

Poland

Exchange rate: US\$1.00 = 3.39 zlotys.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1927 (salaried employees) and 1933 (wage earners).

Current laws: 1990 (farmers); 1997 (pension funds); 1998 (social insurance system), implemented in 1999; 1998 (social insurance fund); 2003 (social pension); 2004 (individual accounts); and 2008 (old-age pension).

Type of program: Social insurance, notional defined contribution (NDC), and mandatory individual account systems for old-age benefits; social insurance system for disability and survivor benefits.

Coverage

Social insurance: All economically active persons born before January 1, 1949 (old age).

All economically active persons (disability and survivors).

NDC and mandatory individual account: All economically active persons born after December 31, 1968 (old age).

Until December 31, 1999 those born from January 1, 1949, to December 31, 1968, could choose to remain under the social insurance, switch to the NDC only, or to NDC and the individual account (old age).

Voluntary coverage for students, Polish citizens working abroad, persons caring for a family member, and persons with previous mandatory coverage.

Special systems for individual farmers, military personnel, and police personnel.

Source of Funds

Insured person

Social insurance: 9.76% of covered earnings (old age), and 1.5% of covered earnings (disability and survivors).

There are no minimum earnings used to calculate contributions.

The maximum annual earnings used to calculate the combined employee and employer contributions are 30 times the average national monthly earnings set by law.

The average national monthly earnings are 3,416 zlotys.

NDC only: 9.76% of covered earnings (old age), and 1.5% of covered earnings (disability and survivors).

There are no minimum earnings used to calculate contributions.

The maximum annual earnings used to calculate the combined employee and employer contributions are 30 times the average national monthly earnings set by law.

NDC and mandatory individual account:

NDC: 7.46% of covered earnings (old age), and 1.5% of covered earnings (disability and survivors).

Mandatory individual account: 2.3% of covered earnings (old age), and up to 3.5% of contributions (up to 0.54% of assets) plus up 0.06% of assets (depending on fund performance) for annual administrative fees.

There are no minimum earnings used to calculate contributions.

The maximum annual earnings used to calculate the combined employee and employer contributions are 30 times the average national monthly earnings set by law.

The average national monthly earnings are 3,416 zlotys.

Self-employed person

Social insurance: 19.52% of declared income (old age), and 1.5% of declared income (disability and survivors).

The minimum income used to calculate contributions is 60% of the average national monthly earnings set by law.

The average national monthly earnings are 3,416 zlotys.

NDC only: 19.52% of declared income (old age), and 1.5% of declared income (disability and survivors).

NDC and mandatory individual account:

NDC: 17.22% of declared income (old age), and 1.5% of declared income (disability and survivors).

Mandatory individual account: 2.3% of declared income (old age), and up to 3.5% of contributions (up to 0.54% of assets) plus up 0.06% of assets (depending on fund performance) for annual administrative fees.

The minimum income used to calculate contributions is 60% of the average national monthly earnings set by law.

The average national monthly earnings are 3,416 zlotys.

Employer

Social insurance: 9.76% of covered payroll (old age), and 4.5% of covered payroll (disability and survivors).

There are no minimum earnings used to calculate contributions.

The maximum annual earnings used to calculate the combined employee and employer contributions are 30 times the average national monthly earnings set by law.

The average national monthly earnings are 3,416 zlotys.

NDC only: 9.76% of covered payroll (old age), and 4.5% of covered payroll (disability and survivors).

NDC and mandatory individual account:

NDC: 9.76% of covered payroll (old age), and 4.5% of covered payroll (disability and survivors).

Mandatory individual account: None.

Government

The total cost of the guaranteed minimum pension; pays pension contributions for insured persons taking child care leave or receiving maternity allowances, for persons receiving unemployment benefits, and for unemployed graduates.

Qualifying Conditions

Old-age pension (social insurance): Age 65 (rising gradually to 67 from 2013 to 2020) with at least 25 years of coverage (men) or age 60 (rising gradually to 67 from 2013 to 2040) with at least 20 years of coverage (women). Noncontributory years must not exceed 33.3% of contributory years. The age requirement is reduced for workers in certain hazardous occupations.

The pensionable age is reduced by five years with at least 30 years of coverage for war veterans and for persons assessed with a disability.

Guaranteed minimum pension: Paid if the old-age pension is below the monthly minimum old-age pension with at least 20 years of coverage (women) or at least 25 years (men).

The monthly minimum old-age pension is 728.18 zlotys a month.

Nursing allowance: Paid to persons aged 75 or older or to those assessed with a total incapacity for work and dependent on others.

Old-age pension (NDC only): Age 65 (men, rising gradually to 67 from 2013 to 2020) or age 60 (women, rising gradually to 67 from 2013 to 2040).

Guaranteed minimum pension: Paid if the NDC old-age benefit is below the monthly minimum old-age pension.

The monthly minimum old-age pension is 728.18 zlotys a month.

Old-age pension (NDC and mandatory individual account): Age 65 (men, rising gradually to 67 from 2013 to 2020) or age 60 (women, rising gradually to 67 from 2013 to 2040).

Guaranteed minimum pension: Paid if the total amount of the NDC old-age pension and the annuity from the individual account is below the monthly minimum old-age pension.

The monthly minimum old-age pension is 728.18 zlotys a month.

Disability pension: Paid for a total disability (incapacity for any work) or partial disability (greatly impaired earning capacity or total incapacity for usual work) with at least five years of coverage (one to four years if younger than

age 30) during the last 10 years, or a total of 25 years (men) or 20 years (women) of coverage. Noncontributory years must not exceed 33.3% of contributory years. The disability began during the coverage period or within 18 months of the cessation of contributions.

Nursing allowance: Paid to persons assessed with a total incapacity for work and dependent on others.

Training pension: Paid to a person who is no longer capable of work in his or her usual job and is in vocational retraining.

Survivors' pension: The deceased was a pensioner or had the required number of years of coverage for a disability or old-age pension at the time of death.

Eligible survivors are a widow(er) aged 50 or older at the time of the insured's death, incapable of work, raising a child younger than age 16 (age 18 if a student), or caring for a child with a disability whose disability began before age 16 (age 25 if a student) (a divorced spouse must be entitled to alimony and meet the requirements for a widow(er)); dependent children younger than age 16 (age 25 if a student, no limit if disabled and the disability began before age 16 or before age 25 if a student); and dependent parents who fulfill the requirements for a widow(er).

Funeral grant: Paid for the funeral of the insured, a pensioner, or a member of his or her family.

Benefits are only payable abroad within the countries of the European Union, European Economic Area, or in countries with bilateral agreements with Poland.

Old-Age Benefits

Old-age pension (social insurance): The pension is the sum of 24% of the base amount, 1.3% of the insured's earnings multiplied by the number of contribution years, and 0.7% of the insured's earnings multiplied by the number of eligible noncontributory years (for example, for years spent raising children).

The insured's earnings used to calculate the pension are either those in 10 consecutive calendar years chosen by the insured from the 20 years before the year of the claim or in 20 years selected from the total coverage period.

The maximum earnings used to calculate benefits for each contributory year are 250% of the base amount in the previous calendar year.

The base amount is 2,822.66 zlotys.

The minimum monthly old-age pension is 728.18 zlotys.

Nursing allowance: 186.71 zlotys a month is paid.

Earnings test: For pensioners younger than the statutory retirement age, the monthly pension is reduced if income is greater than 70% but lower than 130% of the average national monthly earnings. The pension is suspended if the income received exceeds 130% of the average national monthly earnings.

Benefit adjustment: Benefits are adjusted based on the average annual index of consumer goods and services of the preceding calendar year.

Old-age pension (NDC): The pension is based on the total value of collected and indexed pension contributions divided by average life expectancy at retirement age.

Old-age pension (mandatory individual account): An annuity is purchased with the funds from the individual account.

Permanent Disability Benefits

Disability pension: If the insured has a total disability, the pension is the sum of 24% of the base amount, 1.3% of the insured's earnings multiplied by the number of contribution years, 0.7% of the insured's earnings multiplied by the number of eligible noncontributory years (for example, for years spent raising children), and 0.7% of the insured's earnings multiplied by the number of projected years needed to give a maximum of 25 years of coverage from the day of the claim up to age 60.

The benefit is based on a period of 10 consecutive calendar years chosen by the person in the last 20 calendar years or 20 calendar years chosen from the whole insurance period.

The maximum earnings used to calculate benefits for each contributory year are 250% of the base amount.

The base amount is 2,822.66 zlotys.

Earnings test: The pension is reduced if the insured's income is greater than 70% but lower than 130% of the average national monthly earnings. The pension is suspended if the income received exceeds 130% of the average national monthly earnings.

The disability pension is replaced by an old-age pension at retirement age and there is no earnings test.

The monthly minimum pension for a total disability is 728.18 zlotys.

Partial disability pension: 75% of the disability pension is paid.

The monthly minimum pension for a partial disability is 560.13 zlotys.

Nursing allowance: 186.71 zlotys a month is paid.

Training pension: The pension is 75% of the earnings used to calculate the insured's disability pension and is paid for up to six months; up to 30 months in certain cases.

The minimum monthly training pension is 100% of the minimum monthly pension for a partial disability.

Benefit adjustment: Benefits are adjusted based on the average annual index of consumer goods and services of the preceding calendar year.

Survivor Benefits

Survivor pension: The pension varies according to the number of survivors: one survivor receives 85% of the insured's old-age pension; two survivors, 90%; three or more survivors, 95%. If the deceased was not eligible for the old-age pension, the survivors' pension is calculated based on the disability pension.

Earnings test: The pension is reduced if the insured's income is greater than 70% but lower than 130% of the average national monthly earnings. The pension is suspended if the income received exceeds 130% of the average national monthly earnings.

The average national monthly earnings are 3,416 zlotys.

The minimum monthly survivor pension is 728.18 zlotys.

Benefit adjustment: Benefits are adjusted automatically according to price increases when the aggregate growth of the consumer price index exceeds 5%.

Funeral grant: A lump sum of up to 4,000 zlotys is paid.

Administrative Organization

Ministry of Labor and Social Policy (<http://www.mpips.gov.pl>) provides general supervision.

Social Insurance Institution (<http://www.zus.pl>), with 43 branch offices, administers the social insurance and NDC programs.

Polish Financial Supervision Authority (<http://www.knf.gov.pl>) supervises pension fund management companies.

Sickness and Maternity

Regulatory Framework

First law: 1920.

Current laws: 1997 (rehabilitation), 1999 (sickness and maternity), 2003 (health fund), and 2004 (health care benefits).

Type of program: Social insurance system.

Coverage

Cash sickness and maternity benefits: All employees.

Voluntary coverage for self-employed persons.

Medical benefits: All employed, and self-employed persons, pensioners, unemployment allowance beneficiaries, persons undergoing professional rehabilitation, students, and the insured's dependent family members.

Voluntary coverage is available.

Special systems for individual farmers, military personnel, and police personnel.

Source of Funds

Insured person

Cash benefits: 2.45% of gross earnings.

Medical benefits: 9% of gross earnings.

There are no maximum earnings used to calculate contributions.

Self-employed person

Cash benefits: 2.45% of declared income.

Medical benefits: 9% of declared income.

The minimum base amount used to calculate contributions is 60% of the average national monthly earnings set by the budget law.

The average national monthly earnings are 3,416 zlotys.

For the voluntarily insured, the maximum basis for assessment is 250% of the average monthly income from the preceding quarter.

Employer: None.

Government: Subsidies for medical benefits.

Qualifying Conditions

Cash sickness and maternity benefits: Currently in insured employment with at least 30 days of continuous coverage; 90 days of continuous coverage for the voluntarily insured.

Accidents that occur while commuting to and from work are covered.

Medical benefits: Must be currently insured or receiving social benefits, including full-time students, and unemployed persons.

Sickness and Maternity Benefits

Sickness benefit: 80% of the insured's average earnings (70% for hospitalization) in the 12 months before the incapacity began is paid. 100% of earnings if the incapacity began during pregnancy or was the result of an accident while commuting to or from work.

The benefit is paid from the first day of incapacity for up to 182 days (may be extended to 270 days if recovery is likely or for tuberculosis). The employer pays the benefit for the first 33 days.

Rehabilitation allowance: The benefit is 90% of the sickness benefit for the first three months and 75% thereafter; 100% if the incapacity for work began during pregnancy. The benefit is paid for up to 12 months.

Compensatory allowance: Paid to compensate for lost earnings resulting from a loss in working capacity. The insured must undergo vocational rehabilitation for up to 24 months. The benefit is the difference between the

insured's average earnings during the last 12 months and the earnings received during vocational rehabilitation.

Maternity benefit: 100% of the insured's average earnings in the last 12 months is paid for 20 weeks (31 to 37 weeks for multiple births, depending on the number of children born).

Care allowance: 80% of the insured's average earnings in the last 12 months is paid for up to 60 days each calendar year if the insured takes leave from work to care for a healthy child younger than age 8 or a sick child younger than age 14. The allowance may be paid for up to 14 days to care for any other sick family member.

Workers' Medical Benefits

Medical benefits: Private health care providers under contract to the National Health Fund provide services directly to patients. Benefits include general and specialist care; hospitalization; surgeries specified by the Ministry of Health; laboratory services; dental care, including dental prostheses; ophthalmology and optician services; functional and vocational rehabilitation; free transportation; and basic prescription drugs.

Patients may choose the doctor and hospital.

There is no limit to duration if employed; if employment ceases, coverage continues for 30 days.

Cost sharing: There is no cost sharing for basic health care. Government provides a partial subsidy for basic prescription drugs.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

Ministry of Labor and Social Policy (<http://www.mpips.gov.pl>) supervises cash benefits.

Social Insurance Institution (<http://www.zus.pl>) administers cash benefits.

Ministry of Health (<http://www.mz.gov.pl>) supervises medical benefits.

National Health Fund (<http://www.nfz.gov.pl>) administers public health funds and contracts medical services.

Work Injury

Regulatory Framework

First law: 1984.

Current laws: 2002 (cash benefits) and 2004 (health care benefits).

Type of program: Social insurance system.

Coverage

All economically active persons, including self-employed persons.

Special systems for individual farmers, military personnel, and police personnel.

Source of Funds

Insured person: None.

Self-employed person: 1.67% of declared earnings.

The minimum income used to calculate contributions is 60% of the average national monthly earnings set by the budget law.

The average national monthly earnings are 3,416 zlotys.

Employer: From 0.67% to 3.33% of payroll, according to the assessed degree of risk and the number of employees.

Government: The cost of specialized procedures promoting good public health practices.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 100% of the insured's average earnings in the 12 months before the disability began is paid from the first day for up to 182 days (may be extended to 270 days).

Rehabilitation allowance: The benefit may be paid if recovery is likely when the insured is no longer eligible for temporary disability. The allowance is 100% of earnings and is paid for up to 12 months.

Permanent Disability Benefits

Permanent disability benefit: If the insured has a total disability, the pension is the sum of 24% of the base amount, 1.3% of the insured's earnings multiplied by the number of contribution years, 0.7% of the insured's earnings multiplied by the number of eligible noncontributory years (for example, for years spent raising children), and 0.7% of the insured's earnings multiplied by the number of projected years needed to give a maximum of 25 years of coverage from the day of the claim up to age 60.

The base amount is 2,822.66 zlotys.

The benefit is paid with at least five years of coverage (one to four years if younger than age 30) during the last 10 years, or a total of 25 years (men) or 20 years (women) of coverage. Noncontributory years must not exceed 33.3% of contributory years. The disability began during the coverage period or within 18 months of the cessation of contributions.

The minimum benefit is 120% of the minimum monthly old-age pension. The minimum monthly old-age pension is 728.11 zlotys.

Earnings test: The benefit is reduced if the insured's income is greater than 70% but lower than 130% of average national monthly earnings. The benefit is suspended if the insured's income exceeds 130% of average national monthly earnings. There is no earnings test after reaching the statutory retirement age.

The average national monthly earnings are 3,416 zlotys.

Nursing allowance: 181.10 zlotys a month is paid.

Partial disability pension: At least 60% of the insured's earnings is paid.

The monthly minimum disability pension is 728.18 zlotys.

Training benefit: 100% of the earnings used for calculating the disability pension is paid to a person who is no longer capable of work in his or her usual job and is undergoing vocational retraining. The pension is paid for six months; up to 36 months in certain cases.

The minimum training benefit is 120% of the minimum monthly old-age pension.

The monthly minimum old-age pension is 728.18 zlotys.

Lump-sum benefit: Paid for permanent or long-term health damage as the result of a work injury or an occupational disease. The benefit is 645 zlotys for each percentage of assessed permanent or long-term health damage. If the insured is assessed as fully incapable of work, a lump sum of 11,287 zlotys is paid.

Workers' Medical Benefits

All necessary medical care is provided.

The total cost of medical services is met by the National Health Fund.

There is no limit to duration.

Survivor Benefits

Survivor pension: The pension varies according to the number of survivors: 85% of the insured's old-age pension for one survivor; 90% for two survivors; 95% for three or more.

The minimum benefit is 120% of the minimum monthly survivors' pension paid under Old Age, Disability, and Survivors.

Eligible survivors are a widow(er) aged 50 at the time of the insured's death, incapable of work, raising a child younger than age 16 (age 18 if a student), or caring for a child with a disability whose disability began before age 16 (age 25 if a student) (a divorced spouse must be entitled to alimony and meet the qualifying requirements for a widow(er)); dependent children younger than age 16 (age 25 if a student, no limit if disabled and the disability began before age 16

or before age 25 if a student); and parents if they were dependent on the deceased and fulfill the requirements for a widow(er).

Administrative Organization

Ministry of Labor and Social Policy (<http://www.mpips.gov.pl>) provides general supervision of cash benefits.

Social Insurance Institution (<http://www.zus.pl>) administers cash benefits.

Ministry of Health (<http://www.mz.gov.pl>) provides general supervision of medical benefits.

Unemployment

Regulatory Framework

First law: 1924.

Current laws: 2004 (employment promotion) and 2004 (early retirement).

Type of program: Social insurance system.

Coverage

Employed persons.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 2.45% of gross payroll.

There are no maximum earnings used to calculate contributions.

Government: Any deficit.

Qualifying Conditions

Unemployment benefit: The insured must be older than age 18, registered with the employment bureau, able and ready to work, and involuntarily unemployed with no redundancy pay or compensation. The insured's earnings must have been at least equal to the minimum wage during at least 365 days in the 18-month period before unemployment (periods of military service, parental leave, and receipt of allowances are credited toward the 365-day period).

Preretirement benefit: The insured is unemployed, eligible for the unemployment benefit, and aged 63 with at least 25 years of coverage (men) or aged 58 with at least 20 years of coverage (women); involuntarily unemployed and aged 60 with at least 25 years of coverage (men) or aged 55 with at least 20 years of coverage (women); or any age and involuntarily unemployed with at least 40 contributory or noncontributory years of coverage (men) or at

least 35 contributory or noncontributory years of coverage (women).

Unemployment Benefits

Unemployment benefit: The benefit is a flat-rate base amount (761.40 zlotys a month for the first three months; thereafter, 597.90 zlotys a month) for those with five to 20 years of employment; 80% of the base amount is paid with less than five years; 120% of the base amount with more than 20 years. The benefit is paid for six to 18 months, depending on the unemployment rate in the region.

Preretirement benefit: 867.25 zlotys is paid.

Administrative Organization

Ministry of Labor and Social Policy (<http://www.mpips.gov.pl>) provides general supervision.

Voivodships (provinces) and local labor bureaus pay benefits and maintain registries of unemployed persons and job vacancies.

Social Insurance Institution (<http://www.zus.pl>) collects payroll contributions from enterprises.

Family Allowances

Regulatory Framework

First law: 1947.

Current law: 2003.

Type of program: Universal system.

Coverage

All persons residing in Poland.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Family allowances (means-tested): Paid to a mother, father, or guardian for a child younger than age 18 (age 21 if a full-time student, age 24 with a learning disability). The family's average per capita monthly income in the previous calendar year was up to 504 zlotys (583 zlotys for families with a child with a disability).

Childbirth lump-sum aid: (means-tested): Paid to a mother, father, or guardian for each child born after April 30, 2004. The family must be eligible for family allowances. Municipalities provide additional financial support, depending on their rules and regulations.

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Childbirth lump-sum supplement: Paid to a mother, father, or guardian for each child.

Parental leave supplement (means-tested): Paid to a mother, father, or guardian for the care of a child younger than age 4 (age 18 if disabled). The family must be eligible for family allowances.

Single parent's child supplement (means-tested): Paid to a single parent or guardian who is eligible for family allowances and meets the income test (alimony is excluded). The child must be younger than age 18 (age 21 if a student, age 24 with a learning disability).

Multiple children family supplement (means-tested): Paid to a mother, father or guardian for the third and each subsequent child in the family entitled to family allowance.

Education and rehabilitation supplement (means-tested): Paid to a mother, father, or guardian for up to 12 months to cover part of the cost of the rehabilitation or education of a child younger than age 16 with a disability (age 24 if moderately or severely disabled).

Beginning of school year supplement (means-tested): Paid to a mother, father, or guardian in September each year for children entitled to family allowances.

School travel and board supplement (means-tested): Paid to a mother, father, or guardian for 10 months (from September to June) for children entitled to family allowances. If the child's home is far from school, the supplement covers part of the travel or boarding costs necessary to attend school.

Nursing allowance (means-tested): Paid to persons incapable of living independently, children younger than age 16 with a disability (age 16 or older if severely disabled), adults with a moderate degree of disability whose disability began before age 21, and persons aged 75 or older.

Nursing benefit (means-tested): Paid to a mother, father, or guardian who ceases work to care for a child younger than age 16 with a disability or an older person with a severe disability.

Family Allowance Benefits

Family allowances (means-tested): The amount paid depends on the child's age: up to 68 zlotys for a child up

to age 5; up to 91 zlotys for a child aged 6 to 18; up to 98 zlotys for a child aged 19 to 24.

Childbirth lump-sum aid (means-tested): 1,000 zlotys is paid for each child. Municipalities provide additional financial support, depending on their rules and regulations.

Childbirth lump-sum supplement: 1,000 zlotys is paid for each child.

Parental leave supplement (means-tested): 400 zlotys a month is paid for up to 24 months for one child; 36 months for multiple births; 72 months for a child with a disability.

Single parent's child supplement (means-tested): 170 zlotys a month is paid for each child (250 zlotys a month for each child with a disability), up to 340 zlotys for each family.

Multiple children family supplement (means tested): 80 zlotys a month is paid for the third and each subsequent child.

Education and rehabilitation supplement (means-tested): 60 zlotys a month is paid for a child younger than age 5; 80 zlotys for a child aged 5 to 24.

Beginning of school year supplement (means-tested): A lump sum of 100 zlotys is paid.

School travel and board supplement (means-tested): 90 zlotys a month is paid (50 zlotys for children who commute).

Nursing allowance (means-tested): 153 zlotys a month is paid.

Nursing benefit (means-tested): 520 zlotys a month is paid.

Administrative Organization

Ministry of Labor and Social Policy (<http://www.mpips.gov.pl>) provides general supervision.

Social Insurance Institution (<http://www.zus.pl>) and the Agricultural Social Security Fund (<http://www.krus.gov.pl>) administer the program through 16 branch offices.