Pracownicze Plany Kapitałowe

Employee Capital Plans (PPK) for accountants

Employer’s obligations

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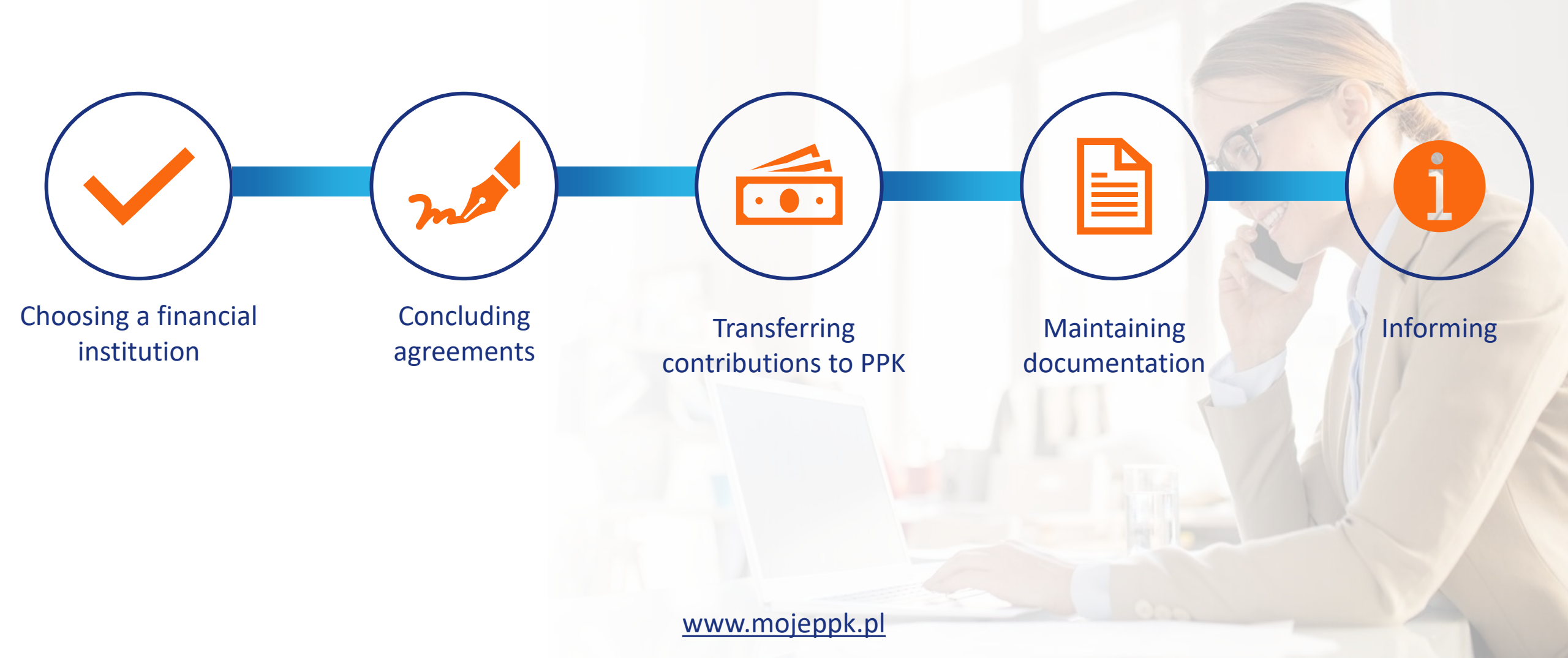
Employer’s obligations in PPK



Choosing a financial institution

Concluding agreements

Transferring contributions to PPK

Maintaining documentation

Informing

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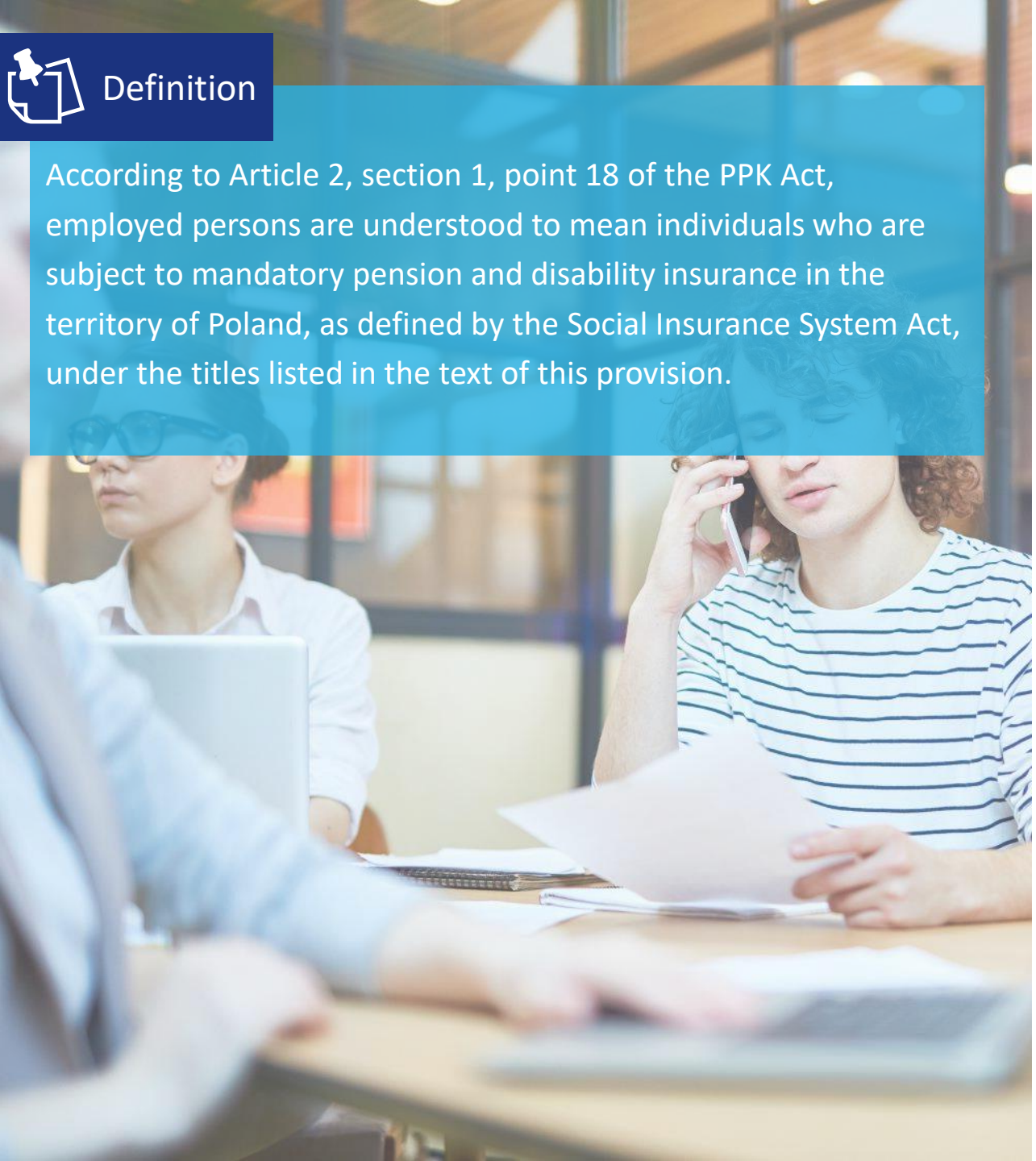
Pracownicze Plany Kapitałowe

PPK for a newly hired employee

Pracownicze Plany Kapitałowe

PPK for a newly hired employee

1. Check whether the hired person is considered ”an employed person”under the PPK Act.



Definition

According to Article 2, section 1, point 18 of the PPK Act, employed persons are understood to mean individuals who are subject to mandatory pension and disability insurance in the territory of Poland, as defined by the Social Insurance System Act, under the titles listed in the text of this provision.

An employed person

Meaning:

- employees, except for minors and employees on mining leaves and leaves for employees of a coal mechanical processing plant;
- members of agricultural production cooperatives or agricultural circle cooperatives;
- natural persons, that reached the age of 18, performing work based on an agency agreement, a contract of mandate or another contract for the provision of services, to which, according to Article 750 of the Civil Code, provisions regarding the contract of mandate apply;
- natural persons performing outwork, who have reached the age of 18;
- persons indicated above, who are on parental leave or receiving maternity benefit or benefit equal to the maternity benefit;
- members of supervisory boards, remunerated for performing this function.

Definition

According to article 2, paragraph 1, point 18 of the PPK Act, employed persons are understood to mean individuals who are subject to mandatory pension and disability insurance in the territory of Poland, as defined by the Social Insurance System Act, under the titles listed in Article 6 of this provision.

Social Insurance System Act (Article 6, section 1)

≠

An employed person (PPK Act)

Important!

Not all insurance titles mentioned in Article 6, section 1 of Social Insurance System Act are included in the definition of an employed person from the PPK Act.

An employed person

Meaning:

- employees, except for minors and employees on mining leaves and leaves for employees of the meat processing plant;
- members of agricultural production cooperatives or agricultural circle cooperatives;
- natural persons, that reached the age of 18, performing work based on an agency agreement, a contract of mandate or another contract for the provision of services, to which, according to Art. 750 of the Civil Code, provisions regarding the contract of mandate apply;
- natural persons performing contract work, who have reached the age of 18;
- persons indicated above, who are on parental leave or receiving maternity benefits or benefits equal to the maternity benefit;
- remunerated members of supervisory boards for performing this function.

Pracownicze Plany Kapitałowe

PPK for a newly hired employee

2. Inform the newly hired person about PPK.

Does the employer inform a newly hired person about the conditions of participation in PPK?

Important!

The employer may inform the hired person about the conditions of participation in PPK. He/she can provide this information as early as during the first day of employment.

Employer’s information obligations under the PPK act

People aged 55-70

Informing employed persons who have reached the age of 55 but have not yet reached 70 that they can join PPK exclusively on their request for concluding an agreement for operating PPK.

When: At a time allowing them to join PPK at the earliest possible date.

Declarations regarding contributions

Informing about the possibility of declaring an additional contribution and the possibility of reducing the basic contribution (referring to contributions financed by the employee).

When: no later than on the day of concluding the agreement for operating PPK for this person.

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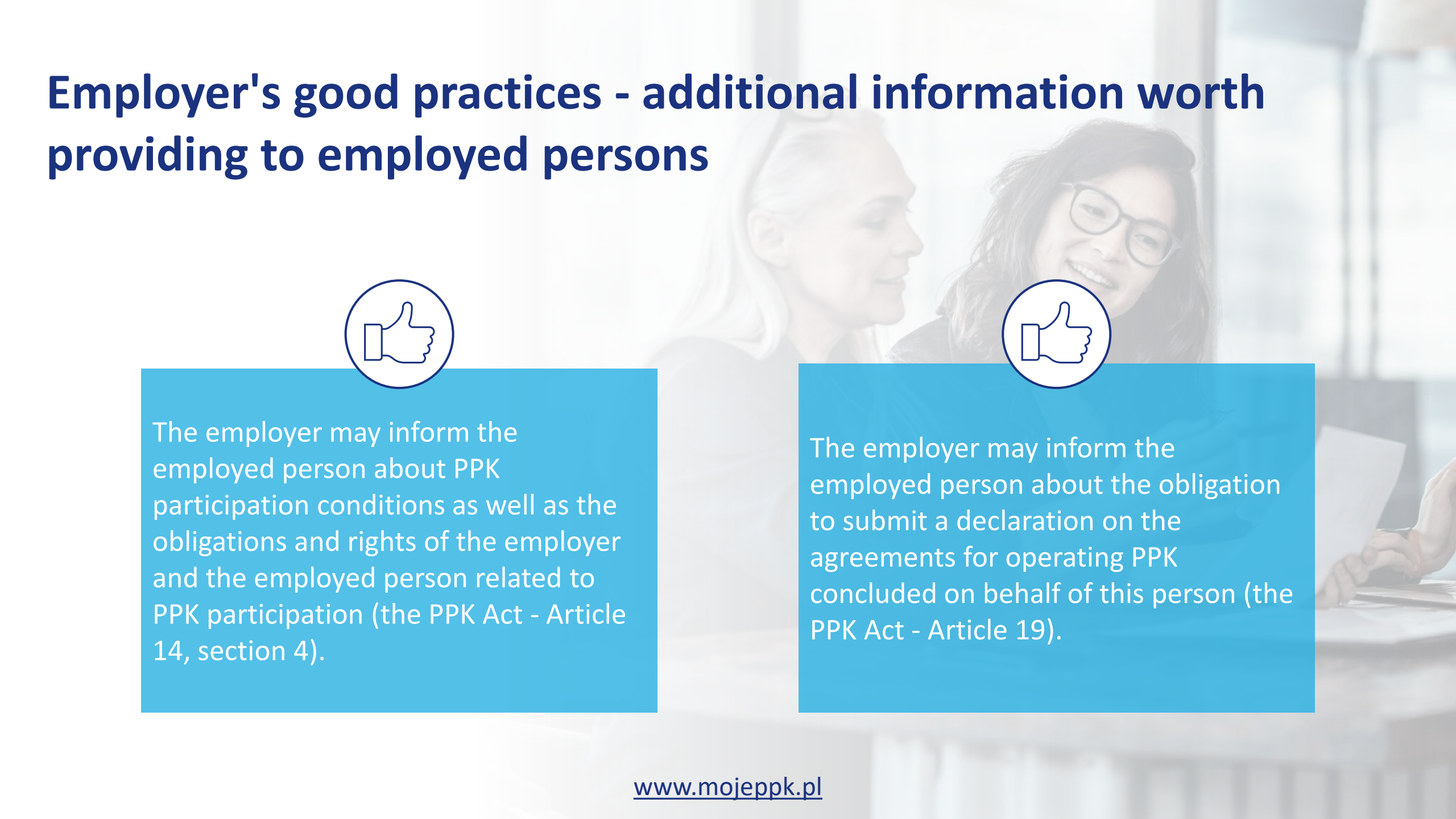
How should the employer fulfil his/her information obligations?

Important!

The PPK Act does not specify the manner or form of informing employed persons about PPK - the employer provides information in the manner adopted by them.

However, it is in the employer’s interest to inform the employed person about PPK in a manner in which the employer can later prove that they have fulfilled the information obligation.

Employer's good practices - additional information worth providing to employed persons



The employer may inform the employed person about PPK participation conditions as well as the obligations and rights of the employer and the employed person related to PPK participation (the PPK Act - Article 14, section 4).

The employer may inform the employed person about the obligation to submit a declaration on the agreements for operating PPK concluded on behalf of this person (the PPK Act - Article 19).

Examples of ways to inform a newly hired person about PPK

Written information, confirmed by the employed person.

Participation in a free webinar, conducted by PFR Portal PPK, confirmed by a certificate.

Sending an email (preferably with a delivery confirmation).

Employer's information obligations towards the employee [template]

Enroll your employee for a training

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Declarations and applications

First day of employment

Concluding the agreement for operating PPK

- Application for concluding an agreement for operating PPK [55+]
- Declaration of resignation from making PPK contributions

- Declaration on financing additional contributions into PPK
- Declaration on reducing the basic contributions into PPK
  (it will be taken into account after meeting the conditions specified in the PPK Act).

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Pracownicze Plany Kapitałowe

PPK for a newly hired employee

3. Conclude an agreement for operating PPK

Deadline for concluding the agreement for operating PPK

The conclusion of an agreement for operating PPK should occur no earlier than after 14 days of employment and no later than the 10th day of the month following the month in which the 3-month employment period has elapsed.

The periods of employment from the previous 12 months, which took place in a given entity, are included in the employment period.

We only sum up the days in which a given person met the definition of an employed person.

Within these timeframes, the employer decides on the date of concluding the agreement for operating PPK on behalf of and for the benefit of the employee.

In the case of employing a person who already meets the condition of 14 days of employment in a given entity on the first day - the conclusion of the agreement for operating PPK may occur already on the first day of this person's employment, but no later than the 10th day of the month following the month in which the 3-month employment period has elapsed.

How to determine the timeframe for concluding the agreement for operating PPK?

Article 16 of the PPK Act

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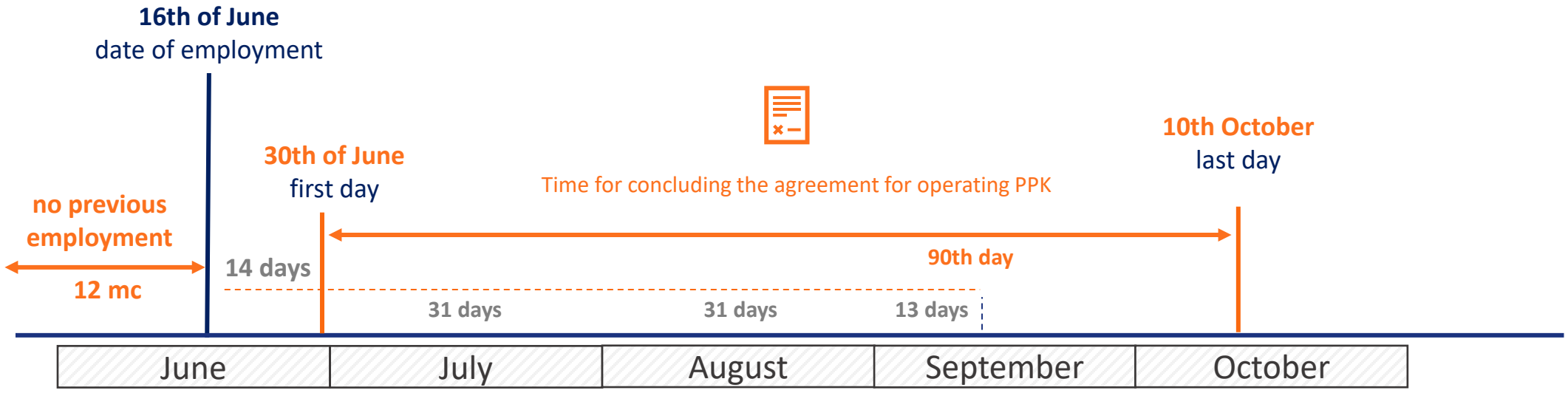
How to determine the timeframe for concluding the agreement for operating PPK? – example no. 1

A person employed from June 16th,
it's this person's first employment in this entity.



Article 16 of the PPK Act

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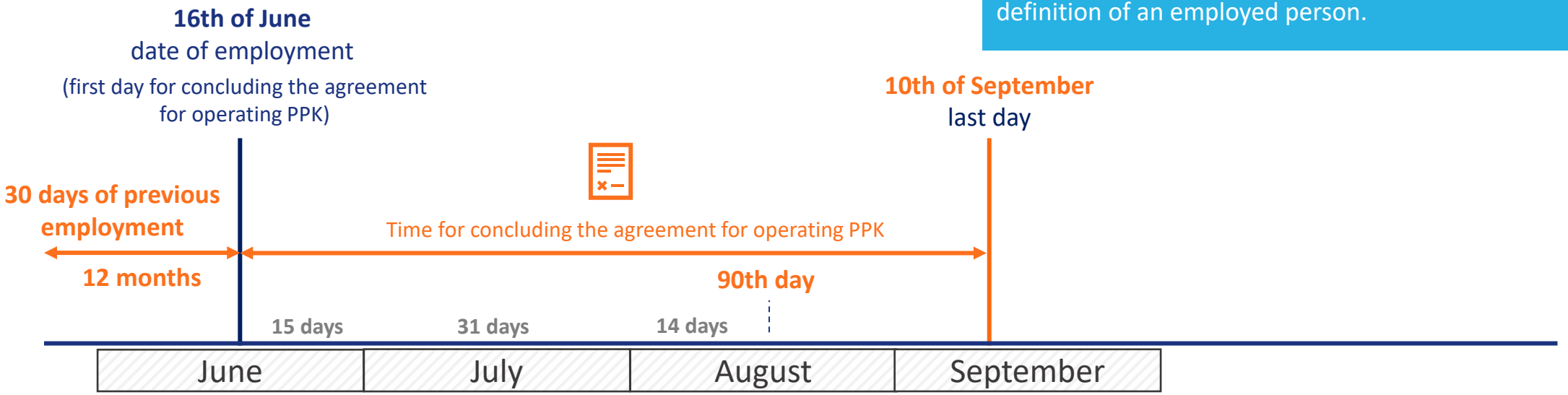
How to determine the timeframe for concluding the agreement for operating PPK? – example no. 2

Important!

Person employed from June 16th,
this is this person's next employment in this entity;
within the last 12 months, he/she was employed for 30 days.

The period of employment includes periods of employment from the previous 12 months, which took place with the current or with other employers, if, under separate regulations, the current employer is their legal successor. When determining the period of employment, we only add up those days during which a given person met the definition of an employed person.



Article 16 of the PPK Act

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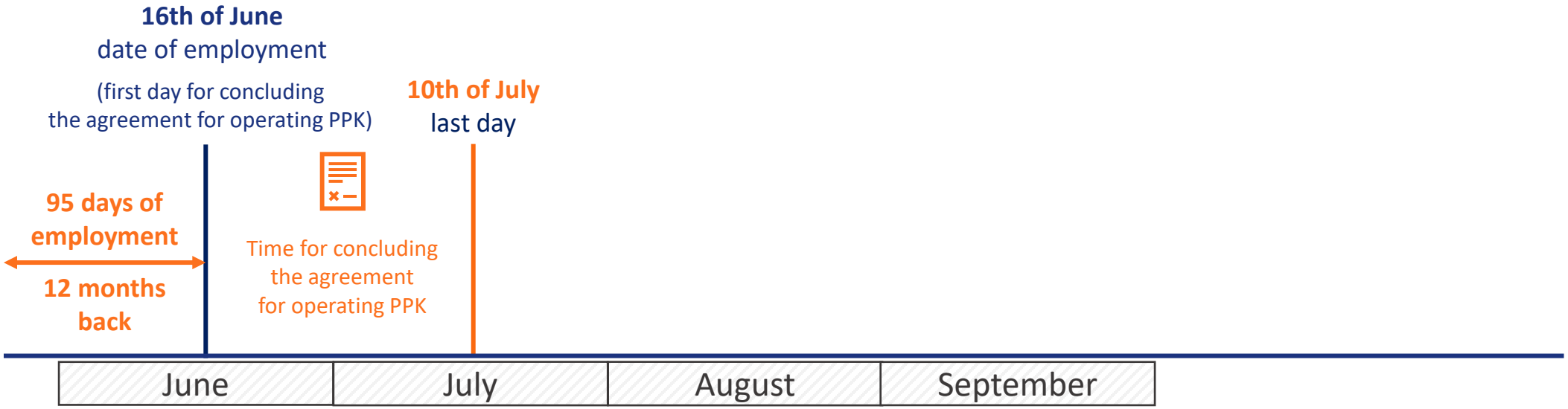
How to determine the timeframe for concluding the agreement for operating PPK? – example no. 3

Important!

In the case of employing a person who, on the first day itself, meets the condition of 90 days of employment - the agreement for operating PPK may be concluded as soon as during the first day of employment of this person, but no later than the 10th day of the following month.

For a person employed from June 16th,
this is the next employment of this person in this entity;
over the past 12 months, he/she was employed for 95 days.



Article 16 of the PPK Act

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How to determine the timeframe for concluding the agreement for operating PPK? – example no. 4

Important!

The required 90 days of employment does not include the period of employment that took place before the employee turned 18. The 90-day period is calculated starting from the employee's 18th birthday.

A minor employed from March 1.
During the vocational training contract, he/she turned 18.

Article 16 of the PPK Act

How to determine the timeframe for concluding the agreement for operating PPK? – example no. 5

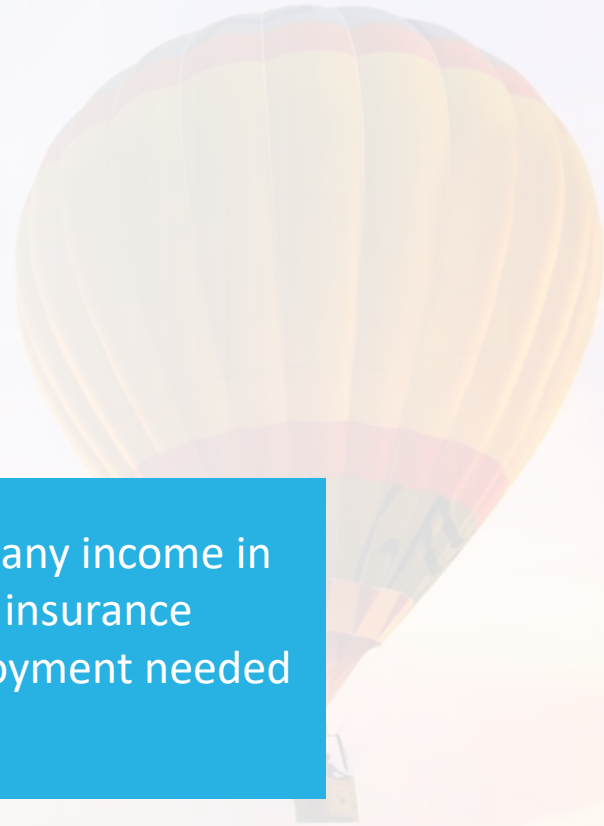
Important!

The employment period only includes periods of compulsory retirement and disability insurance for the titles listed in Article 2, section 1, point 18 of the PPK Act.

Contract of mandate from March 1.
From March 1st to September 30th, the contractor was only subject to health insurance.

Article 16 of the PPK Act

How to calculate the period of employment?
– unpaid leave

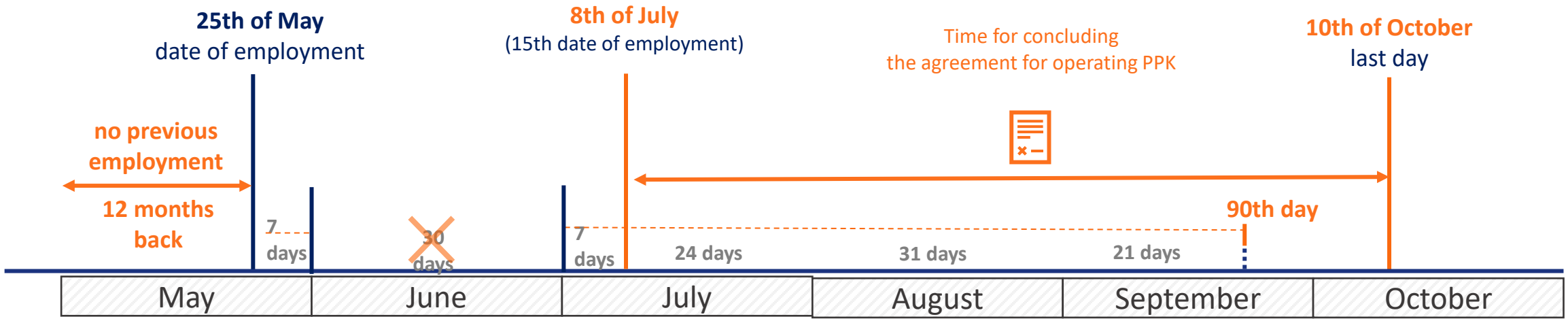


Important!

If an employee was on unpaid leave for the entire month and did not receive any income in that month that constitutes the basis for calculating retirement and disability insurance contributions, then that month should not be included in the period of employment needed to conclude an agreement for operating PPK.

How to calculate the period of employment?
– example no. 6

The person was employed from May 25 and took an unpaid leave from June 1 to June 30. Since he/she didn't receive any remuneration in June – this month should not be taken into account when calculating the employment period necessary to conclude the agreement for operating PPK.



Article 16 of the PPK Act

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Pracownicze Plany Kapitałowe

PPK for a newly hired employee

4. Accept a statement from the employed person about the agreements concluded on his/her behalf for operating PPK

Statement on the concluded agreements for operating PPK

Who submits?

A PPK participant.

When may it be submitted?

Within 7 days from the date of concluding the agreement for operating PPK, the participant submits a statement to the employer about the agreements concluded on his/her behalf for operating PPK.

The employer, upon receiving the statement, immediately informs the PPK participant of the obligation to submit on his/her behalf an application for a transfer payment.

Statement on the concluded agreements for operating PPK [template]

If the statement is submitted after the deadline - the employer does not mediate in the transfer of funds.

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Declaration of no consent for submitting a transfer payment application

Who submits?

A PPK participant who received information from the employer about the obligation to submit a transfer application on his/her behalf.

When may it be submitted?

Within 7 days from the date of receiving information from the employer about the obligation to submit an application for the transfer of funds accumulated in the participant's PPK account/accounts.

Form?

Written.

Declaration of no consent for submitting a transfer payment application [template]

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Sequence of actions after an employee submits a statement on the concluded agreements for operating PPK

The new employee submits a statement on the concluded agreements for operating PPK within the required timeframe.

No

Yes

No further actions required from the employer.

The employer informs the new employee about the need to submit a transfer request.

Participant submits a declaration within 7 days expressing no consent for the transfer.

Participant does not submit a declaration expressing no consent for the transfer within 7 days.

The employer submits a transfer request to the financial institution.

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Pracownicze Plany Kapitałowe

Calculate contributions to PPK

Definition

Have a look!

The Regulation on determining the basis for assessment of contributions towards pension and disability insurance

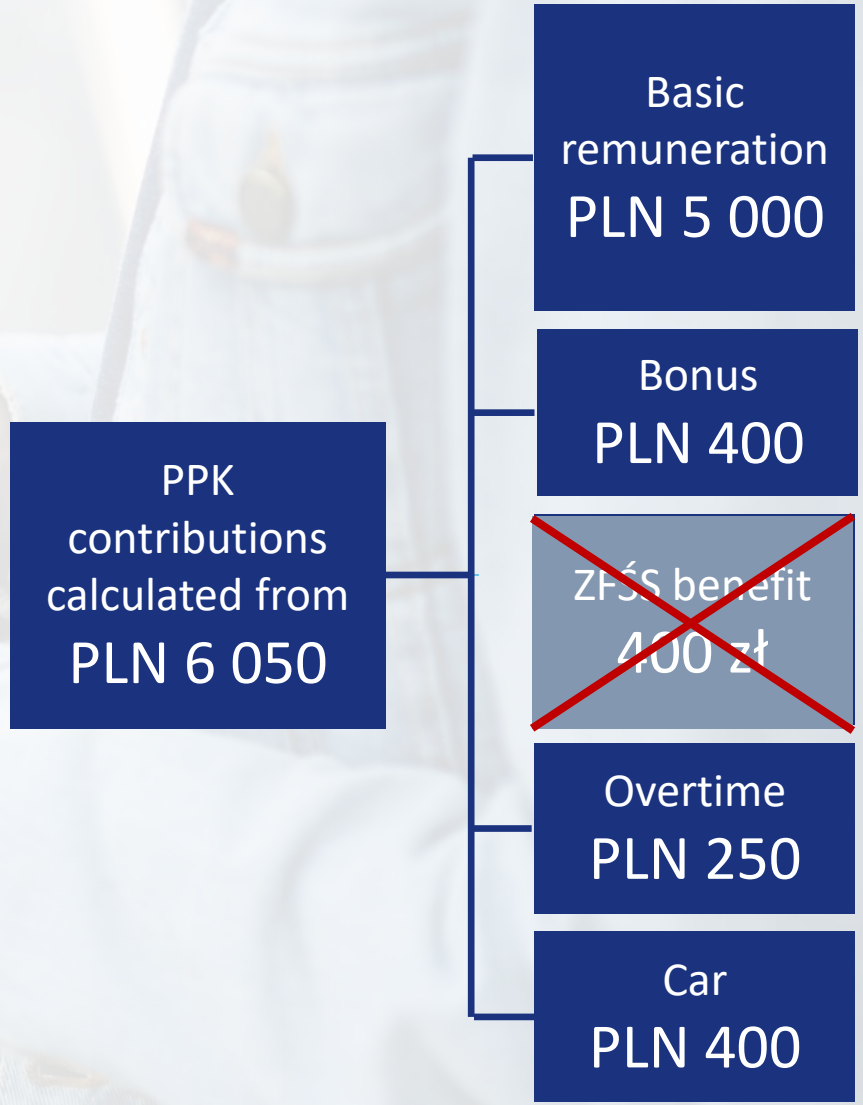
Remuneration

The basis for assessing contributions to pension and disability insurance of the PPK participant, as mentioned in the Social Insurance System Act, without applying the so-called 30-fold limit and excluding the basis for assessing contributions to pension and disability insurance for persons on parental leave or receiving maternity benefit or benefit equal to the maternity benefit.

Calculating contributions to PPK - example

In May the employee received:

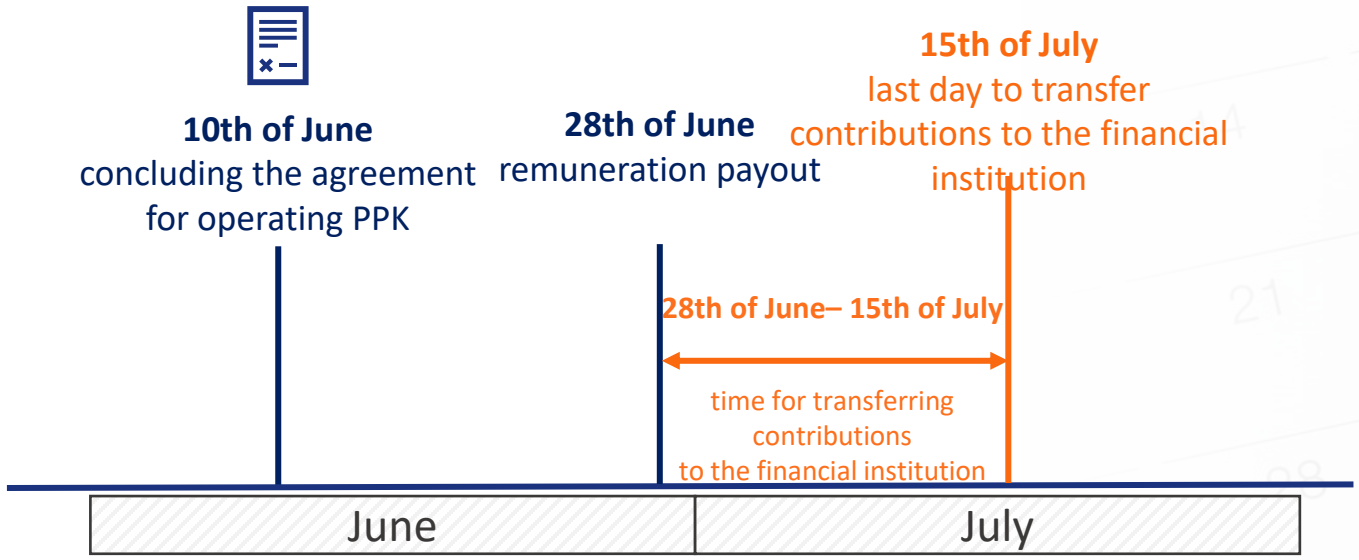
- a basic remuneration for May amounting to **PLN 5000**;
- a bonus for April amounting to **PLN 400**;
- a benefit from the Employee Benefit Fund (ZFŚS) amounting to **PLN 400**, which does not constitute a basis for assessing contributions to pension and disability insurance;
- remuneration for overtime, for the previous month, amounting to **PLN 250**;
- a flat-rate for the use of a company's car for private purposes amounting to **PLN 400**.



Contributions to PPK should be calculated from a remuneration of PLN 5050 (i.e. excluding income from the ZFŚS, which does not meet the definition of a remuneration).

Dates of calculating and making contributions

The employer calculates and collects contributions to PPK at the time of renumeration payment and then transfers them to the financial institution by the 15th day of the following month.

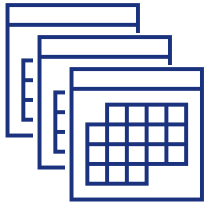


Important!

Contributions to PPK are calculated and collected from the first remuneration paid to the PPK participant after the conclusion of the agreement for operating PPK, and are made by the 15th day of the month following the month in which they were calculated and collected.

Important!

Contributions to PPK are calculated based on the participant's **remuneration**, paid out after the conclusion of the agreement for operating PPK - it does not matter for what period this remuneration is due.



If the payout of the remuneration takes place more often than once a month, for example, weekly, contributions to PPK calculated from these salaries can be transferred to the financial institution continuously or, for example, at once (accumulated for the whole month).

Rehiring the same employee and calculating contributions to PPK

Assumption: the employer has not entered into a PPK management agreement with any other financial institution

Status of the employed person before employment termination	Age when returning	Returning after auto-enrolment	Employer's actions*
✓ Was a PPK participant (did not resign)	irrelevant	irrelevant	Contributions are calculated from the first paid remuneration. The agreement for operating PPK is not concluded again.

* it is not possible to resume making PPK contributions for individuals who have reached the age of 70.

Rehiring the same employee and calculating contributions to PPK

Assumption: the employer has not entered into a PPK management agreement with any other financial institution

Status of the employed person before employment termination	Age when returning	Returning after auto-enrolment	Employer's actions*
✓ Was a PPK participant (did not resign)	irrelevant	irrelevant	Contributions are calculated from the first paid remuneration. The agreement for operating PPK is not concluded again.
✗ was a participant (resigned)	before 55	no	We do not calculate contributions. If the PPK participant submits a request for making contributions - we calculate PPK contributions. We do not enter into another agreement for operating PPK.

* it is not possible to resume making PPK contributions for individuals who have reached the age of 70.

Rehiring the same employee and calculating contributions to PPK

Assumption: the employer has not entered into a PPK management agreement with any other financial institution

Status of the employed person before employment termination	Age when returning	Returning after auto-enrolment	Employer's actions*
Was a PPK participant (did not resign)	irrelevant	irrelevant	Contributions are calculated from the first paid remuneration. The agreement for operating PPK is not concluded again.
was a participant (resigned)	before 55	no	We do not calculate contributions. If the PPK participant submits a request for making contributions - we calculate PPK contributions. We do not enter into another agreement for operating PPK.
was a participant (resigned)	before 55	yes	The declaration of resignation ceased to be effective on March 1 of the year in which auto-enrolment applies. Contributions to PPK should be calculated starting from the first remuneration paid to the PPK participant after returning (if he/she does not submit a new resignation declaration). We do not enter into another agreement for operating PPK.

* it is not possible to resume making PPK contributions for individuals who have reached the age of 70.

Rehiring the same employee and calculating contributions to PPK

Assumption: the employer has not entered into a PPK management agreement with any other financial institution

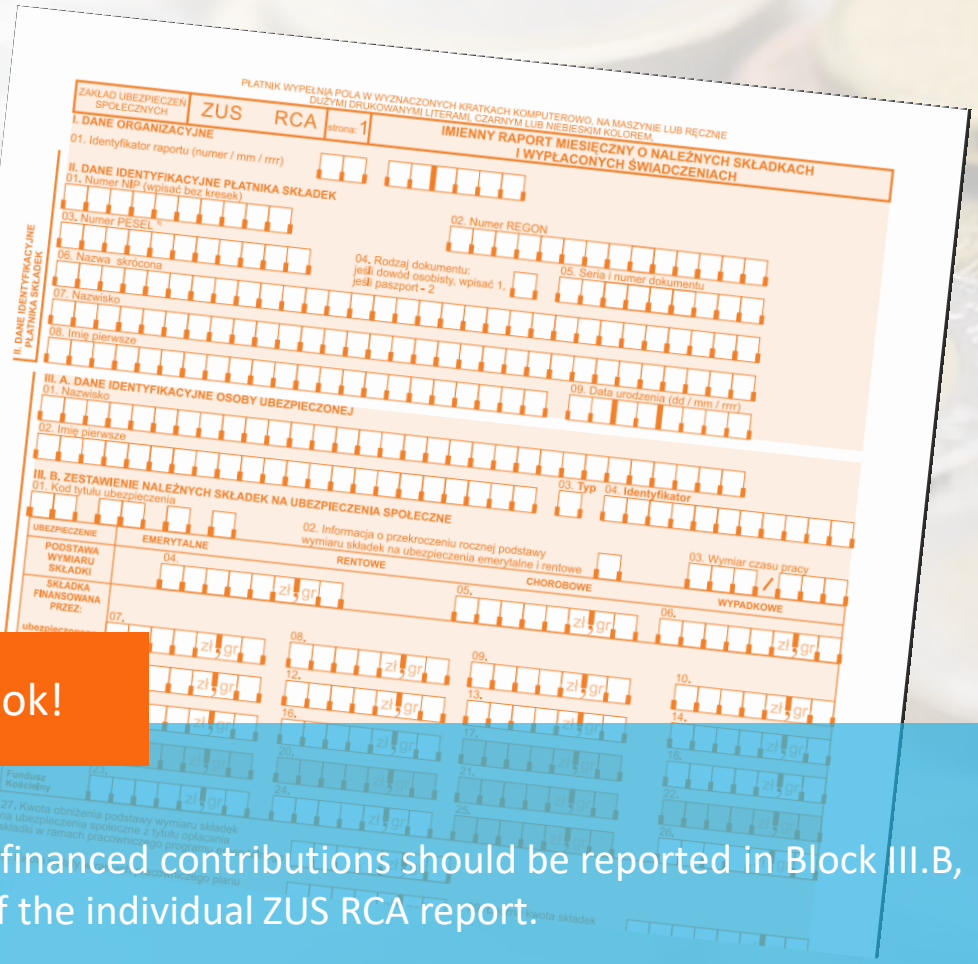
Status of the employed person before employment termination	Age when returning	Returning after auto-enrolment	Employer's actions*
✓ Was a PPK participant (did not resign)	irrelevant	irrelevant	Contributions are calculated from the first paid remuneration. The agreement for operating PPK is not concluded again.
✗ was a participant (resigned)	before 55	no	We do not calculate contributions. If the PPK participant submits a request for making contributions - we calculate PPK contributions. We do not enter into another agreement for operating PPK.
✗ was a participant (resigned)	before 55	yes	The declaration of resignation ceased to be effective on March 1 of the year in which auto-enrollment applies. Contributions to PPK should be calculated starting from the first remuneration paid to the PPK participant after returning (if they do not submit a new resignation declaration). We do not enter into another agreement for operating PPK.
✗ was a participant (resigned)	at least 55	irrelevant	We do not calculate contributions to PPK. If the PPK participant submits a request for making contributions - we calculate the contributions. We do not enter into another agreement for operating PPK.

- it is not possible to resume making PPK contributions for individuals who have reached the age of 70.

Information provided to ZUS (RCA)

PPK contributions financed by the employer should be shown in the individual ZUS RCA report for the month in which this payment was transferred to the financial institution (ZUS announcement of February 26, 2020).

Employer-financed contributions do not constitute the basis for calculating contributions to the pension and disability insurance.



Have a look!

Employer-financed contributions should be reported in Block III.B, field 28, of the individual ZUS RCA report.

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Pracownicze Plany Kapitałowe

Operating PPK – selected topics

Pracownicze Plany Kapitałowe

Operating PPK – selected topics

Public-law deductions from PPK contributions

Public-law deductions from PPK contributions

PPK contributions do not form the basis for assessing contributions to pension and disability insurance. Thus, they also do not form the basis for calculating contributions to sickness, accident, health insurance and contributions to non-insurance funds (Labour Fund, Guaranteed Employee Benefits Fund, Solidarity Fund, and Bridge Pensions Fund).

PPK contributions financed by the employer **constitute income for the PPK participant**.

When does an employee's income from employer-funded PPK contributions arise?

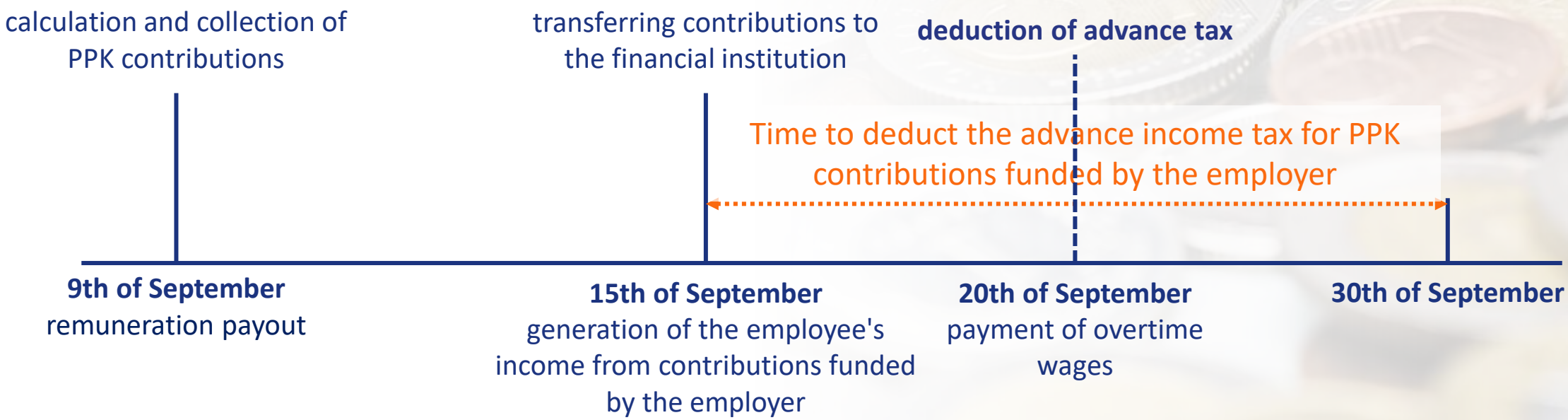
The income of the employee (PPK participant) from employer-funded PPK contributions arises **at the moment the contribution is transferred to the financial institution**.

Important!

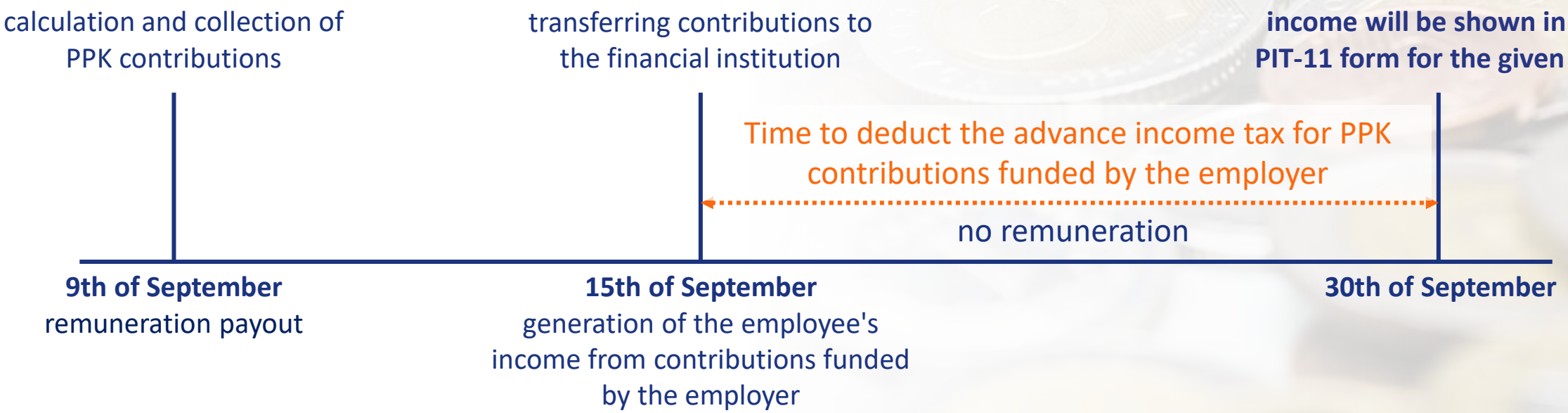
If in a given month the employer has nothing from which to deduct the advance income tax on the employer-funded PPK contributions, he/she will not do so.

In such a case, the employer will add the employee's income from these contributions to the income from the employment relationship, which is reported in the PIT-11 information for the year in which the employee received this income.

When to collect advance income tax?



When to collect advance income tax?



Advance income tax

If the employer transfers funds to the financial institution on the day of remuneration payment, he/she may deduct the advance payment on income tax from the PPK contributions financed by him/her on that day.

Pracownicze Plany Kapitałowe

Operating PPK – selected topics

Undue payments

Undue payments

Refund to the financier

Contributions made to PPK, the welcome contribution or the annual contribution, which turned out to be undue in whole or in part, are subject to refund to the person/entity financing the contribution, welcome contribution, or annual contribution.

The participant’s consent is not needed

If the PPK participant's account has already recorded participation units/settlement units, the redemption/write-off of these units does not require the PPK participant's consent.

Important!

The provision of Article 28a of the PPK Act came into force on November 11, 2022 and applies to undue PPK contributions made from that date.

Undue payments – example no. 1

The financial institution receives information that contributions made to PPK, a welcome contribution or an annual contribution are undue in whole or in part.

If the **PPK participant's account has already recorded participation units/settlement units**, the financial institution immediately redeems/writes off these units.

Within 3 working days from the day of redemption/write-off of participation units/settlement units, the financial institution refunds the funds resulting from this redemption/write-off to the PPK participant, employer and the Labour Fund.

In case the financial institution does not have the bank account number of the PPK participant, it refunds the funds to the employer's bank account. The employer will transfer this amount to the PPK participant within 5 working days.

Article 28a of the PPK Act

Undue payments – example no. 2

The financial institution receives information that contributions made to PPK are undue in whole or in part.

If **no participation units have been acquired for undue payments/payments have not been converted into settlement units** - immediately, no later than within 3 working days after receiving information that the payments turned out to be undue, the financial institution refunds them to the PPK participant and the employing entity.

In case the financial institution does not have the participant's bank account number, it refunds the funds to the employer's bank account. The employer will transfer this amount to the PPK participant within 5 working days.

Art. **28a** of the PPK Act

Pracownicze Plany Kapitałowe

Operating PPK – selected topics

Late and overdue PPK contributions

Late and overdue PPK contributions

Possible to transfer to PPK

Late PPK contributions – contributions calculated and collected on time, but not made (not transferred to the financial institution)

Not possible to transfer to PPK

Overdue PPK contributions – contributions that have not been calculated and collected on time or have been calculated but have not been collected by the employing entity on time

Important!

The damage that has arisen in connection with the non-payment of contributions should be compensated to the PPK participant on the basis of the principles resulting from the Civil Code.

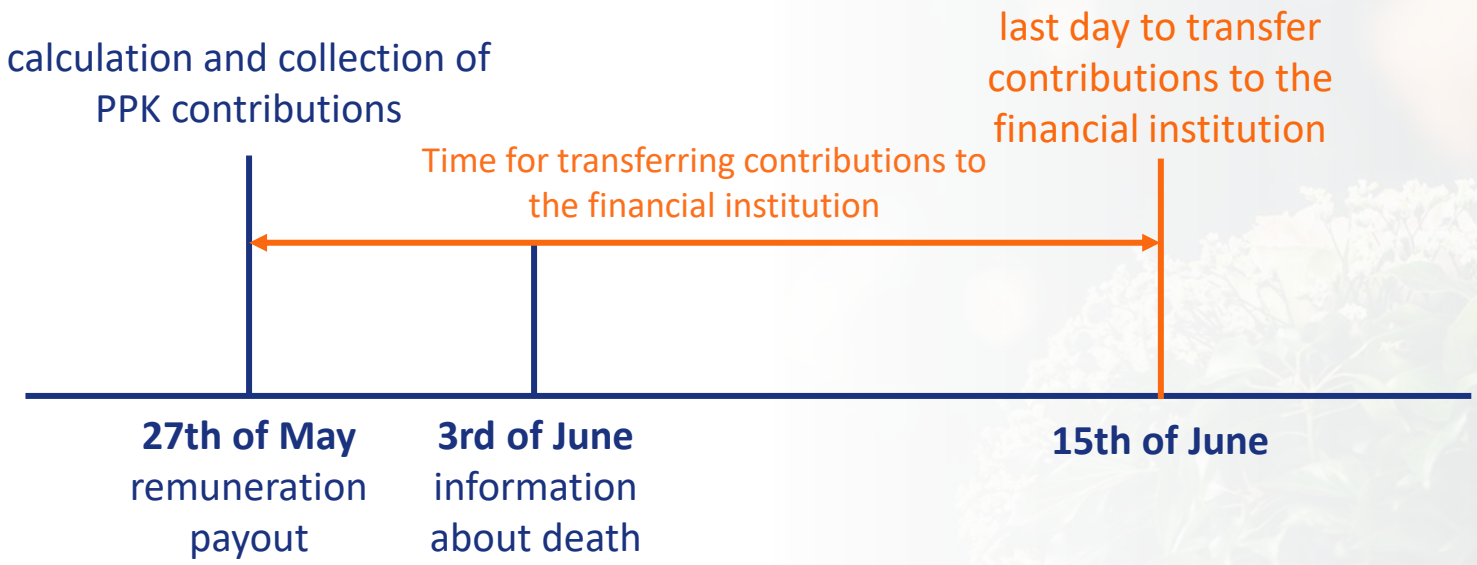
Pracownicze Plany Kapitałowe

Operating PPK – selected topics

Death of a participant and contributions to PPK

Death of a participant and contributions to PPK – example no. 1

Calculating and collecting PPK contributions before the death of a PPK participant



Remuneration is paid until the last day of the month for which this remuneration is due.

On June 3rd - already after the payment of the remuneration for May, and thus after calculating and collecting PPK contributions - the employer received information about the death of the employee - PPK participant. In such a case, the employer transfers to the financial institution PPK contributions calculated and collected from the remuneration of this participant, paid out in May.

Death of a participant and contributions to PPK – example no. 2

Death of a PPK participant before calculating and collecting PPK contributions

Remuneration is paid by the last day of the month for which it is due.

On June 8, that is before the payment of the June remuneration, the employer received information about the death of an employee - a PPK participant. The employer did not calculate, collect, or make PPK contributions for this participant anymore.

Pracownicze Plany Kapitałowe

Operating PPK – selected topics

Auto-enrolment every 4 years – 2027, 2031 etc.

Auto-enrolment every 4 years – 2027, 2031 etc.

Step 1
Inform

Whom?
All who submitted a declaration of resignation from making PPK contributions.

When?
Until the end of February in the year in which auto-enrolment takes place.

Step 2
Calculate contributions

To whom?
To persons aged 18 - 55, if they did not submit a resignation again from March 1 until the day of remuneration payment in March.

To persons aged 55-70, when they submitted a request to make contributions/conclude an agreement for operating PPK.

When?
From March 1 of each year in which auto-enrolment reoccurs.

Step 3
Conduct payments

When?
From April 1 to 15 of each year in which auto-enrolment reoccurs.

Pracownicze Plany Kapitałowe

Handling PPK declarations and applications

Handling employee’s declarations and applications

Declaration of resignation from making PPK contributions

submitted by a PPK participant is valid from the moment of its submission. This means that starting from the moment of submitting this declaration, no PPK contributions are made. Contributions that have been calculated and collected but not made before the declaration is submitted are subject to refund.

submitted by a person who is not a PPK participant is valid from the moment of its submission - the employer does not conclude an agreement for operating PPK for this person.

Application for making contributions to PPK

submitted by a PPK participant - PPK contributions are made starting from the month following the month in which such an application was submitted, which means that PPK contributions should be calculated and collected already in the month of submitting the application, and then made in the following month.

submitted by a person who is not a PPK participant the obligation to calculate PPK contributions will be preceded by the obligation to conclude an agreement for operating PPK on behalf of and for this person. The agreement for operating PPK must be concluded immediately - so that the contributions can be calculated and collected from the nearest remuneration paid after the employed person submits an application to make PPK contributions.

Handling employee’s declarations and applications

Declaration on lowering the basic contribution

is effective from the month following the month in which it was submitted and considered by the employer. The employer takes this declaration into account if the PPK participant’s remuneration earned in the month of its submission from this employer does not exceed 120% of the minimum wage.

Additional contribution declaration

Additional contribution in the amount declared by the PPK participant is applicable from the month following the month in which the PPK participant submitted the respective declaration.

Change in the declaration concerning the amount of contributions

is effective from the month following the month in which the PPK participant made such change.

Pracownicze Plany Kapitałowe

Changing the financial institution with which the PPK management agreement was concluded

Changing the financial institution

Selecting new financial institution

Conclusion of the PPK management agreement with newly chosen financial institution

Termination of the PPK management agreement with the current financial institution

Conclusion of agreement for operating PPK with the newly chosen financial institution on behalf of and for the benefit of employed persons who had an agreement for operating PPK with the current financial institution

Making contributions

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Changing the financial institution

The new financial institution is chosen in agreement with the trade union organization. If such does not operate in the employing entity – then in agreement with the representation of the employed persons, selected in accordance with the procedure adopted in this employing entity.

First, you should conclude a PPK management agreement with the newly chosen financial institution. Then terminate the existing PPK management agreement.

No later than within 7 days from the date of concluding the PPK management agreement with the new financial institution, agreements for operating PPK on behalf of and for the benefit of all employed persons who had a PPK management agreement with the current financial institution should be concluded.

Payments should be made to the current financial institution - until the expiry of the notice period of the PPK management agreement (unless otherwise agreed).

Changing the financial institution – transferring funds

No later than within 7 days from the date of concluding the PPK management agreement with the new financial institution, each employed person who previously had an agreement for operating PPK with the current financial institution must be informed about the employer's obligation to submit a request for a transfer payout on behalf of this person.

The employed person may object to the transfer, notifying the employer in writing within 7 days from receiving information from him/her about the obligation to submit a request for a transfer payout.

The transfer payout order should be submitted on behalf of those persons, who did not inform the employer, in writing, within the designated period, about their disagreement with the transfer.

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Pracownicze Plany Kapitałowe

Restructuring of employing entities

Restructuring of employing entities

The PPK Act neither excludes nor modifies the so-called universal succession (e.g. Article 494 of the Commercial Companies Code) or the so-called singular succession (Article 55[1] of the Civil Code).

§

In case of merger, division, or transformation of the employing entity, the rules resulting from the generally applicable legal regulations should be applied.

Article 23[1] of the Labour Code does not provide basis for ensuring the continuity of saving in the PPK for transferred employees. It does, however, provide a basis for taking into account the period of employment necessary for entering into an agreement for operating PPK on behalf of a given person.

Restructuring of employing entities

Important!

Article, 9 section 2 of the PPK Act regulates the rules of conduct for an employer running PPK, which acquires the enterprise of another entity, also running PPK, or takes over this entity (without succession in the scope of PPK).

In the event of no succession in the scope of PPK and

- acquisition by an employer of the enterprise of another employer in its entirety or its organized part, or
- merger of employing entities running PPK,

the employer who acquired the enterprise or its organized part, or being the acquiring entity, enters into the agreements for operating PPK on behalf of and for the benefit of employees with the financial institution with which it has concluded the PPK management agreement, within 7 days from the day of this acquisition or merger.

mojePPK.pl

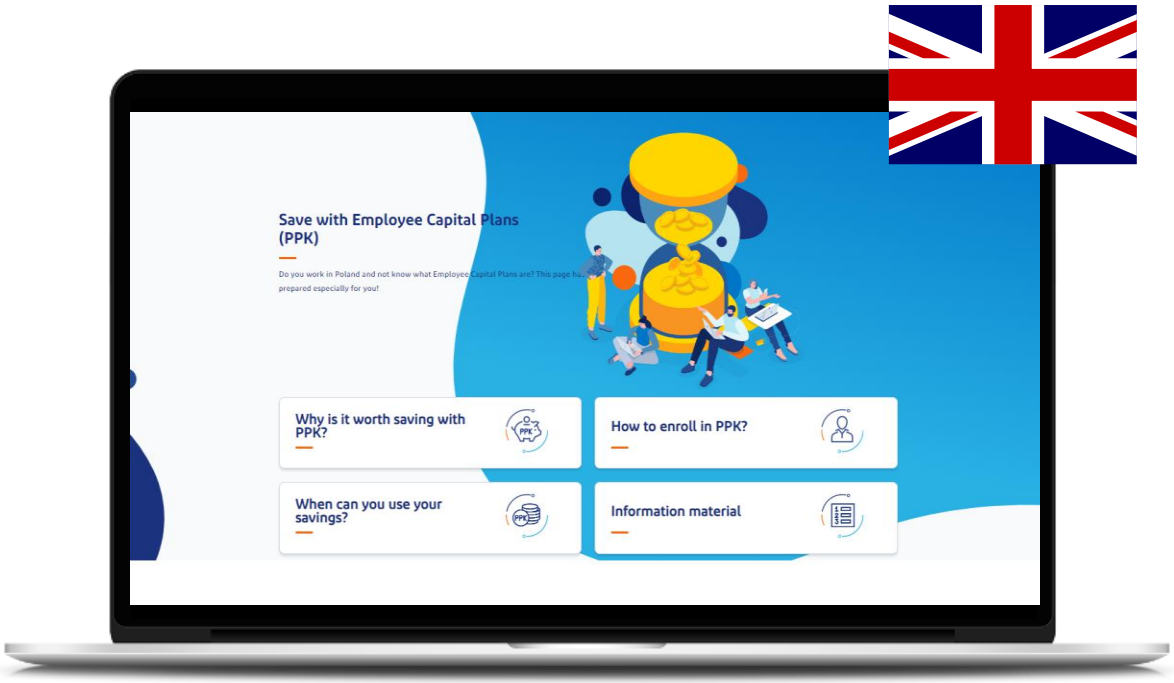
Helpline 800 775 775

PPK Calculator

Log in

PPK for foreigners / ППК для іноземця

Resourses in English



Матеріали українською мовою

Pracownicze Plany Kapitałowe

Question time!

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