

IGP Country Profile 2022

Poland

Prepared by:
Unum Życie TUiR S.A.





Preface

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The International Group Program (IGP) is a network of major life insurance companies (Network Partners) operating throughout the world, who work together to meet the group insurance and pension needs of international corporations and their affiliates, branches, and subsidiaries.

Since 1967, the International Group Program has been an industry leader in the field of international benefits management, serving more multinational companies than any other network. IGP is represented in around 70 countries throughout the world and is known for the flexibility and quality of service we provide to our clients.

Working closely with our headquarters' staff in Boston, our regional offices in Brussels and Singapore, IGP Network Partners offer corporate clients the advantages of experienced local insurance management coupled with the resources of a professionally trained staff that specializes in international employee benefits.

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Your Local Link to IGP in Poland: Unum Życie TUiR S.A.

Unum Życie TUiR S.A. The IGP Network Partner in Poland

Unum Życie TUiR S.A. is a part of Unum Group, a leading provider of financial protection products and services in the United States and United Kingdom, and the global leader in disability income protection insurance.

We have been operating in Poland for more than 20 years (until 2018 as Pramerica Życie TUiR S.A.).

We are present in 12 major cities and have a broad range of life and health insurance products in our portfolio to cover the customers and their families.

The quality of services provided to Customers is our top priority which is why every Client has a dedicated policy administrator; upon occurrence of insurable event, we pay the benefit the fastest on the market. Our commitment to the highest quality of Customer Service and insurance solutions has been noticed and recognized.

In 2019, Unum Życie received the award for “Customer Friendly Company”, which is awarded to companies presenting the highest standards in customer service. Our company is also no. 1 amongst The Most Friendly Insurance Companies (by Gazeta Bankowa) and Super Ethical Company (by Puls Biznesu).

Thanks to Unum expertise, we can deliver unique insurance solutions at competitive prices:

- in the Dread Disease Rider, we offer one of the most attractive catalogs of dread diseases and medical surgeries.
- we apply a very limited number of liability exclusions.
- we provide coverage for people who do extreme sports.
- we are the only company on the market which pays the benefit in the amount of 10 percent of the sum insured in the event of childbirth, cancer diagnosis, specialized treatment.
- we offer insurance coverage all over the world

Financial Strength Ratings for the Unum Group (per September 2018):

- A.M. Best: A
- Fitch: A
- Moody's: A2
- Standard & Poor's: A

Unum Życie TUiR S.A. has been an IGP Network partner since 2012.

Currency exchange rate (as of March 18, 2022, www.nbp.pl)
USD 1 = PLN 4.2707 (PLN 100 = USD 23.41)

Introduction:

There are five separate insurance categories under the Polish Social Security system:

- disability pension (invalidity pension);
- sickness and maternity insurance;
- injury insurance (accident insurance);
- old age pension (retirement);
- health insurance (medical healthcare).

In addition to this, Poland has a system of family benefits, social assistance benefits and unemployment benefits.

According to the Social Security System Act, a person remaining in employment relationship shall be subject to the compulsory old age pension, the disability pension, and the sickness insurance. Those who are subject to the old age pension and the disability pension insurance must be covered by the accident insurance.

In case of an employment contract, both employer and employee are obliged to pay the contribution to finance the social benefits. The Social Insurance Institute (Zakład Ubezpieczeń Społecznych - ZUS) is responsible for collecting contributions and paying the benefits. The rates of contributions are the same for all insured people and are as follows:

- 19.52% of the calculation basis for old-age pension;
- 8.00% of the calculation basis for disability pension;
- 2.45% of the calculation basis for sickness insurance;
- 0.67% to 3.86% of the calculation basis for accident insurance;
- 9.00% for health insurance;
- 2.45% for the Labor Fund.

Death Benefits Survivors' Pension

Eligibility:

- a) Survivor's pension is payable:
 - i. On the death of an employee, whose employment at his/her death entitled him/her to a disability pension.
 - ii. On the death of a person eligible for retirement.
- b) The following survivors are eligible for retirement or disability pension:
 - i. One's own children, stepchildren, and adopted children up to age 16 (25 if student, no age limit if disabled).
 - ii. Grandchildren, siblings, and other children who became dependent before age 18, provided they were taken care of for at least one year prior to the death of the employee (retired or disabled), unless death was caused by an accident or if the employee (retired or disabled) was a legal guardian.
 - iii. Spouse (widow and widower), if the spouse is either at least age 50 or disabled, or takes care of children, grandchildren or siblings, who are eligible for a survivors' pension and are either 16 years of age or have not completed their education, and are not older than 18, or are disabled. If the spouse has no right to a survivors' pension and has insufficient means, there is the possibility of a short-term survivors' pension.
 - iv. Parents, if the employee took care of them before his/her death or if they fulfill the requirements of the spouse mentioned above.

The amount of the survivor's pension for a single survivor is 85% of the disability pension base or the disability pension the deceased would have been entitled to upon death, plus another 5% for each additional survivor (maximum 95%).

Social Security Benefits

Funeral Allowance

- Eligibility:
- a) Death of an employee.
 - b) Death of a person with old age and disability pension.
 - c) Death of a person who on the date of death had no right to old age and disability pension, but was supposed to receive it.
 - d) Death of a person with a sickness, rehabilitation, or maternity benefit or a benefit in the amount of a maternity benefit for the time after insurance termination.
 - e) Member of a family named in point a) and b).

A funeral allowance is paid to the person who carried the cost of the funeral.

Benefits: Social Security pays a funeral grant of PLN 4,000 (since March 1, 2011).

Other: According to the Labor Code, additional Funeral Allowance is payable by the employer. The funeral allowance depends on the number of years of employment:

- 1 x monthly salary — when employed up to 10 years
- 3 x monthly salary — when employed 10 years or more
- 6 x monthly salary — when employed more than 15 years

If the employer sponsors the life insurance coverage for all employees, and the benefit provided is greater than or equal to the funeral allowance, the employer is not obligated to pay the funeral allowance.

Disability Benefits Disability Pension

- Eligibility:
- a) Employee must be disabled both physically (state of health) and economically (inability to work).
 - b) Disability must have occurred during employment (contributory or non-contributory period) or within 18 months following termination of employment.

Benefits: The benefit level is determined by the type and degree of disability.

Total disability to work is defined as the inability to perform any work (it corresponds to “old” disability group II and, if inability for independent existence is added, it corresponds to “old” disability group I).

The pension for total disability to work is equal to the sum of:

- 24% of the Base Amount (since March 1, 2022, it amounts to PLN 4,944.79), where the Base Amount is an average national gross salary calculated every three months by the Chief Statistical Office for the main sectors of the economy, decreased by the premium paid to the social security system.
- 1.3% of disability pension base for each year of premium period (full months included).
- 0.7% of disability pension base for each year of non-contributory period. The non-contributory period cannot exceed one-third of the premium period.
- 0.7% of the disability pension base for each year of the lesser of the period to age 60, or the number of years required to bring the premium or non-contributory period to 25 years.

The lowest guaranteed disability pension for the total incapacity to work equals to PLN 1,338.44, circa USD 313 (March 2022).

Partial disability to work is defined as a considerable loss of ability to work in accordance with the person’s qualifications (corresponds to the “old” disability group III).

The pension for partial disability to work is equal to 75% of the pension for total disability to work (the minimum level of pension in March 2021 is PLN 1,003.83 (circa USD 235)).

Sickness Benefits

Sickness Allowance

Eligibility:

A person who is covered for health risks on a mandatory basis has the right to a sickness benefit after 30 days of continuous insurance against health risks. As of January 1st, 2010, a person insured for health risks on a voluntary basis has the right to a sickness benefit after 90 days of continuous insurance.

A sickness benefit is granted to the insured person who is unable to work due to the sickness while being insured against health risks.

A sickness benefit is also due when the inability to work lasts for 30 consecutive days and occurs after the termination of the health risk insurance:

- Within 14 days after the termination of the insurance against the health risks or accident, or
- Within 3 months after termination of the health risk or accident insurance – in case of contagious disease, when the incubation period is longer than 14 days, or another disease of which the symptoms are disclosed after more than 14 days after the disease began.

Benefit Payment Period:

The sickness benefit is payable during the period of inability to work, but no longer than 182 days (in case of tuberculosis no longer than 270 days). A pregnant woman who becomes unable to work during her pregnancy is also entitled to a sickness benefit up to 270 days.

Payment of the benefit starts from 34th day of the incapacity to work (from 15th day if the employee is over 50 years old). According to the Labor Code it is the employer who is obliged to pay the sickness benefit for the first 33 (14) days of the incapacity to work.

Benefits:

- 80% of monthly salary (which is the base for allowance)
- 70% of monthly salary (which is the base for allowance) if the inability to work requires hospitalization
- 100% of monthly salary, if inability to work was caused by an accident at work, on the way to or from work or by an occupational disease or if it occurs during pregnancy, and if the incapacity to work is due to necessary medical examinations for donor candidates of cells, tissues and organs or the procedure of donating cells, tissues and organs (including the period of hospitalization).

Rehabilitation Benefit

Eligibility:

An employee who has used up his or her sickness benefit and is still unable to work and further treatment or rehabilitation is expected to lead to recovery.

Standard Allowance:

Employee is entitled to a rehabilitation benefit from the first day of treatment or rehabilitation, however, up to maximum 12 months.

Benefits:

- 90% of monthly salary (which is the base for allowance) for the first 90 days. Then it is lowered to 75% of monthly salary.
- 100% of monthly salary, if the inability to work was caused by an accident at work, an occupational disease, or if it occurred during the pregnancy.

Compensatory Benefit

Eligibility:

An employee with impaired ability to work, whose salary has been reduced due to the occupational rehabilitation.

Benefits:

The difference between the average monthly salary from the last twelve calendar months of the employment preceding the rehabilitation, and the monthly salary received following the impaired ability.
It is paid out during the rehabilitation period; however, with a maximum of 24 months.

Care Benefit

Eligibility:

- A disabled child.
- A disabled person over the age of 16, with a severe disability.
- A person who has reached age 75.
- A disabled person aged over 16, with a certificate of a moderate degree of disability, if such disability originated before that person turned 21.

Benefits:

Since March 1, 2022, the amount of care benefit is PLN 256.44 a month.

Medical Benefits - Healthcare

Eligibility:

Each person enrolled to the National Health Insurance (NFZ, Narodowy Fundusz Zdrowia) and their dependents are eligible for public healthcare. Employees are obliged to pay the health contribution if they are under the employment contract or civil contract with the employer. In case of another type of contract (e.g. self-employed), the health contribution is also mandatory but it is calculated and managed on the base of different conditions than employment contract. If the person who lives in Poland is not covered by public mandatory health insurance, one can join the healthcare system on a voluntary basis.

Benefits:

Employees and their dependents have free and equal access to all public medical clinics, including doctors' visits.

Retirement Benefits

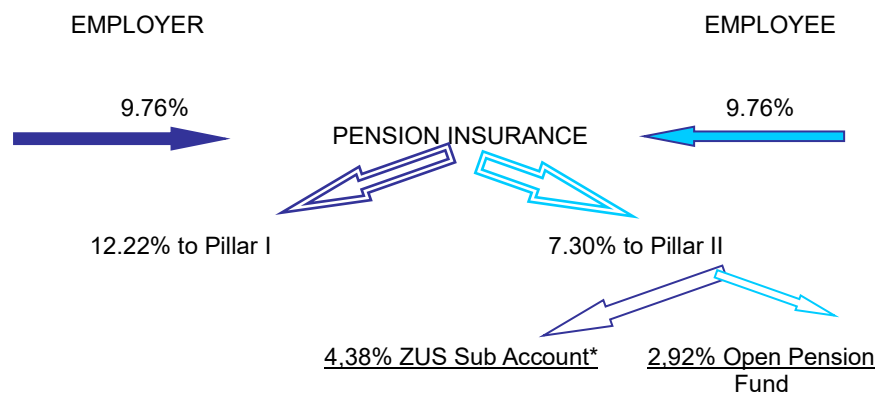
Pension Fund System

The Pension Fund system includes at least three methods of saving money, called pillars. The first Pillar is a pay-as-you-go (PAYG) financed arrangement, while other pillars are funded arrangements. Both the labor and capital markets are to play equally important roles through the PAYG and the funded part of the system, respectively. As each of the pillars is exposed to different types of risks, the system's overall risk is well diversified. All pillars operate in a defined contribution framework to ensure the system is fully transparent, with a pension based on the lifetime income, and fully adjustable to changing circumstances.

From July 1, 2019 a new occupational and mandatory (some says that it is voluntary as the employee can opt out from it, but from the employer perspective, it is mandatory) pension solution was established (PPK). PFR (Polish Development Fund) keeps track of the records of all PPK agreements, gives access to information for both employer and employee, and in case a company doesn't select a provider, they will offer its PFR TFI solution as the "selected" provider. The employer is obliged to select a provider, in case they don't do it, they will get a fine between 1,000 PLN and 1,000,000 PLN.

In both the first and the second funded pillars, contributions are registered in the individual accounts, and the pension benefits depend on the contributions that were due.

The employer and employee equally contribute for the pension and disability insurance. However, the injury insurance is the responsibility of the employer, while the employee is responsible for the sickness insurance.



**Open Pension Funds are no longer mandatory. Employee can choose, if 4.38% or whole 7.30% goes to the Social Security Institution (ZUS) Sub Account*

Pillar I

Pillar I is a universal, mandatory, publicly managed PAYG defined contribution system with benefits calculated on the basis of virtual capital accumulated in the individual accounts divided by life expectancy at the age of retirement.

The employer and employee contributions are registered in the individual's Social Security Institution (ZUS) account. The contribution is then upgraded in line with the growth of the aggregate wage-bill (i.e. average wage plus employment, or valorization of the capital). The sum of upgraded contributions "virtual" or "notional capital" then forms the basis for the individual's pension.

Each participant receives information about his or her virtual capital account balance each year. The Social Security Institution provides standardized estimates of the pension value under different assumptions of the retirement age.

The system has a minimum pension age of 60 for women and 65 for men who have at least one day of old pension and disability pension contribution period. The pension benefit value depends on the contribution that was due. Each additional year of work and contributions was meant to be rewarded with a clear increase in the value of pension benefits.

Social Security Benefits

There is a guaranteed minimum pension, indexed in the same way as the other pension benefits. It is paid to women with at least 20 years of credited service* and men with at least 25 years of credited service. This benefit is to top up pensions (the sum of both first and second pillar) to the minimum level.

Note: The term “credited service”, used throughout this profile to mean contributory period, refers to the period of Social Security premium payment, as well as some other periods; for example, obligatory military or public service. The non-contributory period covers any period of unemployment, university education, and internships.

Benefits in payment in the first pillar are indexed with consumer prices, unless real wages are falling, in which case they will be upgraded in line with nominal wages (i.e. cut in real terms).

There is an upper limit for contributions, set at 250% of average earnings. It means that when the entire income of the employee, counting from the beginning of the year, exceeds 30 times the average monthly salary forecast for the year, employee and employer stop paying premiums for the old age pension and disability pension for the respective employee. The upper limit in 2022 is equal to **PLN 177,660** (circa USD 41,600) annual salary.

Effective March 1, 2022, the minimum pension amount from Pillar I is PLN 1,338,44 circa USD 313

(source: <http://www.zus.pl/swiadczenia/emerytury/kwoty-najnizszych-swiadczen-emerytalno-rentowych>)

February 2014 – Old Age Pension Reform

The Reform implemented the following changes to the system:

- OFEs transferred 51.5% of their assets (circa \$ 51bn) to the social insurance institution (ZUS); this percentage reflects the funds’ aggregate holdings in government bonds at the end of 2012.
- OFEs are no longer allowed to invest in government or state-guaranteed bonds.
- During the 10 years preceding the statutory retirement age, the remaining assets in the individual accounts (in OFE) will be gradually transferred to ZUS in order to minimize the investment risk (ZUS is considered as a “safe account,” while OFE will invest in equities).
- The assets transferred to ZUS will be collected in separate Sub Accounts and be treated in the same way as those in OFEs. (they are not a part of PAYG, but still guaranteed by the State).
- The contribution to second-pillar funds is restricted to 2.92% of earnings and is no longer mandatory. The employee can opt out from OFE and fully contribute to ZUS Sub Account under Pillar II.
- The contribution to the second pillar of 4.38% is transferred to ZUS Sub Account anyway.
- Employees who first enter the labor market will have to explicitly opt for participation in an OFE; otherwise, their full pension contribution will automatically be directed to ZUS. Employees will be able to review their decisions every 2 years.

Pillar II

After the 1999 Pension Reform in Poland, a 7.30% of the old age pension contribution (19.52% in total) has been transferred to the Pillar II. Due to some financial constraints of Polish Government with Social Security and the longevity risk, in 2011 the Pillar II has been divided into ZUS Sub Account (5.00%) and Open Pension Fund accounts (2.30%). But in 2014 another Pension Reform has been passed. The Pillar II is no longer mandatory (the contribution is mandatory, but employee can voluntarily choose the provider); employee can opt out and move his Open Pension Fund contribution (2.92%) to ZUS Sub Account and has only Social Security old age retirement cover.

Open Pension Funds of the Pillar II are privately managed, but State regulated, funded (a defined contribution system with benefits paid out in the form of annuities). They are no longer a mandatory element of Social Security.

An employee chooses individually his/her Open Pension Fund. The employer has no right to interfere in the employee's choice. Contributions are collected (one-half due from employers, one-half from employees) by the social insurance administration and then transferred to the fund chosen by the employee. Contributions to the first and second pillars are tax-free. Benefits from these pillars are tax-deductible.

As a State mandated system, Pillar II requires guarantees. The guarantees are provided through a legal separation of the fund assets and the managing company's assets, the introduction of a custodian, and through a minimum rate of return requirement. Open Pension Funds' real rate of return must be at least 50% or 4% below the industry-weighted-average calculated at the end of each quarter for the most recent 24 months.

If the requirement is not fulfilled, a reserve fund, the fund manager's own assets, and a guarantee fund are used to cover the shortfall. A managing firm can go bankrupt, but not the funds. In case of difficulties, fund participants are moved to other funds. The State guarantees payment of benefits if all other guarantees do not meet obligations. A State agency supervises the industry.

By decision of the Government, as of May 1, 2011, Open Pension Funds receive 2.3% of employee's contribution instead of 7.3%. The remaining 5% is channeled to individual employee's account managed by Social Security Institution (so called Sub Account). Thanks to that, Open Pension Funds will not increase State debt.

The government is currently in the process of approving the OFE project.

Pillar III

Voluntary Pillar III is an additional and flexible extension of the universal system (Pillars I and II). This pillar enables people to adjust their life cycle allocation of income to their individual needs. Various ways of additional savings are available. Obviously, this pillar operates in addition to the existing numerous possibilities of individual retirement savings through investment funds or insurance companies.

Pillar III, based on the Employees' Pension Program (PPE, Pracownicze Programy Emerytalne), is more flexible than the first two pillars, with a choice of timing and the amount of saving, and the ability to bequeath the capital without restriction. It consists of a number of long-term savings plans and occupational-pension programs. As the Employees' Pension Programs introduced in 1999 were not popular in Poland (mostly due to possible penalties for employers and due to a difficult process of registration of the program), the new Act came into force on June 1, 2004 (with the exception of a few paragraphs that came into force on September 1). On July 1, 2005, the Act of Law changing the previous one as well as some other regulations came into force.

Under the Pillar III the legislator foresees four types of Employee Pension Programs:

1. Group Life Insurance with Capital Fund
2. Contract with Mutual Fund Company
3. Employee Insurance Funds
4. Foreign Managing

In case of the first three types, the detailed rules for the functioning of an Employees' Pension Program must be defined in a company pension contract and must be approved by Polish Financial Supervision Authority (KNF) as well. The fourth type of EPP is subject to regulations respective of the given country Supervision Office.

In Pillar III, the maximum premium of 7% of monthly earnings, paid by the employer, will be exempted from the mandatory payment to the Social Security system. This amount will increase the operating costs of the company. This will make it possible for employers to reward their employees with payments to third pillar accounts without additional cost.

On September 1, 2004, the Act concerning Individual Pension Accounts (IKE) came into force. It is Pillar III solution created by the Government in order to support the Polish Social Security System. The main advantage is the capital gains tax relief (19%) on money paid by a client up to 300% of the predicted monthly average Polish salary per year (in 2022 it is PLN 17,766).

The capital accumulated on IKE account cannot be surrendered before age 60 and premiums must be paid over a minimum of 5 years.

Since 1 January 2012 there is an additional possibility to save for retirement by Individual Pension Security Account (IKZE). There are two fiscal advantages of that program. First is the deduction of the annual contribution from the paid tax in the annual tax statement, the second is the investment tax relief of the gain profit (19%) and possibility to pay 10% of the tax (instead of 18% or 32%) if the saving period was at least 5 years and the savings are being pay out after 65 birthday. However there is an annual limit for IKZE contribution up to 1,2 of the predicted average monthly salary (PLN 7,106.40 in 2022).

In 2019 the new Act regarding Employee Capital Plans (PPK) came into force (January 1, 2019) and gradually all employers will have to select a provider.

Employee Capital Plans (PPK) are the voluntary occupational long-term saving programmes. The programme is addressed to approx. 11.5 million of Poles working professionally, who are obligatorily subject to retirement pension and disability pension, i.e. either for those who work under employment agreement or for those who work under the contract of commission.

Social Security Benefits

The main aim of Employee Capital Plans is the provision of the additional money that can be used after exceeding the age of 60 and earlier in exceptional situations. The funds gathered on your account will be private and will be subject to inheritance.

The programme started on 1 July 2019. At that time, companies employing at least 250 persons (on 31 December 2018) had to join the programme. No later than on 12 November 2019, the Employer signed the agreement with the selected provider. First contributions to the Employee Capital Plans were deducted from the first remuneration after this date.

In 2020 companies employing less employees were obliged to set up the Employee Capital Plans too (1 January 2020 – companies employing at least 50 persons, 1 July 2020 – companies employing at least 20 persons).

Starting from January 1, 2021 – companies employing below 20 persons, other legal entities and the entities of the public financial sector were obliged to sign agreement to create ECP.

The participation at the beginning of 2022 was reported to be 31,20% (<https://www.mojepkk.pl/pliki/repozytorium-plikow/materialy-do-pobrania/pdf/Biuletyn-PPK-02-2022.pdf>)

The premiums to the Employee Capital Plans come from various sources:

1. Employee:
 - a. **basic contribution** – **2%** of gross remuneration, but not less than 0.5% of gross remuneration if total monthly remuneration does not exceed 120% of the minimum wage
 - b. **voluntary additional contribution** – up to **2%** of gross remuneration
2. Employer:
 - a. **basic contribution** – **1,5%** of your gross remuneration
 - b. **additional contribution** – up to **2,5%** of your gross remuneration
3. State:
 - a. PLN 250 welcome payment (single payment),
 - b. Annual premium in the amount of PLN 240

The funds are managed by the financial institutions fulfilling the stringent conditions. The control over ECP (PPK) in the scope of the functioning of institutions that would manage the programme is performed by the Polish Financial Supervision Authority.

Other Social Security Benefits

Accidental Benefits

Workmen's Compensation

- Disability Coverage:** Accidents that occur at work, on the way to or from work, and occupational diseases are covered.
The assessment of the health damage and its connection with an accident at work or occupational disease is done after medical treatment and rehabilitation.
- Disability Benefits:** The lowest amount of guaranteed pensions (since March 1, 2022):
- annuity for the total disability at work due to an accident or occupational disease – PLN 1,606.13
 - annuity for the partial disability at work due to an accident or occupational disease – PLN 1,204.60
- The one-off compensation amount for partial disability due to accident at work or occupational disease (between 1st April, 2020, and 31st March, 2021) is: PLN 1033 for 1% of partial disability.
- Death Coverage:** Accidents that occur at work, on the way to or from work, and occupational diseases are covered.
- Death Benefits:** For death due to accident at work (occurred between April 1, 2021, and March 31, 2022), a lump sum payment is equal to:
- PLN 93,014 in case of death of the employee, if the spouse or child is the beneficiary. This benefit is increased by PLN 18,086 for the second and each consecutive beneficiary.
 - PLN 46,507 in case of death of the employee when the beneficiaries are members of his/her family other than spouse or child, increased by PLN 18,086 for the second and each consecutive beneficiary.
 - PLN 18,086 when the beneficiaries are other members of the family next to the spouse and children.

Family Benefits – Parenthood Benefits

Childbirth Allowance

Effective January 1, 2006 (applies to children born after November 1st, 2005), a parenthood benefit was introduced as a single payment for each family on the occasion of the birth of the child in the amount of PLN 1,000. In addition, families eligible for family allowance (those with income below PLN 674 per head) would receive PLN 1,000 of maternal benefit (single payment). Since January 2013 there is a limit of family income per capita up to PLN 1,922 entitled for childbirth allowance in the amount of PLN 1,000.

As of January 1, 2012, a woman is required to be under medical care starting from the 10th week of pregnancy at the latest.

Eligibility and payment rules are included in the regulations on social welfare.

Maternity Allowance

Eligibility

All employed women qualify for maternity leave if they either gave birth to a child or have taken on the responsibility for raising a child.

Maternity leave duration:

- 20 weeks if one child is born
- 31 weeks for twins
- 33 weeks for triplets
- 35 weeks for quadruplets
- 37 weeks for quintuplets or more
- 8 weeks if the baby is stillborn or died during the first 8 weeks of life.

The employer is obliged to consider the request of each employed woman.

Benefits:

- 100% of monthly salary of an employee (the average of last 12 months), if the parenthood benefit is equal to 60%
- 80% of the monthly salary of an employee, if the parenthood benefit is equal to 80%.

Parenthood leave:

Duration up to 32 weeks (34 weeks if more than one child was born) can be split into 4 parts. Each part can be taken by mother or by father.

Both mother or father are eligible for parenthood leave.

The employer is obliged to consider the request of each employed parent.

The allowance is equal to:

- 60% of monthly salary, if the maternity leave was equal to 100% of monthly salary.
- 80% of monthly salary if the parenthood leave is not split and the request is given before child delivery and comes directly after maternity leave in one part.

In total there is up to 52 weeks of the maternity allowance available (20 weeks + 32 weeks).

Dependent Care Allowance

Eligibility:

For employees who are allowed to leave work to take care of:

- A child up to 8 years old in the event of:
 - Unexpected unavailability of infant's nursery, kindergarten or school that the child attends.
 - Child delivery or sickness of worker's spouse (who takes care of a child), if such delivery or sickness does not allow her/him to take care of a child.
 - Worker's spouse being hospitalized.
- Sick child up to age 14.
- A sick member of the family (i.e. spouse, parents, parents in law, grandparents, grandchildren, siblings and children over 14).

The employee is entitled to a protective allowance while being on leave to take care

Social Security Benefits

of a child up to age 14, for up to 60 days per year and up to 14 days while being on leave to take care of another sick member of the family.

Benefits: 80% of monthly salary of the mother or father who has custody of the child.

Childsupport Programme Benefit: "Family 500+" Effective April 1st, 2016 a Family 500+ Programme was introduced as a monthly payment of PLN 500 per child to each family that has more than one child under 18 years. There are no income criteria for benefit eligibility, in addition families with income lower than PLN 800 per person (PLN 1,200 for families with disabled child) are eligible to receive benefit for the first child as well. Starting July 1, 2019 Family 500+ covers all children under 18 years-old, without any income criteria.

Unemployment Benefits

Act: The existing unemployment provisions are based on the Promotion of Employment and Labor Market Institutions Act of April 20, 2004.

Unemployment Allowance Eligibility:

The unemployed individual who is registered with the Employment Office and meets the following conditions:

- a) There are no suitable job offers, training courses, intervention jobs or public work;
- b) He/she was employed full or part-time for at least 365 days in the period of 18 months preceding the day of registration;
- c) Has reached age 18;
- d) Has not yet reached age 65 (men) or 60 (women);
- e) Is not entitled to a retirement or disability pension;
- f) Is not self-employed;
- g) Is disabled, but may be employed part-time.

Benefits: a) The level of the allowance is differentiated and depends on the period of employment of each given person. The monthly allowance is changed once a year according to the Consumer Price Index. In 2022 the basic unemployment benefit is 1,240.80 PLN for the first 3 months then it is 974.40 PLN. For unemployed individuals with an employment period of less than 5 years, the benefit is reduced to 80%. Person with an employment period longer than 5 years but less than 20 years, receives the basic benefit. For persons with an employment period longer than 20 years, the benefit is increased to 120% of the allowance.

The unemployment benefit is generally paid for a period of six months. In regions with severe unemployment, and in case of the unemployed being at least age 50 and was employed for at least 20 years, the period of payment can be increased by another six months period. For an unemployed person with a dependent child aged between 0-15 years, and a spouse who is unemployed as well and has lost the right for the benefit, the period of payment is 18 months. Additionally, in regions with unemployment rates at least twice as high as the average in the country, unemployed individuals aged 50, with employment periods longer than 20 years, receive payments during a period of 18 months as well.

b) Pre-retirement benefits (Swiadczenie przedemerytalne):

Effective June 1, 2004, the new Pre-Retirement Benefit Act came into force. It states that effective August 1, 2004, the right to obtain unemployment pre-retirement benefit is granted to the person who:

at the time of termination of his/her employment contract resulting from the company's liquidation or insolvency had been employed for a period of at least 6 months and has reached age 56 with at least 20 years of employment (women) or 61 with at least 25 years of employment (men).

or

prior to termination of the employment contract by the company, was employed for a period of at least 6 months and was employed for at least 35 years (women)/ 40 years (men), or has reached the age of 55 (women)/

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60 (men) and was employed for at least 30 years (women)/ 35 years (men),
or

by December 31 of the year preceding termination of the employment contract resulting from the company's liquidation or insolvency had been employed for a period of at least 6 months, having been employed for at least 34 years (woman)/ 39 years (man) and has been receiving an unemployment benefit for at least 6 months and was still registered as unemployed thereafter.

Since March 1, 2022 the benefit amounts 1,350.70 PLN.

According to previous regulations, if (before August 1, 2004) the person:

was less than two years short of retirement age
or

lost his/her job as a consequence of the company's liquidation or redundancy, has reached age 55 and has 35 years of service (for women) or age 60 and has 40 years of service (for men) and is entitled to a retirement pension.

Then, the benefit is 80% of pension.

Unemployment pre-retirement benefit, starting August 1, 2004, is paid by Social Security (instead of the Employment Office).

Education Allowance

Employment Offices offer training courses providing individuals the opportunity to develop additional skills, particularly in the following cases:

- The unemployed lacks employable skills.
- There is a necessity to change qualifications due to a lack of suitable job offers.
- The unemployed lost the ability to work in his or her current occupation.
- The unemployed is unable to do active search for work.

An allowance is paid out during the training program for a period of maximum 12 months. The benefit is equal to 120% or 20% of the unemployment allowance, depending on the type of training.

Activation Allowance

An unemployed person eligible for an unemployment benefit is entitled to receive the allowance in the following cases:

1. following a referral from a district employment agency, the unemployed person has started to work on a part-time basis applicable to the given profession or service, and he/she receives gross remuneration below the minimum remuneration – he/she is entitled to receive the activation allowance amounting to the difference of the minimum remuneration and the remuneration received, but not exceeding 50% of the basic unemployment benefit, during the period in which the unemployed person would be entitled to receive the benefit.
2. the unemployed person who started to work (irrespective of the working time and the gross remuneration earned) – he/she is entitled to receive the activation allowance of up to 50% of the basic unemployment benefit, during half of the period in which the unemployed person would be entitled to receive the benefit.

Introduction:

Private benefit plans are becoming increasingly popular in Poland. The following section describes benefits that are typically offered to employees of multinational companies.

Group life insurance coverage is provided to employees of a company with some requirements on the number of insured, depending on the size of the company (e.g. at least 60% of employee population; if the total number of employees is over 500, not less than 300 employees, and 100% if the total number of employees is less than 10 employees).

Sum Insured:

The sum insured can be defined as a multiple of monthly salary or fixed at contract insurance.

Benefit:

A typical policy includes a benefit equal to the sum insured in case of death of the insured. The options are:

No	PRODUCT/RIDER/OPTION
1	Life (main benefit)
2	Accidental Death
3	Accidental Death in Transport
4	Accidental Death at Work
5	Death due to Heart Attack or Brain Stroke
6	Accidental Permanent Partial Disability in accordance with the Continental Scale
7	Accidental Permanent Partial Disability of the Insured, with 5 years annuity
8	Accidental Permanent Partial Disability of the Insured, with 10 years annuity
9	Accidental Permanent Partial Disability of the Insured, in accordance with the ZUS Scale
10	Permanent Partial Disability due to Heart Attack or Stroke, in accordance with the ZUS Scale
11	Accidental Permanent Partial Disability of the Spouse, in accordance with the ZUS Scale
12	Accidental Permanent Partial Disability of a Child, in accordance with the ZUS Scale
13	Total and Permanent Disability to Work, due to Accident or Health, any occupation
14	Hospitalization due to Health
15	Hospitalization due to Heart Attack or Stroke
16	Hospitalization due to a cancer
17	Hospitalization due to an Accident
18	Hospitalization due to an Accident in Transport

No	PRODUCT/RIDER/OPTION
19	Hospitalization due to an Accident at Work
20	Hospitalization due to Accident in Transport and at Work
21	Hospitalization due to stay at Intensive Care Unit
22	Convalescence
23	Specialized Medical Treatment
24	Specialized Oncological Treatment
25	Specialized Cardiological Treatment
26	Dread Disease of the Insured
27	Dread Disease of the Spouse
28	Dread Disease of a Child
29	Cancer Diagnosis - Malignant Tumour - Borderline Malignancy Tumour
30	Cardiovascular Diseases of the Life Insured
31	Insured's Surgeries
32	Death of the Spouse or Partner
33	Accidental Death of the Spouse or Partner
34	Death of a Spouse or Partner due to Traffic Accident
35	Orphan Benefit (paid to each child)
36	Death of a Parent/Spouse's Parent
37	Accidental Death of a Parent/Spouse's Parent
38	Childbirth
39	Birth of a Stillborn Child
40	Death of a Child
41	Accidental Death of a Child
42	Hospitalization of the Spouse due to a Disease
43	Hospitalization of the Spouse due to an Accident
44	Hospitalization of the Child due to a Disease
45	Hospitalization of the Child due to an Accident
46	Medical Assistance
47	Medical Rehabilitation of the Insured after Hospitalization

No	PRODUCT/RIDER/OPTION
48	Medical Rehabilitation of the Insured after Hospitalization caused by an Accident
49	Spouse's Surgeries
50	Birth of a Child with a congenital defect
51	Pharmacy Benefit
52	Stay in a Sanatorium
53	Child's Severe Injury due to an Accident
54	Support in Case of Death of the Insured
55	Support in Case of Temporary Disability
56	Second Medical Opinion
57	Support in Case of Neoplasm
58	Support in Case of Myocardial Infraction or Stroke

(*) Sum Insured proposed for particular group/company depends on group size, structure, industry, subgroups split (e.g. the Board, and other Employees).

The insurance company's liability regarding Critical illnesses applies to the insured who are under 70 years of age.

Medical surgery benefit is paid when the insured has to undergo a surgery in a hospital to correct abnormal functions of a sick system or organs, transplantation, etc. The level of medical surgery benefit depends on the level of difficulty of the surgery, according to the catalog of surgeries. There are five levels of surgery difficulty with benefits varying from 5% to 100% of the base sum.

Premium:

The premium is calculated individually for each company on the following basis: the number of insured, their age, gender, the type of work performed, and their health status. There are some additional factors taken into consideration in exceptional situations. It is extremely important that the amount of premium depends on the conditions characteristic for one's firm only, and not on other clients of the Polish insurance companies.

The employer pays the premiums for the employees. Employees can be divided into several groups (e.g. managers, office workers, others); within a group, the sum assured and coverage is the same.

Type of Insurance	Contributions	Benefits
Group Life Insurance	<p>Employer: Employer contributions are treated as a business expense and are tax-deductible if:</p> <ul style="list-style-type: none"> • The employer is not the beneficiary; <p>Insurance premiums paid by employers:</p> <ul style="list-style-type: none"> • Constitute allowable expenses (tax-deductible) of the company; • Are considered as income to employees and subject to the personal income tax 	Tax free
	<p>Employee: not tax-deductible</p>	

Benchmarking Information (based on Network Partner's portfolio)

	%
Group Life Coverage	
Death benefit	20%
AD&D	54%
Survivor's benefits	
Employer contribution only	23%
Disability Coverage	
Long term disability	17%
Short term disability	
Employer contribution only	7%
Healthcare Coverage	
Hospitalisation	1%
Dental	
Vision	
Critical Illness	6%
Employee Assistance programme	
Employer contribution only	3%
Retirement Plans	
DC	
DC - Employer contribution only	
DB	
DB - Employer contribution only	
Other	
Wellness & Wellbeing Programmes	
Flex benefits	

Trends

Group Life Insurance

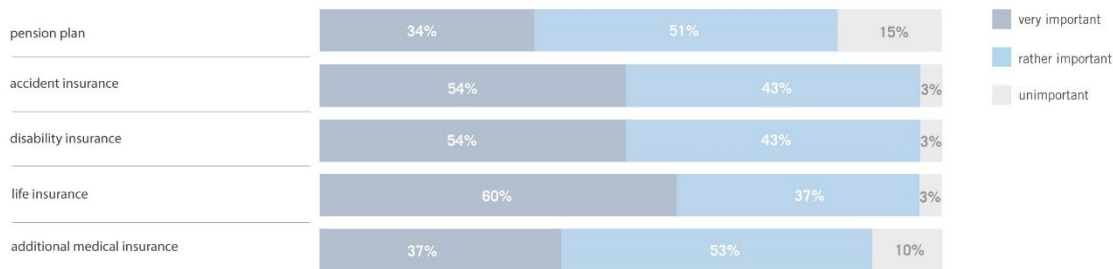
- Due to the historical background the majority of mid and large companies have a group life insurance policy in force and circa 70% of them are purely on a voluntary basis – the premium is just deducted from Employee's monthly net salary and the conditions are negotiated by the employees' representatives. There is a trend of growing engagement of the Employers in the group life contracts. Being a party of the insurance contract and having a legal responsibility for these plans, Employers want to be engaged in the plan design, its conditions and the premium payment. The basic value of financing the group life insurance from the Employer perspective is:
 - the premium may be treated as a tax deductible cost for the company (Corporate Income Tax Law).
 - employer may be exempt from the obligation to pay out severance pay for the deceased (Labour Code).
 - motivation tool to attract new employees and keep existing employees.
- The average sum assured is constantly increasing (now approx. USD 30,000 under the risk "death of any reason").
- The sum assured is expressed as a multiple of annual salary (2 or 3 annual salaries, not a fixed amount).
- Employees of one company are divided into subgroups according to grades/levels with different scope of coverage: e.g., staff, management.
- Focus on the critical, limited scope of risks in Employer Paid Plans: death, disability, critical illness.
- On-line services.

Polish Market Survey *

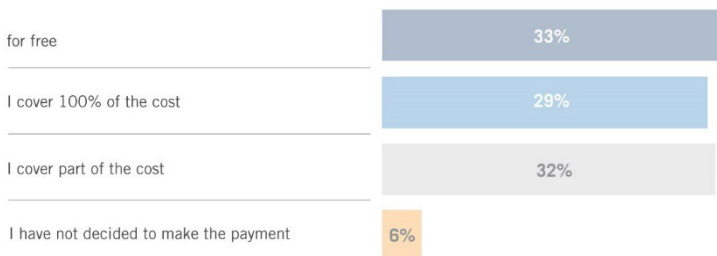
Which insurance benefits are offered by your employer?



How important is it for you to have the following employee benefits offered by the employer?



Please specify the terms on which you have been offered insurance policy:



*Polish market survey 'Unum Insight: Poles and Americans on Personal Finance' has been conducted by IPSOS Sp. z o.o. based on a questionnaire developed by Unum Zycie TUiR S.A. and Prudential Financial, Inc. Interviews were held in January and February 2017 according to CAPI methodology on a sample of 1,000 affluent and mass affluent Poles aged 25-65 living in regional capitals in households with net income above PLN 4,000.

Sample Employee Benefit Plans for different types of industries (small and medium groups)

Premium sponsored by the Employer

Group size		72			
Group's average age		42.90			
Average monthly gross salary (MGS)		PLN 15,120.02			
Scope of coverage	Sum assured	Benefit		Rate in per mil	Percentage of average salary*
Insured's Death	24 MGS	24 MGS		0.212825	0.511 %
Death due to an Accident	24 MGS	48 MGS	1)	0.029583	0.071 %
Death due to a Transportation Accident	12 MGS	60 MGS	2)	0.014833	0.017 %
Death due to an Accident at Work	12 MGS	60 MGS	3)	0.011083	0.013 %
Death due to a Transportation Accident at Work		72 MGS	4)		
Detriment to the Health due to an Accident	24 MGS	24 MGS	5)	0.115667	0.257 %
for 1% of detriment		1% of 24 MGS			
Inability to Work	24 MGS	24 MGS	6)	0.066500	0.160 %
Insured's Critical Illness (45 illness units)	8 MGS	8 MGS	7)	0.466500	0.373 %
Minimally Invasive Aortic Valve Replacement		2-times MGS			
Minimally Invasive Coronary Artery Surgery		2-times MGS			
Stroke without Permanent Neurological Damage		2-times MGS			
Early Stage Multiple Sclerosis		2-times MGS			
Total					1.402 %

REMARKS

- 1) Total amount of benefits for the Insured's Death and Death due to an Accident. Maximum Sum assured for Death due to an Accident is PLN 2,000,000.
- 2) Total amount of benefits for the Insured's Death, Death due to an Accident and Death due to a Transportation Accident. Maximum Sum assured for Death due to a Transportation Accident is PLN 500,000.
- 3) Total amount of benefits for the Insured's Death, Death due to an Accident and Death due to an Accident at Work. Maximum Sum assured for Death due to an Accident at Work is PLN 500,000.
- 4) Total amount of benefits for the Insured's Death, Death due to an Accident, Death due to a Transportation Accident and Death due to an Accident at Work.
- 5) Maximum amount of benefit for Detriment to the Health due to an Accident, but not more than PLN 600,000.
- 6) Maximum Sum assured for Inability to Work is PLN 2,000,000.
- 7) Maximum Sum assured for Insured's Critical Illness is PLN 600,000.

Premium sponsored by the Employee

Group size	333			
Group's average age	36.93			
Monthly premium	PLN 56.80			
Scope of coverage	Sum assured in PLN	Benefit in PLN		Premium per Insured
Insured's Death	60,000.00	60,000.00		PLN 5.56
Death due to an Accident	60,000.00	120,000.00	1)	PLN 1.67
Death due to a Transportation Accident	60,000.00	180,000.00	2)	PLN 0.83
Death due to an Accident at Work	60,000.00	180,000.00	3)	PLN 0.63
Death due to a Transportation Accident at Work		240,000.00	4)	
Death due to a Heart Attack or Brain Stroke	60,000.00	120,000.00	5)	PLN 1.23
Detriment to the Health due to an Accident	60,000.00	60,000.00	6)	PLN 6.69
for 1% of detriment		600.00		
Detriment to the Health due to a Heart Attack or Brain Stroke	45,000.00	45,000.00	7)	PLN 1.38
for 1% of detriment		450.00		
Inability to Work	35,000.00	35,000.00		PLN 0.64
Spouse's or Partner's Death	15,000.00	15,000.00		PLN 2.59
Spouse's or Partner's Death due to an Accident	15,000.00	30,000.00	8)	PLN 0.42
Spouse's or Partner's Death due to a Transportation Accident	15,000.00	45,000.00	9)	PLN 0.17
Child's Death	4,000.00	4,000.00		PLN 0.26
Childbirth	1,500.00	1,500.00		PLN 8.95
Stillbirth	1,500.00	3,000.00	10)	PLN 0.10
Birth of a Child with a congenital defect	1,500.00	3,000.00	11)	PLN 0.68
Child Orphaning	4,000.00	4,000.00		PLN 0.42
Parent's or Parent-in-law's Death	2,200.00	2,200.00		PLN 9.43
Insured's Critical Illness (45 illness units)	10,000.00	10,000.00		PLN 2.25
Minimally Invasive Aortic Valve Replacement		2,500.00		
Minimally Invasive Coronary Artery Surgery		2,500.00		
Stroke without Permanent Neurological Damage		2,500.00		
Early Stage Multiple Sclerosis		2,500.00		
Spouse's Critical Illness (45 illness units)	5,000.00	5,000.00		PLN 1.87
Minimally Invasive Aortic Valve Replacement		1,250.00		
Minimally Invasive Coronary Artery Surgery		1,250.00		
Stroke without Permanent Neurological Damage		1,250.00		
Early Stage Multiple Sclerosis		1,250.00		
Child's Critical Illness (24 illness units)	5,000.00	5,000.00		PLN 1.37

Insured's Hospital Care (maximum 180 days per Policy year)	Sum assured in PLN	Benefit in PLN		Premium per Insured
due to an Illness (up to 14th day / after 14 days)	55.00	55.00 / 55.00	12)	PLN 1.48
due to a Heart Attack or Brain Stroke (up to 14th day / after 14 days)	55.00	110.00 / 55.00	12)	PLN 0.34
due to an Accident (up to 14th day / after 14 days)	110.00	110.00 / 55.00	12)	PLN 1.90
due to an Accident at Work (up to 14th day / after 14 days)	55.00	165.00 / 55.00	12)	PLN 0.19
due to a Transportation Accident (up to 14th day / after 14 days)	55.00	165.00 / 55.00	12)	PLN 0.47
due to a Transportation Accident at Work (up to 14th day / after 14 days)		220.00 / 55.00	12)	
ICU (payable additionally from 1st to 5th day of stay)	200.00	200.00	13)	PLN 0.62
total Benefit for 5 days of stay in an ICU:		1,000.00		
Stay in a Sanatorium	300.00	300.00	14)	PLN 0.85
Insured's Surgeries	3,000.00	3,000.00	15)	PLN 2.72
Specialist Treatment	3,000.00	3,000.00		PLN 1.09
Medical Assistance for the Insured	YES	YES		
Total				PLN 56.80

REMARKS

- 1) Total amount of benefits for the Insured's Death and Death due to an Accident.
- 2) Total amount of benefits for the Insured's Death, Death due to an Accident and Death due to a Transportation Accident.
- 3) Total amount of benefits for the Insured's Death, Death due to an Accident and Death due to an Accident at Work.
- 4) Total amount of benefits for the Insured's Death, Death due to an Accident, Death due to a Transportation Accident and Death due to an Accident at Work.
- 5) Total amount of benefits for the Insured's Death and Death due to a Heart Attack or Brain Stroke.
- 6) Maximum amount of benefit for Detriment to the Health due to an Accident.
- 7) Maximum amount of benefit for Detriment to the Health due to a Heart Attack or Brain Stroke.
- 8) Total amount of benefit for the Spouse's / Partner's Death and the Spouse's / Partner's Death due to an Accident.
- 9) Total amount of benefit for the Spouse's/Partner's Death, the Spouse's/Partner's Death due to an Accident and Spouse's/Partner's Death due to a Transportation Accident.
- 10) Total amount of benefit for Childbirth and Stillbirth.
- 11) Total amount of benefit for Childbirth and Birth of a Child with a congenital defect.
- 12) Benefit for each day of Insured's hospitalization: min. stay - over 1 day. One highest benefit will be paid.
- 13) Benefit for 1 day of Insured's stay in an ICU (max. 5 days).
- 14) Benefit for Stay in sanatorium, payable maximum once per Policy Year.
- 15) Maximum amount of benefit for an Insured's Surgeries, the amount of Benefit depends on the type of surgery.

Useful Links

Demographic information: [CIA World Factbook](#) (please select the country to review)

Macro-Economic indicators: [CIA World Factbook](#) (please select the country to review)

Social Security Benefits: <http://www.zus.pl>

<https://www.mpips.gov.pl/en/>

More information on the IGP Network Partner: [IGP – Your Local Link in Poland](#)

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www.unum.com



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