such benefits were paid monthly.

### 9.3.4. 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 should be 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 – 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 18th birthday.

This benefit may be obtained if the family income per person does not exceed PLN 1,922.00 net per month. The benefit is granted in a lump sum of PLN 1,000.00 per one child.

The benefit is granted only if the mother of the child was under medical care not later than 10 weeks of pregnancy until the birth. This must be confirmed by a doctor or midwife on an appropriate certificate. A legal guardian, actual guardian of a child or an adoptive parent applying for a lump-sum benefit in respect of the birth of a child does not have to present such a certificate.

In 2018 the state budget paid out a total of PLN 279.1 million for lump-sum benefits on the birth of a child.
9.3.5. Lump-sum benefit paid on the birth of a child paid by municipalities

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

9.4. Benefits from the Maintenance Fund

The Maintenance Fund, financed by the state budget, is intended to support people who do not receive the adjudged maintenance allowance due to the ineffectiveness of enforcement. Support is granted on the basis of the provisions of the Act of 7 September 2007 on assistance to persons entitled to maintenance (Journal of Laws of 2019, item 670, as amended).

The proceedings to determine the right to a benefit from the Maintenance Fund are conducted by a head of the municipality, mayor, president of a city or an authorised head or employee of a social assistance centre or other organisational unit of the municipality competent for the place of residence of the person who applies for the benefit.

The right to benefit from the Maintenance Fund is established by the competent body at the request of an entitled person or his/her statutory representative. That body also effects payment of benefits from the Maintenance Fund.

The right to benefits from the Maintenance Fund is exercised by a child who has been awarded the maintenance allowance to be paid by a parent, but enforcement of due maintenance allowance is ineffective. The benefit from the Maintenance Fund is payable to the entitled person:

- until he/she reaches 18 years of age, or
- until he/she reaches the age of 25, if he/she is studying at school (also a tertiary level school), or
- indefinitely if he/she holds a certificate of severe degree of disability.

Enforcement shall be deemed to be ineffective if the full amount of overdue and due maintenance liabilities has not been recovered within the last 2 months.

The eligible person must also satisfy the income condition. The average monthly income per person in the family of the entitled person in the calendar year which precedes the benefit period may not exceed PLN 725.00 net.
As of 1 October 2019, the income criterion for entitlement to benefits from the Maintenance Fund is PLN 800.00 net per person in a family.

The benefit from the Maintenance Fund is usually granted for the so-called benefit period. It lasts 12 months: from 1 October to 30 September of the following calendar year. The benefit is granted in the amount of currently adjudged maintenance allowance, but may not exceed PLN 500.00 per month for each child who is entitled to the maintenance allowance.

Since 1 May 2010, benefits from the Maintenance Fund are not subject to the regulations on the coordination of social security systems.

In 2018, the state budget paid a total amount of PLN 1.24 billion for benefits from the Maintenance Fund. On average, 258.6 thousand such benefits were paid monthly.

9.5. Carer’s allowance

The carer’s allowance is granted to non-active adult carers of disabled persons if the decisions on their nursing benefits have expired ipso jure on 1 July 2013. It is payable by municipalities on the basis of the Act of 4 April 2014 on the establishment and payment of carers’ allowances (Journal of Laws of 2017, item 2092) in connection with the implementation of the judgement of the Constitutional Tribunal of 5 December 2013.

The carer’s allowance may be claimed only by persons who have already had an established right to this allowance and want to continue receiving it, because the person requiring care has received another disability certificate.

From 1 November 2018, the carer's allowance is payable in the amount of PLN 620.00 per month.

In 2018, the state budget paid a total of PLN 202.2 million for carer's allowances (including contributions for pension and health insurance and statutory interest). On average, 26.3 thousand such allowances were paid monthly.

Further information on material support for families can be found on the website www.mrpps.gov.pl.
10. Unemployment benefits
The tasks of the state in the field of employment promotion, mitigating the effects of unemployment, and professional activation are defined in the Act of 20 April 2004 on employment promotion and labour market institutions (Journal of Laws of 2019, item 1482).

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

The National Action Plan in Favour of Employment is drafted by the minister in charge of labour issues, who should collaborate with the minister in charge of economic issues, the minister in charge of education and the minister in charge of higher education. Then it is submitted to the Labour Market Council for its opinion.

The services and instruments aimed to promote employment, mitigate the effects of unemployment and promote occupational activity of citizens include among others:
- job placement,
- vocational guidance,
- trainings,
- subsidised (intervention) jobs,
- public works,
- reimbursing the costs of equipment or the supplementary equipment of work posts for placed unemployed persons, incurred by entities running a business,
- 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. It is composed mainly of contributions payable at a rate annually fixed by the Budgetary Law. From 1999 to 2018 the rate was unchanged and was equal to 2.45% of the assessment basis of the contribution for old-age and disability pension insurance. Starting from 2019 the contribution has been fixed at the rate of 2.3%.

Total revenues of the Labour Fund in 2018 amounted to PLN 14.12 billion. Inflows from compulsory contributions equalled PLN 12.58 billion (89.1%), inflows from the European Union – PLN 1.15 billion (8.1%) and other revenues – PLN 0.39 billion (2.8%).
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),
- activating supplements and integration benefits.

The right to the unemployment benefit is awarded to an unemployed person who has lost his/her 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 wage/salary, on which a compulsory contribution had to be paid to the Labour Fund,
- performed work on the basis of outwork contract and has reached in this respect an income amounting to at least the minimum wage/salary,
- 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 assessment basis of the social insurance contributions and contributions to the Labour Fund was equal to at least the minimum wage/salary,
- paid social insurance contributions in respect of non-agricultural activity or in respect of collaboration in such activity, if the assessment basis 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 assessment basis of the social insurance contributions and contributions to the Labour Fund was equal to at least the minimum wage/salary,
- performed work in a production cooperative or cooperative of agricultural circles or agricultural services, while being a member of such a cooperative, if the assessment basis of the social insurance contributions and contributions to the Labour Fund was equal to at least the minimum wage/salary,
- paid the contribution to the Labour Fund in connection with employment or other gainful activity abroad with a foreign employer in a country outside the European Economic Area, 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.

At the end of 2018 the number of persons registered as unemployed in labour offices was 968.9 thousand, including 426.3 thousand men (44%) and 542.6 thousand women (56%).

At the end of 2018, the rate of registered unemployment was 5.8%.
Registered unemployment rate in Poland in 2003–2018 (in %)

The economic activity rate of people aged 15 and over was 56.1%, with 48.0% for women and 64.9% for men.

At the end of 2018, the employment rate (the share of the working population in the total population aged 15 and over) was 54.0%, with 46.1% for women and 62.6% for men.

### Unemployment benefits rates

<table>
<thead>
<tr>
<th>Employment period</th>
<th>% of basic benefit payment</th>
<th>PLN monthly</th>
<th>During the first 3 months</th>
<th>During subsequent months of the benefit period</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 5 years</td>
<td>80 (reduced)</td>
<td>689.20</td>
<td>541.20</td>
<td></td>
</tr>
<tr>
<td>from 5 to 20 years</td>
<td>100 (basic)</td>
<td>861.40</td>
<td>676.40</td>
<td></td>
</tr>
<tr>
<td>over 20 years</td>
<td>120 (raised)</td>
<td>1033.70</td>
<td>811.70</td>
<td></td>
</tr>
</tbody>
</table>

In 2018, 153.3 thousand people were entitled to the benefit, i.e. 15.8% of all registered unemployed people, of which 89.3 thousand were women and 64.0 thousand were men.

Further information on unemployment benefits can be found on the website: [www.mrpips.gov.pl](http://www.mrpips.gov.pl).

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1 Information on the labour market in the fourth quarter of 2018, Central Statistical Office of Poland.
11. Social assistance
11.1 The scope and criteria for awarding the social assistance

Social assistance enables the recipients to cope with difficult life situations which they are not in a position to overcome alone. The main aim of social assistance is to support individuals and families in their efforts to satisfy basic needs as well as enable them to live in decent conditions. It also seeks to take measures to ensure that individuals and families at risk of exclusion become independent and integrate into the environment.

Social assistance is organised by the bodies of:
- government administration:
  - the minister in charge of social security issues,
  - voivodes
- local government:
  - marshals of the voivodeships,
  - starostas at the district level,
  - heads of municipalities, mayors and presidents of cities at municipal level.

In realising the social assistance tasks 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 exercised by individuals and families whose incomes 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, 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 last verification took place in 2018. In the year of criteria verification, the new income criteria apply from 1 October. However, the municipal council may, by way of a resolution, increase the amounts which entitle to temporary and purpose-specific allowances. However, the municipal council may, by way of a resolution, increase the amounts which entitle to temporary and purpose-specific allowances.

Social assistance benefits are paid on the request of a person concerned, his/her legal representative (e.g. in the case of a child – its parents or legal guardians) or 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 decision whether a family should be granted assistance is made on the basis of a family environmental interview conducted by the social worker in the place of residence or stay of the person or family applying for assistance. Applicant’s refusal to undergo the interview is a basis for refusing the benefit, revoking the decision to grant the benefit or withholding the payment of social assistance cash benefits. A social worker conducts an interview within 14 days from the date when the person concerned applies for assistance. The purpose of the interview is to establish the personal, family, income and property situation of persons and families applying for assistance.

Within the social assistance system, the term ‘family’ is understood as individuals related and unrelated yet remaining in an actual union, living collectively and within a system of economically mutual support. Therefore, 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 considered separately.

11.2 Cash benefits from social assistance

The right to cash benefits from social assistance is granted to persons who meet the income criterion. It amounts to PLN 701.00 per month for people who run the household alone, and PLN 528.00 per person in a family. The mentioned amounts have been valid from 1 October 2018.

Income is the sum of the monthly revenues of all family members derived from all sources and titles. The revenue is reduced by personal income tax, health and social insurance contributions and maintenance allowances provided to other persons.
The following components are not part of an income:

- lump-sum social assistance benefit,
- purpose-specific allowance,
- 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 benefit and financial assistance referred to in the Act of 20 March 2015 on anti-communist opposition activists, persons repressed for political reasons and the Act of 24 January 1991 on combatants and certain persons who are victims of war and post-war repression,
- benefit paid under the Act of 2 September 1994 on the cash benefit and rights of substitute military service soldiers forcibly employed in coal mines, quarries, uranium ore plants and building battalions,
- benefit paid under the Act of 31 May 1996 on persons deported to forced labour and inmates of labour camps by the Third Reich and the Union of Soviet Socialist Republics,
- benefit payable under the Act of 16 November 2006 on cash benefits and rights of civil blind victims of warfare,
- benefit under the Act of 20 March 2015 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,
- cash benefit granted under Article 9 of the Act of 22 November 2018 on the graves of veterans of the struggle for freedom and independence of Poland,
- the Prime Minister’s special prize awarded pursuant to Article 31a of the Act of 8 August 1996 on the Council of Ministers.

In establishing entitlement to social assistance 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 employment or the right to benefits, from the month in which the application has been submitted.

It is assumed that for an area of 1 hectare the monthly income obtained is PLN 308.00. This amount is subject to verification when income criteria are verified.

In the case of individuals conducting economic activity, income is deemed to be revenue obtained from non-agricultural activity, reduced by the sum of costs incurred, tax paid, contributions for the statutory health insurance and social insurance not included in the costs incurred, connected with the running of such a business and set off against income.
11.2.1. Permanent allowance

The permanent allowance is granted to a person of age who:

- independently runs a household and is incapable of work as a result of age or completely incapable of work (e.g. as a result of moderate or significant degree of disability, if his/her income is less than PLN 701.00 a month; the benefit is the difference between his/her monthly income and the amount of the income criterion (e.g. with an income of PLN 250.00 the benefit will be PLN 701.00 − PLN 250.00 = PLN 451.00);
- lives in a family and is incapable of work as a result of age or completely incapable of work, if his/her income is less than PLN 528.00 a month; the benefit is the difference between his/her monthly income and the amount of the income criterion.

In relation to an individual in a family, the income of the person entitled to the allowance and the income as calculated per family member is taken into account. In both cases this income may not exceed the amount of PLN 528.00 per month.

The allowance is not payable if the applicant is already entitled to:

- social pension,
- nursing benefit,
- special care allowance,
- additional payment to family allowance as a result of bringing up a child on his/her own,
- carer allowance.

Also, it is not granted to an individual who has lost the entitlement to unemployment benefit as a result of the elapsing of the statutory period of its payment.

The right to social assistance benefits, and therefore also to the permanent allowance, is also not granted to 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 benefit, but it will be suspended for the duration of the temporary arrest.

11.2.2. Temporary allowance

The temporary allowance is granted in particular due to: long-term illness, disability, unemployment or the possibility of maintaining or acquiring rights to benefits from other social security systems. It may be acquired by a single person or a family whose income does not exceed the statutory income criterion, i.e. PLN 701.00 or PLN 528.00 per person in the family, respectively.

The amount of the temporary allowance granted depends on the income of a person or a family. The allowance is payable to the amount of the difference between the income criterion determined in accordance with the Social Assistance Act and the actual
income. The temporary allowance in the case of a person who runs his/her household alone may not be higher than PLN 418.00 per month. The amount of the temporary allowance may not be lower than PLN 20.00.

The period for which the allowance is granted depends on the individual situation of a person or a family. It is determined by the social assistance centre based on the circumstances of the case.

11.2.3. Purpose-specific allowance

The purpose-specific allowance is granted to enable an individual or a family to meet their basic needs. It is primarily intended to cover part or all of the costs of:

- purchase of:
  - food,
  - drugs,
  - treatment,
  - fuel,
  - clothing,
  - household items,
- small scale property renovation and repair work,
- funeral.

The Act does not specify the amount of the purpose-specific allowance. When a social assistance centre determines this allowance, it takes into account the claimant’s financial situation, the purpose he/she has indicated and the centre’s financial capacity.

The purpose-specific allowance is eligible for:

- individuals living alone whose income is lower than PLN 701.00 per month,
- those in a family whose income per person is lower than PLN 528.00 monthly.

Homeless persons and others without an income or the possibility of obtaining health care benefits may be entitled to the purpose-specific allowance to cover the partial or complete costs of these benefits.

The allowance may also be granted in the form of a credit voucher to persons who as a result of a need to regulate important family or administrative matters are obliged to travel to other locality.

The social assistance centre may also grant a purpose-specific allowance in order to fulfil the provisions of the social contract. It is an agreement between a social worker and a person in need of help. When a person who is in need of social assistance signs such a contract, he/she may retain the right to a purpose-specific or temporary allowance, even if he/she finds a job during the contract. This right is valid until the date specified in the decision on granting the benefit, but not longer than for 2 months.
In addition to the purpose-specific allowance granted to meet the necessary living needs, the following are also available:

- a purpose-specific allowance to cover additional expenses resulting from fortuitous events beyond the control of the recipient or natural and ecological disasters,
- a special purpose-specific allowance,
- a purpose-specific allowance awarded in the form of a repayable sum.

The purpose-specific allowance to cover expenditure resulting from a fortuitous event may be granted without reference to income levels and may be non-repayable.

The purpose-specific allowance to cover expenditure resulting from a natural or ecological disaster may be granted without reference to income levels and may be non-repayable.

The special purpose-specific allowance may be granted to an individual or a family whose incomes exceed the statutory criterion in specially justified cases. It must be an exceptional situation, resulting from events acute in their effects and far interfering with the life plans of the individual or family concerned.

This allowance may not exceed the sum of the income criterion for an individual (PLN 701.00 on a monthly basis) or a family (PLN 528.00 per person on a monthly basis). It is non-repayable.

The purpose-specific allowance in the form of a repayable sum may be granted in specially justified cases to an individual or a family with incomes exceeding the income criterion. However, they must return part or all of this benefit.

11.2.4. Assistance for economic independence

The assistance for economic independence is assistance in cash or in 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 cooperates with the local employment office.

The cash assistance may be distributed in the form of:

- a lump-sum purpose-specific benefit (the amount and specific conditions and way of benefit for economic independence are determined by the municipality council by means of a resolution),
- a non-interest loan (the conditions for its granting and 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 providing of machines and equipment which enable the arrangement of a working environment as well as providing of equipment to aid work for persons with disabilities. This is available to individuals living alone whose monthly income is less than PLN 701.00 as well as to families whose income per capita is lower than PLN 528.00 a month.
11.2.5. Financial aid for becoming independent or continuing education

This type of assistance may be granted for becoming independent and for continuation of a study in lower secondary schools, post-primary schools, post-lower secondary schools or in tertiary education. In addition, applications may be made for financial assistance in obtaining accommodation including in sheltered accommodation, for 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:
- social care home,
- juvenile shelter,
- specialist schooling–educational unit
- specialist educational unit,
- youth sociotherapy unit providing twenty-four hour care,
- correctional facility,
- youth education centre.

Under certain conditions, this type of aid may be applied for by those leaving a hostel for mothers with small children and women who are pregnant.

Financial assistance for becoming independent and for continuing education is provided by starosta in accordance with the child’s place of residence prior to its referral to one of these institutions.

The amount of financial assistance for continuing education and for becoming independent, as well as the amount of assistance in kind for settling in, is currently determined from the amount of PLN 1,763.00 (the basis).

Financial assistance for continuing education is 30% of the monthly basis. It is eligible to individuals who become independent and continue their education at primary school, post-primary schools, in tertiary education, on courses (if their completion is in accordance with an individual programme of becoming independent), in a teacher training establishment or at the employer’s for vocational training purposes.

This assistance is granted for the duration of study, yet no longer than until the recipient reaches the age of 25. The amount of financial assistance for becoming independent depends on the type of institution which the given individual attends, as well as the time spent there (no less than 12 months).

Financial assistance for continuing education is available to:
- a person who lives alone and whose monthly income does not exceed PLN 1,402.00 (which constitutes 200% of the sum of the income criterion for an individual living alone),
- a family member if per capita monthly income does not exceed PLN 1,056.00 (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 individual programme of becoming independent, drawn up together with a tutor and with his/her help and approved by the head of the poviat family aid centre.

11.3. Other forms of social assistance

11.3.1. Social work

The social work is provided to help the individuals and families within their social environment. It is conducted to enhance their participation and independence. The cooperation with local society is aimed to ensure the coordination of actions of 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 e.g. based on social contract. It is a written agreement concluded with the person applying for help. The contract determines the entitlements and obligations of this person and the social worker so that they could jointly act to overcome the difficult life situation of such individual or his/her family.

The social contract is aimed to activate an individual, encourage him/her to act independently and achieve the designated goal. It may be concluded by persons referred to by the poviat labour office, the unemployed and beneficiaries of social assistance benefits. If it is concluded by an unemployed person, the social assistance centre pays his/her health insurance contribution.

11.3.2. Specialist advice

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

11.3.3. Crisis intervention

The crisis intervention consists in a series of interdisciplinary activities for individuals and families who find themselves in crisis. It aims at restoring mental balance and self-management skills to those who need help.
As part of the crisis intervention, the person in need may receive immediate specialist psychological assistance, social or legal advice and, in justified cases, be provided with shelter (for maximum of 3 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 minor children or other persons with legal custody of children may also be admitted to such homes.

Crisis intervention covers individuals and families regardless of income and all assistance provided in crisis intervention units is free.

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

The assistance in the form of sheltered accommodation, meals and clothing is granted to individuals and families who are unable through their own efforts to provide themselves with these goods.

The shelter may be provided in the form of a temporary place in a shelter for the homeless, in an overnight stay or a heating room. A place in a shelter for the homeless and a meal can be obtained after the social worker has conducted a environmental interview with the person in need and an administrative decision has been issued. When a shelter is needed immediately, this procedure is often carried out after the help is provided.

11.3.5. Holding a funeral

Within the framework of social assistance, the municipality is obliged to hold a funeral (in accordance with the denomination of the deceased) if the family or another institution (e.g. employer, religious community) did not do it.

11.3.6. Carer services

Carer services cover:
- assistance in providing aid to cover everyday needs,
- hygiene care,
- the nursing prescribed by a doctor,
- if possible, ensuring contacts with the outside world.

Specialist carer services are adapted to the specific needs resulting from the type of disease or disability. They are provided by individuals with professional specialist train-
The scope, period and place where these services are provided are determined by the social assistance centre.

The carer services are available to a single person who requires the assistance of others and yet is not provided with it, or for whom the closest persons 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 municipal council,
- the number of hours provided,
- the income of the person or of the family taking advantage of such services.

The higher the income, the greater is the cost of the services. For someone with an income below the income criterion fixed in the Act on social assistance, payment for the services provided is completely covered by the social assistance centre.

The payment for the specialist care services is specified in the Regulation of the Minister of Social Policy of 22 September 2005 on specialist care services.

11.3.7. Support units and social assistance homes

Specialist care or meals at a support unit may be given to those in need of help as a result of their age, illness or disability. The support unit is a centre offering help in the form of day care, specialist care or meals. In some support centres twenty-four hour places are available.

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 integrating with the society.

Family help homes are designated for those requiring twenty-four hour support that cannot be guaranteed in their place of residence. However, those individuals still do not require admittance to a social assistance home. Admittance for either a permanent or temporary stay in a family help home takes place on application by the individual concerned or, with his/her consent, on an application submitted by his/her legal guardian.

The decision as to whether refer an applicant to a family help home is taken by the head of the social assistance centre on the basis of:
- family environment interview,
- medical certificate 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,
- evidence of receiving the old-age pension, disability pension or permanent allowance.

The resident must pay for the stay in the family help home. The payment is equal to the expenses incurred by the facility, but may not exceed 70% of the resident’s income. The relatives of the resident may be obliged to pay for the stay.
Persons staying in a sheltered accommodation are prepared, under the care of specialists, to independent life. It provides conditions for independent functioning in the environment and for integration with the local community.

Such accommodation may be run by every organisational unit of social assistance or by any public welfare organisation. People who live there are guaranteed 7 days a week of support tailored to their individual needs.

The sheltered accommodation is available to:
- a person who, as a result of his/her difficult life situation, age, disability or illness, requires support in his/her everyday functioning yet does not need the level of help provided in units of twenty-four hour day care,
- a person with psychiatric disturbances,
- a person leaving foster care in the understanding of regulations on family support and the foster care system, a youth education centre or juvenile shelter,
- a foreigner who has gained refugee status in Poland or additional protection.

To decide whether a person concerned may be provided with the sheltered accommodation, the social assistance centre must commission a family interview. The decision is made when the person who applies for such a stay (or his/her representative), and the social worker of the unit who refers the person to the sheltered accommodation and the employee of the unit running the accommodation establish the aim, period and the rules of the stay in the sheltered accommodation, as well as the resulting payment for the said.

The social assistance homes guarantee their residents twenty-four hour care as well as auxiliary and educational services in the scope and form resulting from the individual needs of residents. The organisation, scope and level of the services provided take into consideration the fitness level and psychic abilities of the residents. The social assistance home may also provide carer services and specialist care services for residents.

The social assistance homes are designated for:
- people of an advanced age,
- the somatically or psychiatrically chronically ill,
- intellectually handicapped adults, children and young people,
- people with physical disabilities,
- people with alcohol addictions.

The right to residence in a social assistance home is exercised by people:
- requiring twenty-four hour care as a result of age or disability,
- unable to function independently in daily life,
- unable to guarantee themselves the necessary help in the form of carer services.

Referral to the social assistance home requires an examination of the applicant’s state of health and his/her family situation. It should be also determined whether the person concerned could be helped in his/her place of residence.
If this is not possible, such person is referred to the social assistance home of the appropriate type, if he/she (or his/her legal representative) agrees. The social assistance home located as close as possible to the place of residence is chosen.

The decision as to the payment for residence in a social assistance home is made by a body of the municipality competent for the person concerned on the day the application/referral for admittance to this type of centre was made. Payment for residence is not higher than the amount of the average monthly cost of a resident. This cost, depending on the range of the social assistance home, is determined:

- for a home with a communal reach – by the head of the municipality, mayor or president of the city,
- for a home with a municipal range – by starosta,
- for a home with regional range – by the marshal of the voivodeship.

The requirement to pay for residency at a social assistance home falls on, in order:
1) the home's resident, though in the case of a minor, his/her legal representative,
2) spouse of the home's resident,
3) resident's children and grandchildren (descendants),
4) resident's parents and grandparents (forebears),
5) municipality from which the person has been referred to the social assistance home.

Persons paying for the social assistance home may be exempted from payment, partially or entirely, if:

- they lodge an appropriate request,
- there are justifiable conditions for such exemption, in particular 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 can be found on the website [www.mrpips.gov.pl](http://www.mrpips.gov.pl).

On our website you will find current information on social insurance.

In the “ZUS Library” section you will also find many useful publications on social insurance:
- leaflets,
- manuals,
- guides,
- books,
- the scientific quarterly *Social Insurance. Theory and practice*.

In the “About ZUS” section we also publish a calendar of free trainings that we organise for the contribution payers: www.zus.pl/o-zus/kalendarium.

The Electronic Services Platform (*Platforma Usług Elektronicznych, PUE*): www.zus.pl. PUE is a modern and convenient form of contact with ZUS, thanks to which you can settle most of the matters related to social insurance without leaving home – via the Internet. This way you can check your data saved on an individual account with ZUS, send documents, check the status of your case and make an appointment to visit our facility.

The following language version of the “Social Security in Poland” is also available:
Polish – *Zabezpieczenie społeczne w Polsce*