

THE OECD TAX-BENEFIT DATABASE

Description of policy rules for
Poland 2023



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Description of policy rules for 2023

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Preface

This report provides a detailed description of the tax and benefit rules in Poland as they apply to working-age individuals and their dependent children. It also includes output from the [OECD Tax-Benefit model \(TaxBEN\)](#), which puts all these complex legal rules into a unified methodological framework that enables international comparisons of how tax liabilities and benefit entitlements affect the net disposable income of families in different labour market circumstances, e.g. in employment versus unemployment.

The **main body** of the report describes the rules that are relevant for the family and labour market characteristics that are within the scope of the **TaxBEN** model (see below for the methodology and user guide). The **annex** provides information on other cash benefits and taxes on employment income that are relevant for other groups of the working-age population, but are outside the scope of the **TaxBEN** model.

TaxBEN is essentially a large cross-country calculator of tax liabilities and benefit entitlements for a broad set of *hypothetical* families (“vignettes”), e.g. a married couple of 40-years-old adults with two children aged 4 and 6 (click [here](#) for a quick overview of the **TaxBEN** model). **TaxBEN** incorporates rules on the main taxes on employment income, social contributions paid by employees and employers, as well as the main cash and near-cash benefit programmes, including unemployment benefits, family and childcare benefits, guaranteed minimum-income benefits, cash housing benefits, and employment-conditional benefits. Disability benefits, maternity and parental leaves benefits are included in the model for a sub-set of countries and years. The main policy instruments that are currently not included in the **TaxBEN** model are taxes on wealth (e.g. taxes on immovable and unmovable properties), indirect taxes (e.g. VAT), early-retirement benefits, short-time work compensation schemes, sickness benefits, and in-kind benefits (e.g. subsidised transport and free health care).

Useful online resources for the OECD tax-benefit model (TaxBEN)



[TaxBEN web calculator](#)



[Methodology and user guide](#)



[OECD tax-benefit data portal](#)



[Network of national experts](#)


Guidelines for updating this report (for national experts)



[General guidelines](#)

Detailed [guidelines for updating Section 5](#) “Net costs for Early Childhood Education and Care”

Reading notes and further details on the content of this report

- **Reference date** for the policy rules described in this report: **1 January 2023**.
- The symbol  in the text provides a link to the glossary of technical terms.
- Section titles provide the names of taxes and benefits as they are known in the country: first, direct translation into English, then (in brackets) the name in the national language.
- **TaxBEN** variables are indicated in the text using the format `[variable name]`.

The OECD tax-benefit model for Poland: Policy rules in 2023

1. Reference wages and other reference amounts

Average wage **[AW]**: The OECD tax-benefit model uses Secretariat estimates of the average full-time wage (available [here](#))¹. If Secretariat estimates are not available yet, the model uses wage projections obtained by applying forecasted wage growth² to the latest available wage estimate.

From January 2023, the minimum wage **[MIN]** is PLN 3 490 per month. From July 2023, it increased further to PLN 3 600 per month. In the model, the annual minimum wage is computed by multiplying the minimum monthly wage (as of 1 January 2023) by 12, i.e. PLN 3 490 * 12 = PLN 41 880. *The reference date in the model is 1 January 2023.*

Minimum wage in Poland is subject of tripartite negotiations within the Social Dialogue Council (RDS), which consists of representatives of trade unions, employers' associations and the government.

The increase of the amount of minimum wage for the next year cannot be lower than the forecast price index for that year. If the forecast price index for the preceding year differs from the real price index in that year, the verification index is also taken into account for calculating the amount of minimum wage for the next year. The verification index is obtained by means of dividing the price index in the preceding year by the forecast price index for the preceding year.

If in the year, in which the negotiations take place, the amount of minimum wage is lower than half of the average wage in national economy in the first quarter of that year, the minimum wage is additionally raised by 2/3 of the forecast real growth rate of the gross domestic product (GDP).

Thus, the formula which sets the lower bound of the minimum wage is:

$$MW \text{ in } 2023 = (MW \text{ in } 2022) \times (\text{verification index}) \times (\text{forecast price index in } 2023 + 2/3 \text{ of the forecast real growth rate of the GDP in } 2023)$$

If the forecast price index for the next year equals:

- at least 105% – two dates of changing the amount of minimum wage are specified: from 1 January and from 1 July;

¹ Average Wages are estimated by the [Centre for Tax Policy and Administration](#) at the OECD. For more information on methodology see the latest [Taxing Wages publication](#).

² Wage growth projections are based on [OECD Economic Outlook](#) and [EU economic forecasts](#) (for non-OECD countries).

- less than 105% – one date of changing the amount of minimum wage is specified: from 1 January.

The aforementioned mechanism is used every year at regular intervals.

2. Unemployment benefits

2.1. Unemployment benefit (*Zasilek dla bezrobotnych*)

Code in the OECD tax-benefit model:³ [UI_p; UI_s]


This is an unemployment insurance benefit. It is contributory, not means-tested and taxable.



2.1.1. Eligibility conditions

Age: 18-60 (women)/ 65 (men)

Contribution/employment history: A person is eligible to unemployment benefit if within the 18 months directly before the day of unemployment registration he or she was employed for at least 365 days and received total remuneration in the amount of at least the minimum remuneration for which contributions are paid to the Labour Fund.

Behavioural requirements and related eligibility conditions:  The right to unemployment benefit is granted to registered unemployed persons if the labour office has no proposals of suitable work (or similar). *TaxBEN assumes that these compulsory conditions are satisfied when simulating unemployment benefits.*⁴

2.1.2. Benefit amount

On 1 January 2023, the monthly level of unemployment benefit is PLN 1 304.1 in the first 90 days (approx. 3 months) and PLN 1 024.1 afterwards.

Additionally, the benefits are adjusted according to the number of years at work:

- persons having less than 5 years receive 80% of benefit,
- persons having from 5 to 20 (excluding) years receive 100% of benefit,
- persons having at least 20 years receive 120% of benefit.

2.1.3. Benefit duration

The benefit is granted to the unemployed person from the day of registration (except some specific cases). The period of receiving the benefit is:

1) 180 days – if the unemployment rate in that area on 30 June of the year preceding the day of acquiring the right to the benefit did not exceed 150% of the average unemployment rate in the country;

³ The variable names ending with “_p” refer to the first adult (so-called “principal” adult) whereas those ending with “_s” are related to the spouse.

⁴ Details on behavioural requirements and sanction provisions for unemployment benefits are reported in regularly updated companion reports, see [How demanding are activation requirements for jobseekers? - OECD](#).

2) 365 days (*this duration is assumed in the model*) – if:

a) the unemployment rate in that area on the 30 June of the year preceding the day of acquiring the right to the benefit exceeded 150% of the average unemployment rate in the country, or

b) a claimant is over 50 years old and has at least 20-year period entitling to the benefit, or

c) has at least one child to support (up to 15 years old), and the spouse is also unemployed and has exhausted the right to the benefit, or

d) is a single person bringing-up at least one child up to 15 years old.

There are possibilities to re-apply for benefits once they have expired, provided that the conditions concerning the benefit eligibility period are fulfilled.

2.1.4. Means test

The benefit is not means-tested.

2.1.5. Tax treatment

The benefit is taxable. Since 1 July 2022 (applied retrospectively since 1 January 2022), tax rate is 12% of the gross benefit (higher rate may apply if a person has other taxable income, see Section 0. It is also subject to health insurance contributions: 9%. Since 1 January 2022, health contributions are no longer deductible from the tax base.

$$\text{Net unemployment benefit} = \text{gross benefit} - \text{income tax} - \text{health insurance}$$

Where:

$$\text{income tax} = (\text{gross benefit} * 12\% - \text{basic tax credit})$$

$$\text{health insurance} = \text{gross benefit} * 9\%$$

The income tax cannot be lower than zero.

Unemployment benefit is the basis for calculating the old-age pension insurance and disability pension insurance contributions. Both contributions are covered by poviat labour office from Labour Fund's resources. *These contributions are not simulated in the model.*

2.1.6. Interactions with other components of the tax-benefit system

Unemployment benefit is included in the means test for the following benefits covered in this report: family benefits, housing and social assistance benefits.

2.1.7. Combining benefit receipt and employment/starting a new job

The unemployed may have monthly income up to 50% of the minimum monthly gross remuneration, but from sources other than wage. The minimum monthly gross remuneration amounts to: PLN 3 490 from January to June 2023 and PLN 3 600 from July 2023.

Activation allowance (*Dodatek aktywizacyjny*)

If an unemployed person finds a job before exhausting the unemployment benefit, the unemployed can receive an activation allowance⁵. This is a standalone benefit, whose eligibility depends on previous entitlement to the unemployment benefit. The unemployed is eligible to the activation allowance if he or she:

- took up a part-time job in a given occupation of service as a result of referral by a poviát labour office and receives remuneration that is lower than the minimum monthly remuneration. The activation allowance is the difference between the minimum remuneration for work (PLN 3 490 up to June 2023 and PLN 3 600 from July 2023) and remuneration derived from the new job, but not more than 50% of the received unemployment benefit, for the period in which the unemployed person would be entitled to the unemployment benefit. *This situation is not considered in the model.*
- took up employment or other gainful work out of own initiative. The activation allowance is 50% of the received unemployment benefit for half the period in which the unemployed person would have been entitled to the unemployment benefit. *This situation is simulated in the model.*

The activation allowance cannot be received in case of public works, employment with the previous employer or employment abroad or in any case when unemployed person is referred to work subsidized by local labour office.

In case of hiring an unemployed person under 30 years old, referred by the poviát labour office, employers are exempt from obligation of paying contribution to the Labour Fund in the first 12 months of employment. This exemption applies also to the contributions to the Guaranteed Employee Benefits Fund. The same rule applies to persons over 50 years old registered in labour office for at least 30 days before referring to the employer. *This is not considered in the model.*

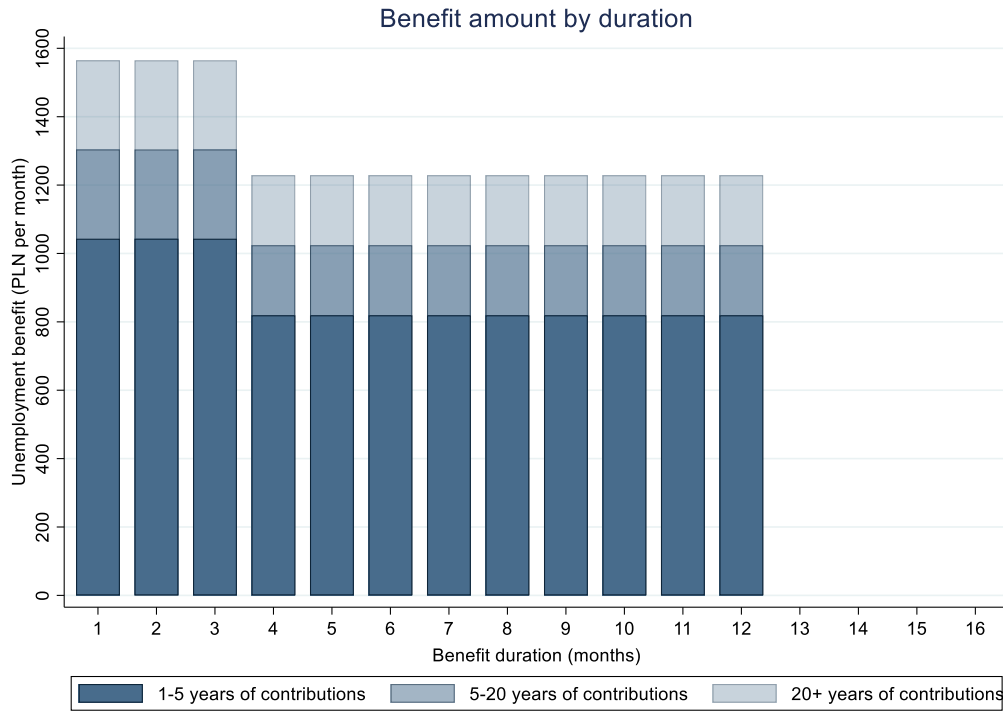
2.1.8. Indexation

Unemployment benefits are subject to indexation on 1 June by the average annual total price index of consumer goods and services for the previous year. Indexation of unemployment benefits doesn't apply in case when the average annual total price index of consumer goods and services has not changed or has decreased.

⁵ Activation allowance was introduced in Act on Employment Promotion and Labour Market Institutions on 20 April 2004. In October 2007, the amount of the benefit in case a person found a job on their own initiative increased from 30% to 50% of the unemployment benefit.

Figure 1. Unemployment benefit

40-year-old single person without children



Note: The figure shows gross benefit amount. Benefit amount does not depend on family structure or previous earnings, but it increases with contribution record (shaded areas on the top of the dark blue bars show the top-ups for long contribution record). If the contribution record is less than one year a person is not eligible to unemployment benefit. Benefit duration is assumed to be one year (i.e. a more generous case).

Source: OECD Tax-Benefit Model.

3. Social assistance and housing benefits

Social assistance consists of various categories of cash benefits as well as different forms of non-financial support. There are three basic types of cash benefits: permanent benefit (*zasilek stały*), temporary benefit (*zasilek okresowy*) and purpose benefit (*zasilek celowy*). Section 3.1. covers the temporary benefit which is simulated in the model. Other benefits are described in the Annex.

Housing benefits are paid by local authorities to the low-income households but they are not part of the social assistance system. Housing benefit (*dodatki mieszkaniowe*) is described in Section 0

3.1. Temporary benefit (*Zasilek okresowy*)

Code in the OECD tax-benefit model: [\[SA\]](#)

This is a non-contributory benefit, means-tested and not taxable.

3.1.1. Eligibility conditions

Temporary benefit may be granted to persons (18+) and families without sufficient income due to in particular:

- poverty
- orphanhood (*not modelled*)
- homelessness (*not modelled*)
- unemployment
- long term illness (*not modelled*)
- disability⁶ (*not modelled*)
- other (*not modelled*).

The first three conditions apply to recipients of social assistance in general.

3.1.2. Benefit amount

The maximum benefit amount is calculated as follows:

- for a single person - up to the difference between the income criterion of a single person and his/her income, provided that the amount of the allowance cannot exceed PLN 600 per month;
- for the family - up to the difference between the family income criterion and the family income.

The minimum amount of temporary benefit cannot be lower than 50% of the difference between:

- the criterion of income of a single person household and the income of that person;
- the criterion of income of the family and the actual income of that family.

The amount of the temporary benefit cannot be lower than 20 PLN per month. If the calculated benefit is lower than 20 PLN, it is levelled to 20 PLN and paid in this amount.

⁶ People with disability are also eligible to Permanent benefit (see description in the Annex).

The commune council (*rada gminy*) may increase the minimum amount of temporary benefit by resolution. The actual benefit amount depends on discretionary administrative decision and might be less than the maximum.

3.1.3. Benefit duration

The period for which the temporary benefit is granted is determined by the local social assistance center and depends on the case circumstances. *In the model, unlimited duration is assumed.*

3.1.4. Means test

Income test

In order to be eligible for the benefit a single person or a family should have insufficient means of living under the following income criteria: PLN 776 for single person; PLN 600 for a person in family (per capita).

The income calculated for the purpose of social assistance benefits (including temporary benefit) is the sum of all monthly family income (*in the model this includes earnings from work and unemployment benefits*) less the tax deductible expenses (e.g. allowances for work related expenses described in Section 8.1.1.), personal income tax, contributions for health insurance and for social insurance as well as the amount of alimony payable to other persons (*alimony is not covered in the model*). The income calculated in this way does not include the following benefits (*all except the first bullet point are not covered by the model*):

- child-support benefit (500+), educational supplement (“allowance at beginning of the school year”, benefit “Good start”), Family care capital - provided in accordance with the Act on supporting family and the system of foster care;
- a one-off social cash benefit;
- a purpose benefit;
- material assistance of a social or motivational nature;
- the value of benefits in kind;
- a benefit for an unemployed person for performance of socially useful work;
- and some other small-scale incomes and benefits.

Asset test

Not applicable to the temporary benefit in Poland. The income criteria are the main basis to decide on the eligibility for cash benefits from social assistance. However, in case of flagrant disproportion between the level of income and the material status of the person/household concerned the granting of social assistance, benefits may be refused.

3.1.5. Tax treatment

The benefit is not taxable.

3.1.6. Interaction with other components of the tax-benefit system

The temporary benefit is not included into the calculation of the income for the purpose for other income-tested benefits described in this report and included in the TaxBEN model, i.e. housing benefit, family allowances and supplements.

3.1.7. *Combining benefit receipt and employment/starting a new job*

Temporary benefit may be also granted for up to 2 months after job take-up, regardless of the income earned, for a person with a signed social contract (*not modelled*).

3.1.8. *Indexation*

There is no automatic indexation, but the income criteria are set by the Government every three years. According to Law on Social Assistance, the income criteria are modified every three years, taking into account the result of analysis of the social intervention threshold. The social intervention threshold is analysed by the Institute of Labour and Social Affairs.

The last adjustment of the income criteria was made in 2021.

By May 15 of the year when verification is conducted, the Council of Ministers presents to the Social Dialogue Council:

- 1) proposed amounts of the income criteria;
- 2) information on the payment of cash benefits from social assistance for the period since the last verification, including the number of beneficiaries, the number of benefits and the total amount of expenditures related to benefits.

The Social Dialogue Council shall agree on the income criteria by June 15 of a given calendar year.

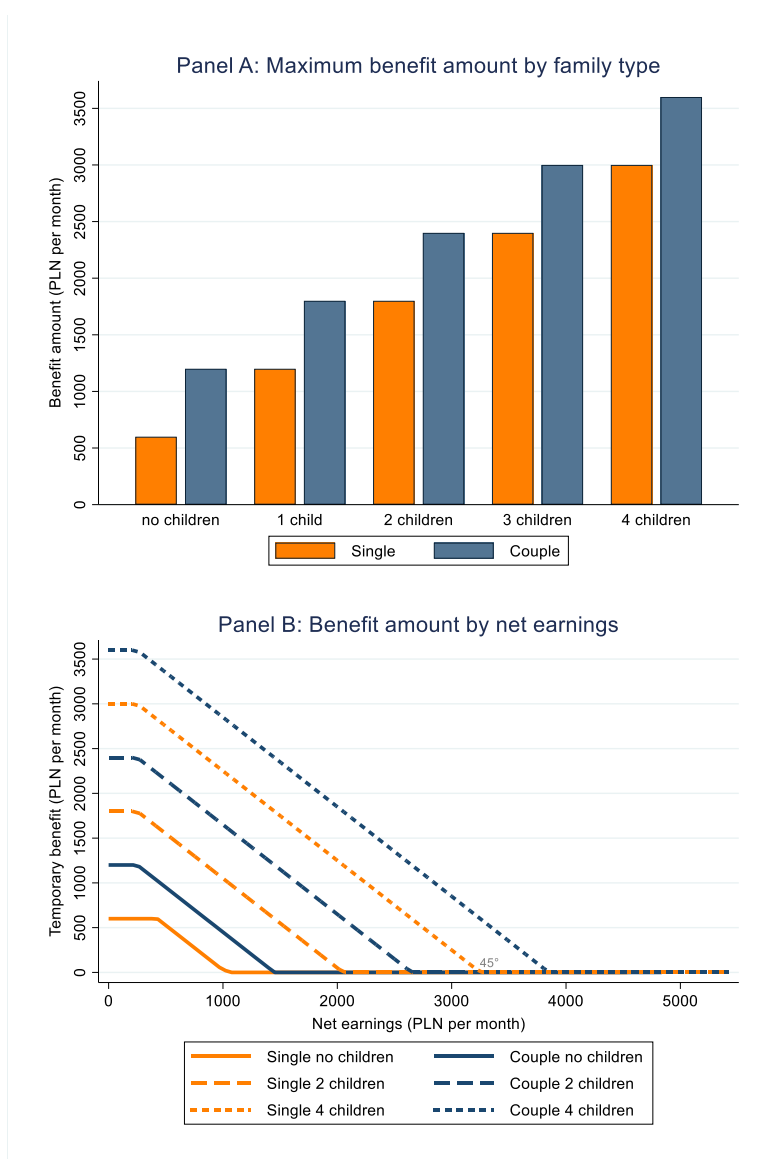
The Minister competent for social security shall announce, by way of proclamation in "Monitor Polski" (the Official Journal of the Republic of Poland), the verified income criteria by July 15 of the year when the verification is conducted.

The verified income criteria shall become effective from January 1 of the year following the year in which the verification is carried out.

By April 15 each year, the Minister competent for social security shall submit to the Social Dialogue Council information on the amount of minimum subsistence cost established by the Institute of Labour and Social Studies. If in a given calendar year the amount of income criterion for persons living in a single-person households and of income criterion per person in the family is equal to or lower than the minimum subsistence cost, the Social Dialogue Council may apply to the Council of Ministers for verification of amounts of the income criteria.

Figure 2. Temporary social assistance benefit

40-year-old single person and couple with or without children



Note: Results assume no receipt of family benefits, housing benefits as well as other benefits, which are usually included in the means test for temporary benefit. Panel A shows maximum temporary benefit amount for a jobless family with no income. Panel B shows the reduction in benefit amount as one adult starts working. Horizontal axis shows net earnings, which are considered in the means test for temporary benefit. The benefit decreases by 1 PLN for every net PLN earned (i.e. the slope of all lines is 45°). Horizontal fragment of the lines at low earnings reflect subtraction of allowances for work-related expenses for working families, as well as a maximum limit on the benefit amount for a single person.

Source: OECD Tax-Benefit Model.

3.2. *Housing benefit (Dodatki mieszkaniowe)*

Code in the OECD tax-benefit model: [\[HB\]](#)

This is a non-contributory benefit, means-tested and not taxable. Housing benefits are paid to the owners of the houses, flats and tenants (*the latter is assumed in the model*).

3.2.1. *Eligibility conditions*

Low-income households meeting the income test and house size requirements.

3.2.2. *Benefit amount*

The benefit is paid based on the difference between what is considered a reasonable payment for a family and actual housing costs. Housing costs cannot exceed a maximum amount, calculated based on the size of the family and the size of the flat.

The reasonable payment for a house is based on the size of the house, as follows:

- 35 m² – one person (max. to 45.50 m²)
- 40 m² – two people (max. to 52.00 m²)
- 45 m² – three people (max. to 58.50 m²)
- 55 m² – four people (max. to 71.50 m²)
- 65 m² – five people (max. to 84.50 m²)
- 70 m² – six people (max. to 91.00 m²)
- each additional person – 5 m² (15 m² disable person in a wheelchair or with the requirement of an independent room).

The area of the house cannot exceed these limits by more than 30%. To calculate the expected housing costs, one has to calculate the cost per square meter of the house, and then multiply this cost per metre by the expected house size.

The household has to cover the housing expenses up to:

	Single person households		2 to 4 person households		5+ person households	
Income per family member as % of Minimum Pension	< 125%	[125%,175%]	< 100%	[100%,125%]	< 100%	[100%,125%]
Household Contribution	15%	20%	12%	15%	10%	12%

The minimum retirement pension is PLN 1 338.44 per month (since 1 March 2022 and until 28 February 2023) and PLN 1 588.44 per month (since 1 March 2023). *The former is used in the model for policy year 2023, and the latter will be used for policy year 2024, since the policy reference date is 1 January of the respective policy year.*

Example: A single person in a 36m² house paying PLN 360 per month would have a cost per metre of PLN 10. PLN 10 times the expected house size (35m²) gives an expected housing cost of PLN 350. If the individual earns PLN 1 000 per month, he would be expected to contribute 15% of PLN 1 000, i.e. PLN 150 per month. The housing benefit would thus be the expected housing cost (PLN 350) minus their expected contribution (PLN 150), i.e. PLN 200.

3.2.3. *Benefit duration*

The benefit is granted for a period of 6 months with the possibility of re-granting if the statutory conditions are met.

3.2.4. Means test

A single person must have income under 175% of the minimum retirement pension and families under 125% of the minimum retirement pension per capita.

In the model, the tested income includes gross employment income, unemployment benefits (see Section 2.1.) and family allowance (see Section 4.1.) less employee contributions for social insurance (see Section 7.1.). Family 500+ benefit, benefit “Good start”, and Family care capital are not included in the means test. Unlike the means test for social assistance (see Section 3.1.4. and family allowances (see Section 4.1.4. , income tax, contributions for health insurance and work-related allowance are not subtracted from the income for housing benefit means test.

3.2.5. Tax treatment

Benefits are not taxable.

3.2.6. Interaction with other components of the tax-benefit system

Housing benefit is included to the income test for social assistance benefits.

3.2.7. Combining benefit receipt and employment/starting a new job

The eligibility does not depend on the employment status (as long as income test and other criteria are satisfied).

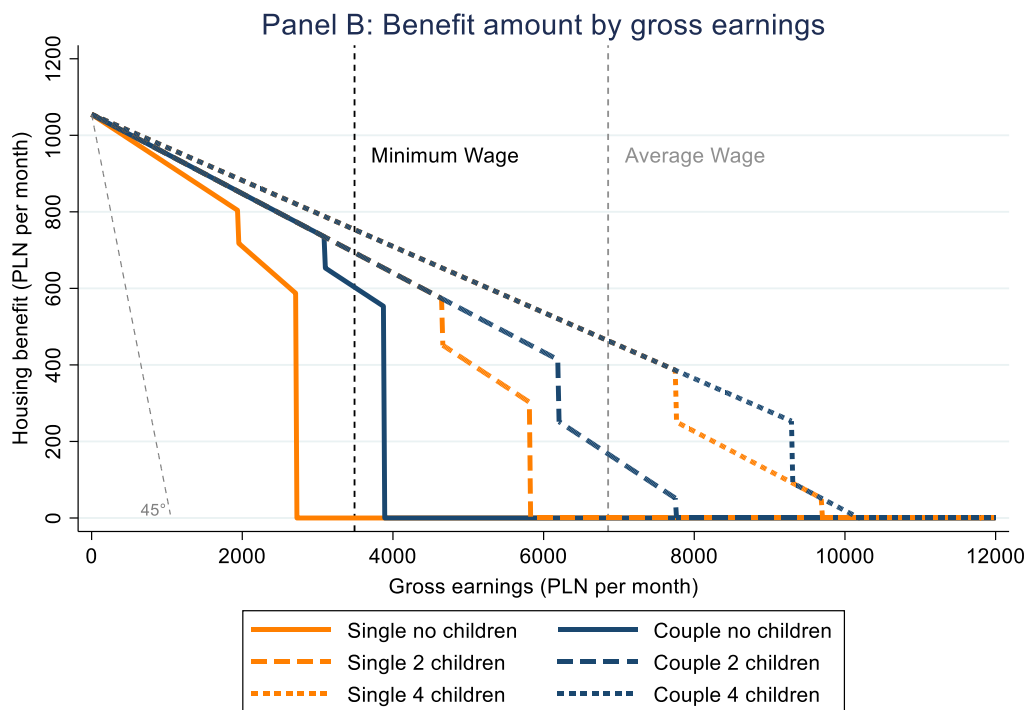
3.2.8. Indexation

The retirement pension is increased annually, from 1 March, as part of the percentage indexation of retirement and disability benefits, carried out on the basis of the Act on retirement pensions and disability pensions from the Social Insurance Fund. Indexation rate is related to the average annual price index of consumer goods and services in previous calendar year, increased by at least 20% of the real increase in the average wage in the previous calendar year. Increasing by at least 20% of the real increase in the average wage is a subject of annual negotiations within the Social Dialogue Council.

The indexation rules had been modified in recent years. In 2023, in accordance with the modified rules, the minimum retirement pension (guaranteed by the State) was increased by PLN 250 since 1 March 2023, i.e. to PLN 1 588.44 (gross).

Figure 3. Housing benefit

40-year-old single person and couple with or without children



Note: Results assume no receipt of family benefits as well as other benefits, which are usually included in the means test for housing benefit. Families are assumed to have accommodation exceeding the allowed size limits by 30% (maximum possible excess). Families pay a rent, assumed to be 20% of average wage for all family types. Thus, the maximum amount of housing benefit for a jobless family is the same for all family types. Gross earnings are used in the means test. The figure shows reduction in benefit amounts as gross earnings increase. Reduction rates are lower for larger families with lower income per capita. 45° line shows how the housing benefit would decrease if it would have been reduced by 1 PLN for every gross PLN earned.

Source: OECD Tax-Benefit Model.

4. Family benefits

4.1. Family allowance (*Zasilek rodzinny*)

Code in the OECD tax-benefit model: **[FB_basic, FB_lone, FB_lgf, FB_sch, CCB]**

This is a non-contributory benefit, means-tested and not taxable.

4.1.1. Eligibility conditions

The claimant must have a dependent child aged under 18, or under 21 if still in education, or 24 if disabled and still in education.

4.1.2. Benefit amount

Since 1 November 2016, **basic family allowance [FB_basic]** amounts to:

- PLN 95 monthly for a child until the child is 5 years old
- PLN 124 monthly for a child of 5 up to 18 years old
- PLN 135 monthly for a child of 18 up to 24 years old.

Within family allowance there are following supplementary benefits available:

- **Allowance for single parents [FB_lone]** – PLN 193 per child per month (to a maximum of PLN 386 per month per family); amounts are higher in case of children with disability - the amount of the allowance shall be increased by PLN 80 for a child, however, not more than PLN 160 for all children (*increase for disability is not modelled*).
- **Allowance for raising a child in a large family [FB_lgf]** – for the third and each next child PLN 95 per child per month.
- **Allowance at the beginning of the school year [FB_sch]** – PLN 100 per child per year (mandatory school age is 7 years).
- **Birth supplement:** a payment granted in case of a childbirth – one-off payment of PLN 1 000 (*not modelled*).
- **Child care during parental leave [CCB]** – PLN 400 per month for max 24 months (36 months in case of more than one child born during the same labour, 72 months if a child with disability). This benefit is paid to parents on parental leave, which means that a parent is formally employed, but does not go to work because of being on parental leave. (*not modelled*)
- **Allowance on education and rehabilitation of disabled children** – PLN 90 per month per child aged up to 5 and PLN 110 per child aged 6-24 (*not modelled*).
- **Allowance for undertaking by a child education in a school outside the area of residence:** PLN 113 per child per month (if child lives in locality, where the school is located), or PLN 69 per child per month (if child commutes to a school in a locality other than that of the child's place of residence). The allowance is available for 10 months of school year from September to June next year. (*not modelled*).

4.1.3. Benefit duration

Family allowance and additional payments to the family allowance are granted for a period of 12 months. The right to benefit is tested once a year. Repeated application is possible.

4.1.4. Means test

In order to be eligible for family allowance and supplements the income criteria should be met. Since 1 November 2015, the average family net income per capita should be below PLN 674 per month (PLN 764 in case of family with disabled children – *not modelled*).

In January 2016, a proportional reduction of the amount of family benefits was introduced: the mechanism “złotówka za złotówkę” (“penny for penny”). According to this mechanism a family, which does not fulfil the income criteria, can receive family allowance and family allowance supplements reduced by the amount exceeding the income criterion. Previously, the whole benefit was withdrawn if income exceeded the threshold.

When the amount of family allowance plus supplements for the family determined in accordance with the means-test rule “penny for penny” is less than PLN 20 per month, these benefits are not payable.

In the model, the tested income includes: earnings from work and unemployment benefits less tax deductible expenses (e.g. allowances for work related expenses described in Section 8.1.1.), personal income tax, contributions for health insurance and for social insurance. The income does not include family benefits described in the following sections: Family 500 Plus benefit, benefit “Good start” and Family care capital.

4.1.5. Tax treatment

The benefit is not taxable.

4.1.6. Interaction with other components of the tax-benefit system

Family benefits are included in the means test for social assistance and housing benefit, except for birth supplement in the latter case.

4.1.7. Combining benefit receipt and employment/starting a new job

The condition for granting family allowance is the income criterion not the employment status.

4.1.8. Indexation

Family benefits level and the income criteria are verified with a three-year interval. As a result of this verification based on the data provided by the Institute of Labour and Social Affairs, the Council of Ministers may change the benefit amount and/or the income criteria. Last verification was undertaken in 2021.

4.2. Family 500 Plus Programme (Program Rodzina 500 Plus, świadczenie wychowawcze)

Code in the OECD tax-benefit model: [\[FB_plus\]](#)

This is a non-contributory benefit, not means-tested (as of July 2019) and not taxable. Introduced on 1 April 2016.

4.2.1. Eligibility conditions

Available for parents, actual guardian or legal guardian of a child until the child turns 18. The benefit may also be provided to foster families, parental care centres and family

children's homes, for each child, on the basis of the Act on family support and the foster care system. As of 1 July 2019, the benefit is granted to every child from foster care.

4.2.2. *Benefit amount*

The benefit is PLN 500 monthly per child.

4.2.3. *Benefit duration*

The benefit is established for a year. Parents usually apply for the benefit before the end of May and receive it monthly from 1 June of the current year to 31 May of following year. Repeated application is possible.

4.2.4. *Means test*

Since 1 July 2019, the benefit is not means-tested. Up to 30 June 2019 the benefit was means-tested for the first child (i.e. the only child or the oldest child in the family up to 18 years old) and universal for all families for every additional child. Currently the benefit is universal for all families for every child.

4.2.5. *Tax treatment*

Non-taxable.

4.2.6. *Interaction with other components of the tax-benefit system*

The benefit is not included into income when determining eligibility for benefits from other support schemes, in particular social assistance benefits, alimony fund, family benefits, housing benefits, scholarships for students.

4.2.7. *Combining benefit receipt and employment/starting a new job*

Eligibility to the benefit is independent of employment.

4.2.8. *Indexation*

There is no automatic indexation mechanism foreseen for Family 500 plus programme.

4.3. *Benefit “Good start” (Program “Dobry start”)*

Code in the OECD tax-benefit model: [\[FB_start\]](#)

This is a non-contributory benefit, not means-tested and not taxable. The law was introduced on 30 May 2018 and came into force 1 June 2018. *The benefit is included in the model since the policy year 2019.*

4.3.1. *Eligibility conditions*

It is provided to families with children who are attending school aged from 7 to 20 years old (disabled children are eligible until 24 years old – *not modelled*) in connection with the start of a school year.

4.3.2. *Benefit amount*

The benefit is PLN 300 per child, paid one time per year. The benefit is paid depending on the date of submission of the application, by the end of September (if application was submitted in July or August) or within two months after application (if application was submitted in September, October or November). The application can be submitted only until the end of November.

4.3.3. *Benefit duration*

Paid once per year as long as conditions hold.

4.3.4. *Means test*

Not means-tested.

4.3.5. *Tax treatment*

Non-taxable.

4.3.6. *Interaction with other components of the tax-benefit system*

Benefit “Good start” is free of enforcement proceeding, tax free and is not included in the means test entitling to all benefits and supplements.

4.3.7. *Combining benefit receipt and employment/starting a new job*

Eligibility to the benefit is independent of employment.

4.3.8. *Indexation*

There is no automatic indexation mechanism foreseen for “Good start” benefit.

4.4. *Family Care Capital (Rodzinny kapitał opiekuńczy)*

Code in the OECD tax-benefit model: [\[FB_care\]](#)

The Family Care Capital was introduced on 1 January 2022.⁷ This is a non-contributory, not means-tested and not taxable benefit.

4.4.1. *Eligibility conditions*

It is provided to families for the second and subsequent children aged 12-35 months (including).

4.4.2. *Benefit amount*

The benefit amount is PLN 12 000 per child (starting from the second child, i.e. the second, the third and following children are eligible as long as they meet age criteria). Applicants can choose whether to receive the benefit in the amount of PLN 500 for 24 months or PLN 1 000 for 12 months. *(In the model, we assume the longest possible duration, i.e. 24*

⁷ More information on the Family care capital is available here: [Family care capital - ZUS](#).

months. This means that children 1 and 2 years old in the model will receive a benefit of PLN 500 per months.)

During the benefit payment period it is possible to change the decision on the monthly amount of the benefit only once. The benefit is reduced by PLN 500 a month in case of applying for the benefit after the end of the last day of the month in which a child turned 13 months old.

4.4.3. Benefit duration

Paid once per month throughout the chosen duration.

4.4.4. Means test

Not means-tested.

4.4.5. Tax treatment

Non-taxable.

4.4.6. Interaction with other components of the tax-benefit system

The benefit is not taxable and is not included in the means test entitling to other benefits and supplements. The benefit cannot be received together with co-financing of fees for nursery, kids' club or day care provider (see Section 5.3. However, it can be combined with allowance for childcare during parental leave (see Section 4.1.

4.4.7. Combining benefit receipt and employment/starting a new job

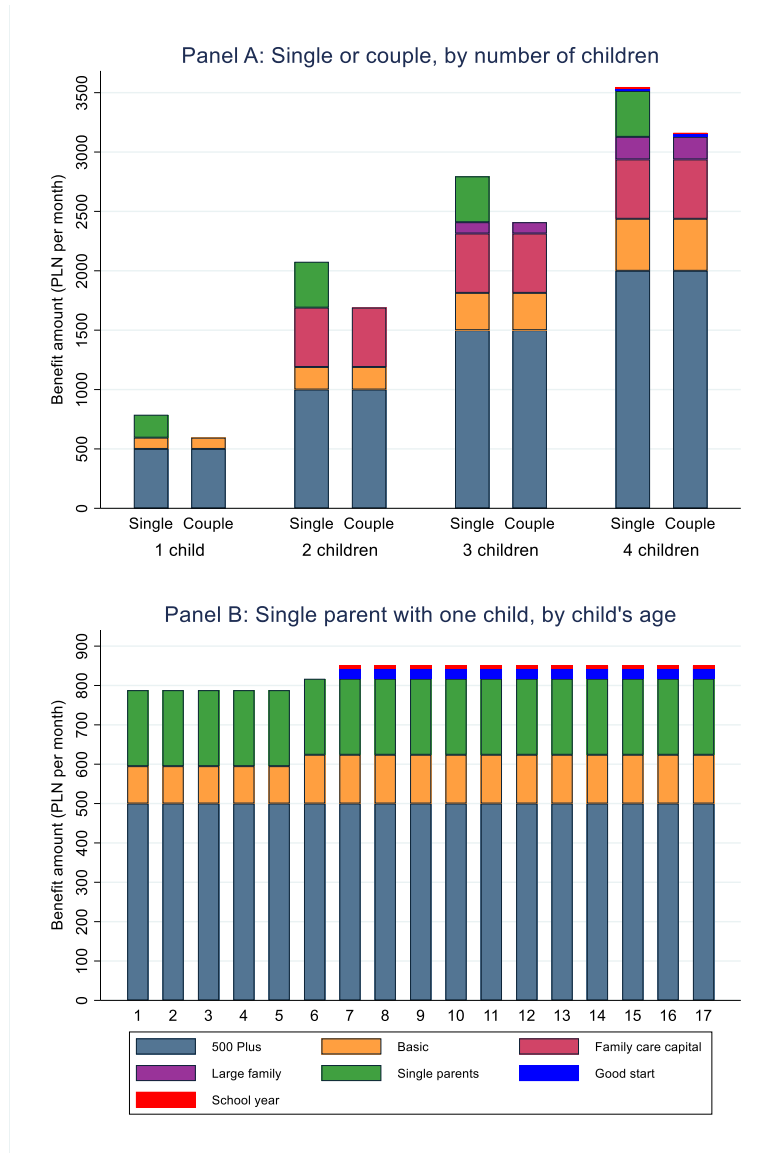
Eligibility to the benefit is independent of employment.

4.4.8. Indexation

There is no automatic indexation mechanism foreseen for Family Care Capital.

Figure 4. Maximum amounts of family benefits

40-year-old single person or couple with children

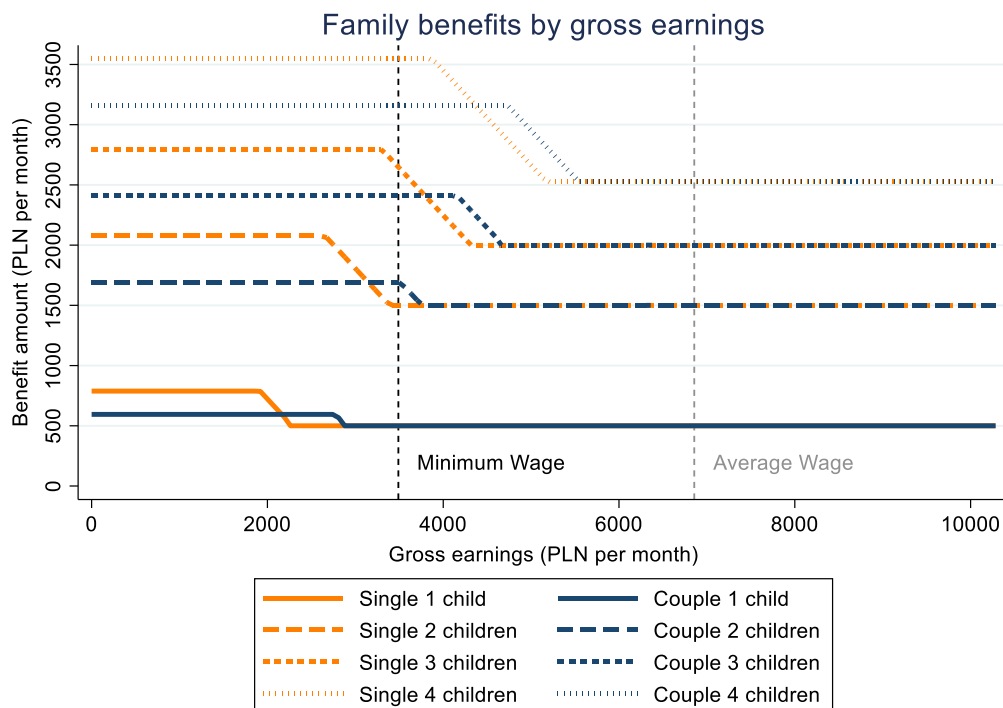


Note: The figure shows maximum family benefit amounts for a jobless family with no income. Allowance at the beginning of the school year and benefit “Good start” are paid only once per year. The figure shows 1/12 of the annual amount of these benefits. In Panel A, children’s ages are 2, 4, 6, and 8. In Panel B, child’s age varies from 1 to 17 years old. The amount of the benefit corresponds to the month when a person has just turned 1, 2, ... 17 years old.

Source: OECD Tax-Benefit Model.

Figure 5. Family benefits by earnings

40-year-old single person or couple with children



Note: The figure shows the total amount of family benefits (basic family allowance, allowance for single parent, large family, beginning of the school year, family care capital, benefits “500 Plus” and “Good start”) and how they are reduced if one adult starts working. The family receives only earnings from work and family benefits. Allowance at the beginning of the school year and benefit “Good start” are paid only once per year. The figure shows 1/12 of the annual amount of these benefits. The amounts of family benefits “500 Plus”, “Good start” and “Family care capital” do not depend on earnings. Other benefits are reduced gradually to zero as earnings increase. Children’s ages are 2, 4, 6, and 8 years old.

Source: OECD Tax-Benefit Model.

5. Net costs of Early Childhood Education and Care

The **reference date** for the policy rules described in this section is **1 January 2023**.

The provision of Early Childhood Education and Care (ECEC) in Poland is organised by local authorities (*gminas*) or private entities. *The model assumes public childcare providers, which are the focus of this Section.*

ECEC is structured differently for two age groups:

- Nurseries, kids clubs, daycare providers are for taking care of children under 3 years old.
- Pre-school education is for children between 3 and 6 years old.

From 1 September 2017, all children aged 3-6 are entitled to pre-school education. It is the duty of *gminas* to provide a place in pre-school education facilities for all eligible children whose parents want them to benefit from pre-school education. 6-year-old children are obliged to take annual pre-school preparation in any unit of pre-school education. From the 2016/2017 school year, children at the age of 7 are obliged to attend school.

The model considers childcare costs for children from 1 year old up to 5 years old; children who attend mandatory education (school or pre-school) are outside the scope of the model.

5.1. Gross childcare fees

Code in the OECD tax-benefit model: `[PLcc_cost]`

Childcare of children under the age of 3 is the responsibility of *gminas*. The resolution of *gmina* council determines the fees for public childcare institutions as well as conditions of partial or full exemption from fees. Fees for non-public childcare institutions are established by the entities, which manage the institutions. These entities may receive an earmarked grant from the local budget for each child in a nursery, kids club or daycare provider. These entities may also be supported by ministerial and governmental programmes.

In Warsaw (*this location is assumed in the model*), since 1 September 2019, the parents pay only for meals in public nurseries. As of 1 January 2023, the maximum daily fee for meals is PLN 22.69.⁸ The average daily fee for meals in Warsaw is about PLN 12.02 (*this estimate is used in the model*).

From 1 January 2023, the maximum daily fee for meals is linked to the minimum wage (see Section 1). According to the provisions of the Resolution of the city council of Warsaw No. LXXIII/2436/2022, 9 December 2022, the maximum daily fee for meals equals to 0.65% of the current monthly minimum wage (i.e. for 1 January 2023 it is PLN 3 490 * 0.65% = PLN 22.69 per day).

In 2020 in Poland, the average monthly fees per child in institutions of care for children under the age of 3 incurred by parents were: PLN 300 in public nurseries and in kids clubs, PLN 760 in private nurseries, PLN 720 in private kids club, and PLN 1 000 in daycare.

Children over 3 years of age attend pre-school education. For children aged 3 years and over, free-of-charge education and care is provided for at least 5 hours a day. Each commune decides on the duration of fee-free education and care (but not shorter than

⁸ Resolution of the city council of Warsaw No. LXXIII/2436/2022, 9 December 2022.

5 hours per day). Pursuant to the [Act of 27 October 2017 on the Financing of School Education Tasks](#), the maximum amount of the fee that communes charge to parents is PLN 1 for each additional hour of preschool education (beyond the minimum of five free hours). The commune can also lay down conditions for full or partial fee waiver. As of 1 September 2022, the maximum amount of the fee has been indexed, thus on 1 January 2023 the maximum fee is PLN 1.14 per hour. For 6-year-olds, preschool education is free of charge regardless of the duration of stay (parents pay for meals only).

As of 1 September 2017 in Warsaw (Resolution of the city council of Warsaw No. XLIX/1205/2017, 25 May 2017), there are no fees (apart from meals) for stay in the pre-school facilities, regardless of age of children. *The region of Warsaw is assumed in the model.*

In Warsaw, in all pre-school units (i.e. for children 3-6 years old), there is a payment for meals varied according to individual units. According to the Regulation of the President of the Capital City of Warsaw (No. 1928/2021 of 6 December 2021), the amount of the daily fee in Warsaw for meals in pre-school cannot exceed PLN 17 (*this estimate is used in the model*). This amount is not subject to indexation.

The local governments receive earmarked grants from the state budget to cover the difference between the real costs of those educational services and the amount paid by parents.

5.1.1. *Discounts for part-time usage*

In Warsaw, both children under the age of 3 as well as children over 3 years of age pay only for the meals in public nurseries and pre-schools. There is no regulation on how meal fees should be adjusted for part-time attendance.

5.2. *Fee discounts and free provision*

Parents in the city of Warsaw pay only for meals. However, there are no further fee discounts on meal costs.

Gminas receive subsidies from the central government to organize pre-school education:

- for every 6-year-old child in 2020, the city of Warsaw (gmina) received an educational subsidy in the amount of PLN 3 669 per year for each child,
- for every 3-5 year old child in 2020, the city of Warsaw (gmina) received a special grant of PLN 1 403 per year for each child.

The subsidies received by local authorities and providers are outside the scope of the model.

5.3. *Child-care benefits for formal centre-based care*

Code in the OECD tax-benefit model: [\[cc_benefit\]](#)

Co-financing of fees for nursery, kids' club or day care provider

From 1 April 2022, a new subsidy is available to families with children under the age of 3 attending a nursery, a kids' club or a daycare provider (public or private). Parents can use this subsidy to compensate childcare fees incurred from 1 January 2022 (*hence, the policy is implemented in the model since policy year 2022*). The subsidy provides co-financing for childcare fees up to PLN 400 per month per child, with a maximum value equal to the

amount of childcare facility fees paid by parents. The subsidy is transferred directly to the childcare provider. The subsidy is paid until the child stops attending childcare facility. The subsidy is not subject to indexation.

The subsidy is available to all parents who meet eligibility criteria. However, parents cannot receive Co-financing and Family care capital at the same time (see Section 4.4).

"Warsaw Nursery Voucher"

In Warsaw, there is a benefit program named "Warsaw Nursery Voucher". It is a provision of PLN 400 per month per child that partially covers the costs at a non-public facility (in a private nursery, a children's club and a day carer). This support can be given to parents who: live and pay taxes in Warsaw, work, are not on parental leave, meet the income criterion (net per capita family income below PLN 3 844) and whose child is on the waiting list to the public nursery. It is possible to receive both the voucher and the co-financing of fees described above at the same time. *This programme is not simulated in the model as public childcare is assumed.*

5.4. Child care allowance for children not using child care centers

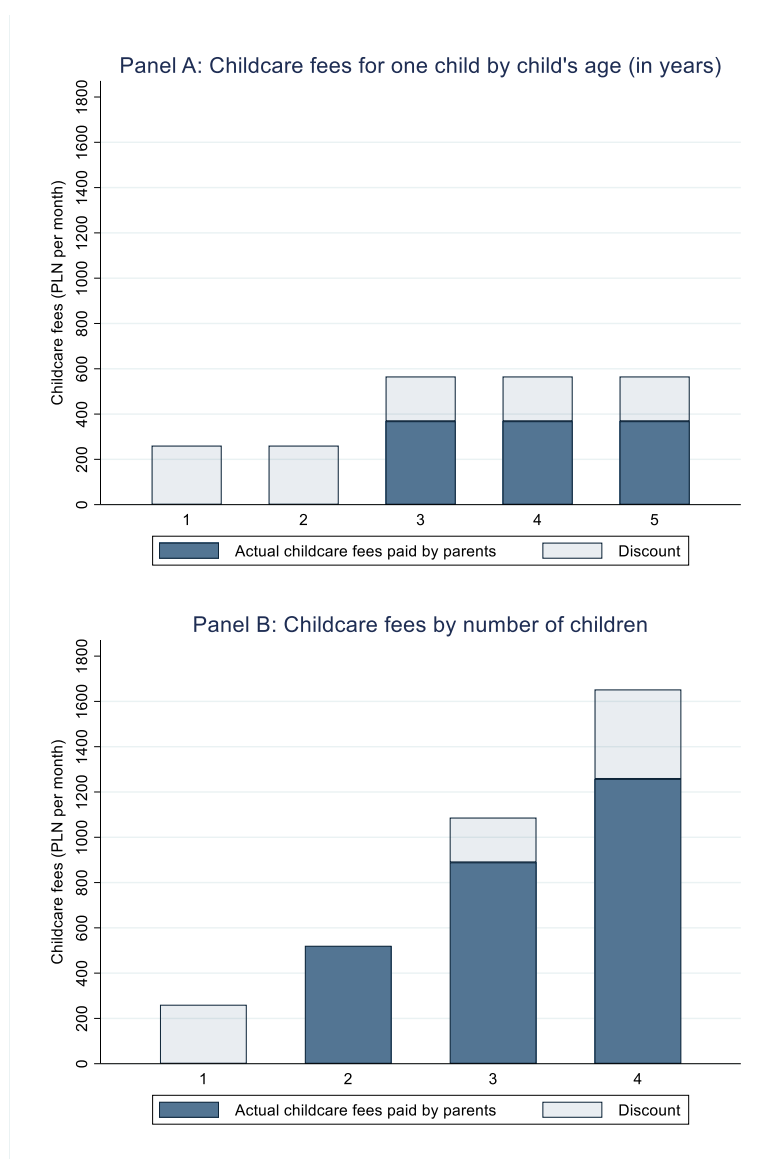
None.

5.5. Tax concessions for childcare expenditures

None.

Figure 6. Childcare fees paid by parents

40-year-old single person or couple with one child



Note: Results assume that a family resides in Warsaw. Both parents are working full time and use public childcare for a full day. Childcare fees do not depend on family income, but they depend on child's age and number of children. In Panel A, family has one child, whose age varies from 1 to 5 years. In Panel B, family has one child (age 1 year), two children (age 1 and 2 years), three children (1, 2 and 3 years) or four children (age 1, 2, 3, and 4 years). A child under the age of 3 attends public nursery and a child from 3 to 5 years old attends public pre-school. A discount for families with one child under the age of 3 reflects receipt of Co-financing of fees for nurseries (see Section 5.3. . Note that families with two or more children in Panel B do not receive Co-financing of fees for nurseries because they instead receive a more generous Family Care Capital (not shown in this figure as this support is not strictly linked to the use of childcare, see Section 4.4.). A discount for children 3-5 years old reflects the fact that Warsaw municipality does not charge a fee for pre-school attendance (maximum 1.14 PLN per hour, see Section 5.1.) and charges only a fee for meals.

Source: OECD Tax-Benefit Model.

6. In-work benefits

OECD note: This section provides information on employment-conditional (“in-work”) benefits for employees, i.e. benefits whose eligibility is conditional on the following key requirements: 1) being regularly employed (in either the private or public sector); 2) working a certain number of hours and/or earning more than a certain minimum. This definition notably excludes ‘workfare’ programmes and related ‘work-first’ policies that make out-of-work benefits conditional on participation in work activities.

This section provides information also on one-off and/or temporary payments for benefit recipients who are out of work and make a transition into employment. These type of benefits are referred to as transitional “into-work” benefits in order to differentiate them from the “regular” in-work benefits that do not have any predefined maximum duration after moving into work.

Based on this definition, Poland does not have an “in-work” benefit programme. However, Poland provides Activation allowance (*Dodatek aktywizacyjny*) to an unemployed person who finds a job before exhausting the unemployment benefit. This allowance is classified as an into-work benefit (see Section 2.1.7.).

7. Social security contributions and payroll taxes

7.1. Social security contributions by employees (*składki na ubezpieczenia społeczne płatne przez pracownika*)

Variable names: **[SOCSEC; SSHEALTH]**

Social insurance contributions paid by the employee are listed in the table below:

Scheme	% of wages before taxation
Retirement ⁹	9.76
Disability and survivor	1.50
Sickness	2.45
Health	9.00

Employees pay health insurance contribution on wages after deducting other social insurance contributions. Since 1 January 2022, health insurance contributions are no longer tax deductible.

In 2023, in the case of pension and disability insurance, contributions are not paid on the part of the wage that exceeds PLN 208 050 per year.¹⁰

7.2. Social security contributions by employers (*składki na ubezpieczenia społeczne płatne przez pracodawcę*)

Variable names: **[SSCR]**

Employers' contributions are listed in the table below:

Scheme	% of wages before taxation
Social contributions:	
Retirement ¹¹	9.76
Disability and survivor	6.50
Accident	0.67 – 3.33
Payroll taxes:	
Labour Fund	1.00
Solidarity Fund	1.45
Guaranteed Employee Benefit Fund	0.10

Accident contribution of employer varies depending on form of activities, risk category and a number of persons who work in hazardous conditions and have been injured in accidents at work. In the model, the average rate of 1.2001% is used.

Employers are exempt from the obligation of paying contributions to the Labour Fund for employed aged at least 55 years for women and at least 60 years for men (*not modelled*).

⁹ 3.65 percentage points of the retirement contribution are treated as non-tax compulsory payments.

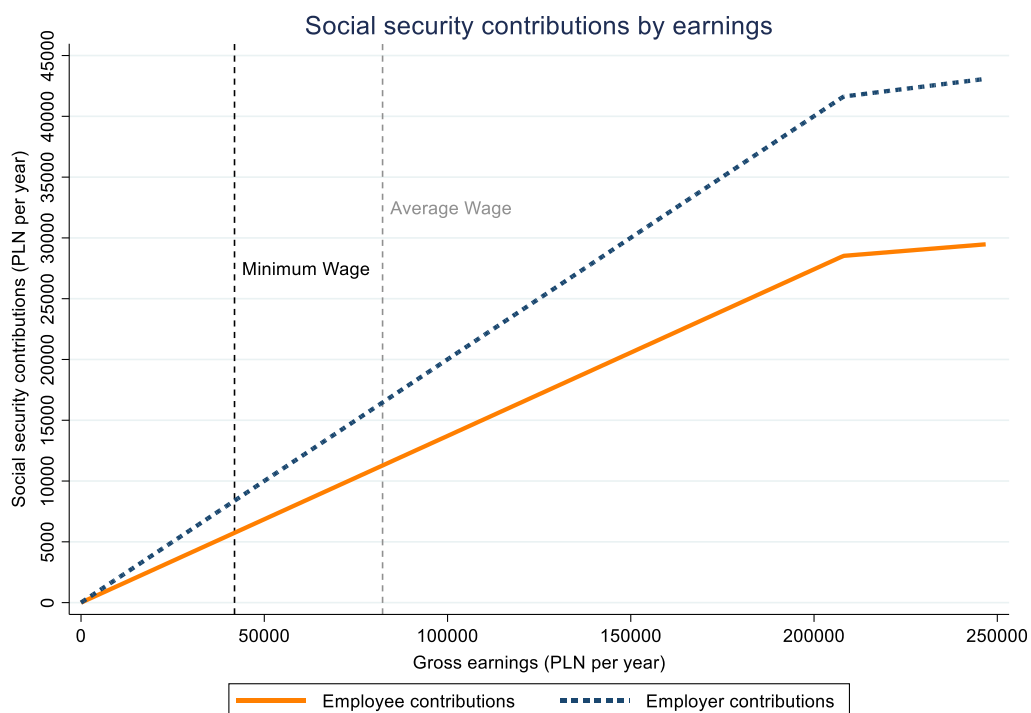
¹⁰ The annual basis for pension and disability insurance in a given calendar year can't be higher than the amount responding to thirty times the forecasted average monthly wage in the national economy for a given calendar year. The amount of the annual basis for pension and disability insurance is announced every year in Monitor Polski (official journal).

¹¹ 3.65 percentage points of the retirement contribution are treated as non-tax compulsory payments.

In 2023, in the case of pension and disability insurance, contributions are not paid on the part of the wage that exceeds PLN 208 050 per year.

Figure 7. Social security contributions

40-year old single person without children



Note: Social security contributions are paid on individual earnings and do not depend on family structure. Non-tax compulsory payments and payroll taxes are included in the calculations.

Source: OECD Tax-Benefit Model.

8. Taxes

Personal income tax in Poland is an individual system, but married couples (as well as single parents), can file a joint tax return. In case of joint filing, the tax is levied on the average taxable income, and then the tax dues are multiplied by two. This can lower the tax liability if the two persons individually would fall into different income brackets. *In the model, joint taxation is assumed.*

When filing a joint tax return the following steps are taken:

- Settle the loss, tax deductible costs, social security contributions and reliefs deducted from taxable income of each spouse separately.
- Add up the tax bases (i.e. taxable income minus reliefs mentioned above).
- Divide the sum by two.
- Calculate the tax on this amount applying the progressive tax schedule.
- Multiply the calculated tax by two.
- Deduct tax credits to which each spouse is entitled from the calculated tax.

8.1. *Personal income tax (podatek dochodowy)*

Code in the OECD tax-benefit model: [\[IT\]](#)

8.1.1. *Tax allowances*

Allowance for work related expenses: standard deductions depend on the number of workplaces and on whether dwelling place and workplace are within the same town/city or not. Since 1 October 2019, the deductions are:

Annual deductible amounts (PLN per year)		
	one workplace	two/more workplaces
same as dwelling place	3 000.00	4 500.00
different from dwelling place	3 600.00	5 400.00

In the model, one workplace (the same as dwelling place) is assumed.

The allowance is not subject to automatic indexation.

8.1.2. *Tax base*

The tax base is defined as gross income minus social security contributions (in case of workers) and tax allowances. Gross income is the sum of gross earned income and all benefits, whether cash or in kind (with the exception of family benefits, childcare benefits, social assistance and housing benefits).

8.1.3. *Income tax schedule*

Since 1 July 2022, the tax rates are:¹²

¹² While this tax scale was introduced on 1 July 2022, it applies to income earned from 1 January 2022. *In the model, these tax rates are applied from policy year 2022.*

Tax base (PLN per year)		Tax amount
Over	Below	
0	120 000	12% of the tax base - basic tax credit (see Section 8.1.4.
120 000		PLN 10 800 + 32% of surplus over PLN 120 000

Income tax thresholds are not subject to automatic indexation.

From 1 August 2019, the government introduced the so called “**PIT Zero**” for young adults under the age of 26. It provides full exempt of income tax for wages coming from either standard employment contracts or non-standard civil contracts (and from 1 January 2022 also from maternity benefits), unless gross earnings surpass the threshold of PLN 120 000 per year. If the tax base exceeds the threshold, the excess is taxed with the tax rate of the first tax bracket (i.e. 12%). It is important to note however that various benefits, like unemployment benefits, are still subjected to taxation according to the standard tax rules.

In addition, from 1 January 2022, the government has introduced “PIT Zero” tax exemptions for new groups of workers: return relief, relief for families 4+, relief for working seniors. These reliefs are calculated in the same way as described above for young people but are applied to different groups.

Return relief (*not modelled*) is granted to Polish citizens returning from abroad. Before the decision to return to Poland is taken, a minimum of three years of residence and work abroad is required. The relief will be applicable in four consecutive tax years, counting from the beginning of the year in which the taxpayer changed his residence, or from the beginning of the following year.

Relief for families 4+ is granted to a taxpayer who exercised parental authority over at least 4 children during the tax year, acted as a legal guardian if the child lived with him or her, or acted as a foster family on the basis of a court decision or an agreement concluded with a district governor, or, in the case of adult children in school, performed his or her child support obligation or acted as a foster family. Both parents are eligible for this relief.

Relief for working seniors (*not modelled*) is granted to working taxpayers over the age of 60 (women) and 65 (men) who, although entitled, are not in receipt of a pension or similar benefit.

8.1.4. Tax credits

Basic tax credit: Since 1 January 2022, the basic tax credit amounts to PLN 3 600 per year and it no longer decreases with income.

Tax credit for children:

A taxpayer can deduct from the due tax the following annual amounts for each child:

- PLN 1 112.04 for the first child if the income received by parents (married or single parent, who meets special requirements) doesn't exceed in the tax year the amount of PLN 112 000. For taxpayers who do not settle their taxes jointly the threshold of income is PLN 56 000 (*not modelled as joint taxation is assumed*);¹³
- PLN 1 112.04 for the second child;
- PLN 2 000.04 for the third child;

¹³ These income thresholds are applied only to families with one child.

- PLN 2 700 for the fourth and every next child.

Since 2015, taxpayers whose due tax is lower than the amount of relief for children, may claim cash refund for the amount of relief which has not been utilized. However, child tax relief, in such a case, cannot exceed the sum of social and health insurance contributions paid. Those eligible to the “PIT Zero” tax relief can also benefit from the refundable tax credit for children assuming they meet all requirements for both of these tax relieves. Since 2022, the limit includes the entire 9% of health insurance contribution (until the end of 2021, 7.75% of health contributions were deductible from tax, hence only 1.25 % were included in the limit).

If the taxpayer does not pay social security contributions or health contributions, or they are not charged by the payer - the return of relief will not be possible.

Tax credits are not subject to automatic indexation.

8.2. **Solidarity levy** (*Danina solidarnościowa*)

Code in the OECD tax-benefit model: [\[IT\]](#)

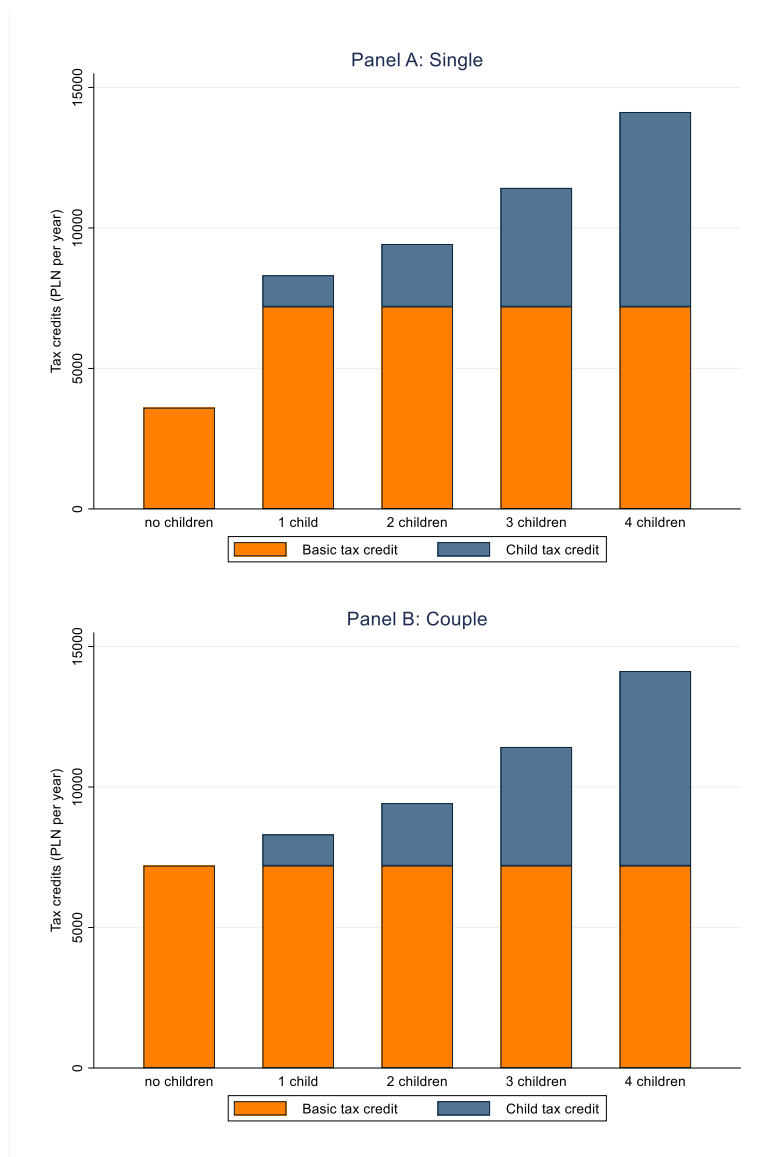
From 2019, the highest earners pay an additional charge of 4% on income exceeding PLN 1 million per year (the threshold is not subject to indexation).

The tax base for the solidarity levy is wider than the tax base for personal income tax. However, the model does not cover sources of income other than employment income. In this case, the solidarity levy is applied to the same tax base as personal income tax (see Section 8.1.2. as the third tax bracket. However, officially, solidarity levy is not part of the standard income tax schedule and is not considered as the third income tax bracket.

Funds from the solidarity levy are to be allocated to the Solidarity Support Fund for the Disabled.

Figure 8. Maximum amounts of tax credits

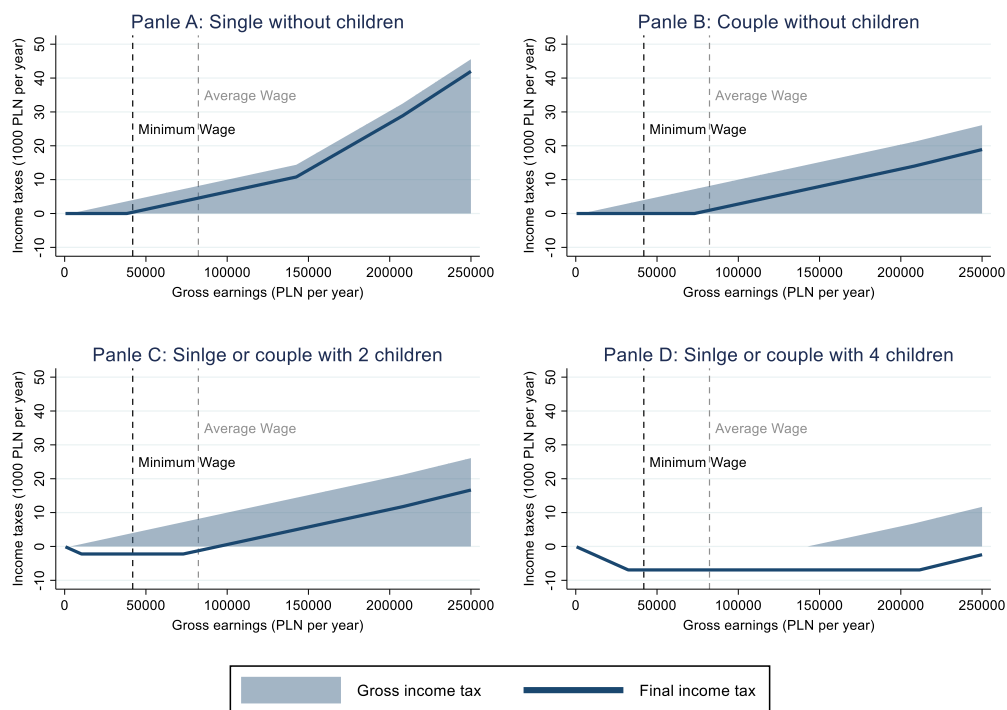
40-year-old single or couple with or without children



Note: The figure shows the maximum amounts of basic and child tax credits that a person or a family is eligible to. The maximum amounts of tax credit do not depend on earnings. However, the actual amounts that a person/family can use to reduce tax liability might be lower if taxable income is low. Joint taxation is assumed for couples and single parents. Basic tax credit does not depend on the number of children, but a couple or a single parent are eligible to double amount of the tax credit. The amount of child tax credit depends on the number of children, but it does not depend on whether a person is single or married. Families with one child are eligible to child tax credit only if they satisfy the income criteria (this is assumed in this figure).
Source: OECD Tax-Benefit Model.

Figure 9. Income tax

40-year-old single or couple with or without children



Note: Joint income taxation is assumed for couples and single parents. A family has no other sources of income but earnings from work. In couples, the spouse is assumed to be out of work. The figures show gross taxes, which are taxes before tax credits, and final taxes, which are taxes after subtraction of tax credits (basic tax credit and tax credit for children). Negative final income tax for families with children shows the refundable part of the child tax credit. At high earnings, gross tax for couples and single parents (see Panel B and C) is lower than for singles without children (see Panel A), because of joint taxation. In Panel D, families with four children also benefits from “PIT zero” tax relief that exempts all income in the first tax bracket from the income tax.

Source: OECD Tax-Benefit Model.

9. Selected output from the OECD tax-benefit model (TaxBEN)

This section shows selected output of the TaxBEN model for Poland 2023. TaxBEN by default produces the following output net household incomes (**black line**) and its subcomponents (**coloured stacked areas**) for selected family and individual circumstances.

The model and the related web calculator is accessible from the [project website](#). The figure shows outputs for four scenarios:

- By percentage of the average wage (**Panel A**);
- By unemployment duration (in months) for a jobseeker claiming unemployment benefits (**Panel B**);
- By previous gross earnings levels for a jobseeker claiming unemployment benefits (**Panel C**);
- By previous employment record, for a jobseeker claiming unemployment benefits (**Panel D**).

The stacked areas shows the following household income components: **GROSS** = gross earnings; **SSC** = social security contributions; **IT** = income tax; **FB** = family benefits; **HB** = housing benefits; **SA** = social assistance; **IW** = in-work benefits. Note that each component may contain more than one benefit or tax.

Results refer to a two-adult family with two children. Adults are both 40 years old whereas children are 4 and 6 years old respectively. Social assistance and housing benefit supplements are assumed to be available in all the four scenarios provided that the necessary income and eligibility requirements are met. Where receipt of social assistance or other benefits is subject to activity tests (such as active job-search or being available for work), these requirements are assumed to be met.

Figure 10. Selected output from the OECD tax-benefit model

40-year-old couple with two children



Notes: In Panel A, the first adult is employed full-time and full-year. The second adult is out of work and not eligible for unemployment benefits, e.g. because they have expired (the same is assumed for the first adult when earnings are zero). In Panels B to D, the first adult is out of work and claiming unemployment benefits, whereas the second adult is out of work and not eligible to unemployment benefits. Previous earnings of the first adult equal to the Average Wage. In Panels B and C, the first adult is assumed to have a 'long' employment record of 264 consecutive months before the job loss. Panels C and D refer to the 2nd month of unemployment benefit receipt.

Source: OECD Tax-Benefit Model.

Annex A: Other benefits and direct taxes

This section provides a brief description of other cash benefits and taxes on employment incomes in Poland that are relevant for some members of the population below the statutory retirement age, but which are not included in the OECD tax-benefit model.

Pre-retirement benefit (świadczenie przedemerytalne)

The pre-retirement allowance can be granted to a woman (at least 55/56 years old) or a man (60/61 years old) who had lost his/her job due to certain circumstances, who meet certain insurance record requirements and who was registered as unemployed for at least 6 months and was receiving the unemployment benefit for at least 180 days. On 1 January 2023, it amounts to PLN 1 600.7. The pre-retirement benefit is reduced, if the personal income exceeds 70% of the average remuneration for the calendar quarter, announced by the Central Statistical Office.

Permanent benefit (zasilek stały)

Permanent benefit is an obligatory allowance, granted to persons incapable of working, due to her/his age (60 for women and 65 for men) or disability, provided that her/his income does not exceed the income criterion. The maximum benefit is PLN 719; the minimum benefit PLN 30 per month. Not taxable.

Purpose benefit (zasilek celowy)

Purpose benefit may be granted in particularly cases (e.g. for coverage the costs of food, medicines and treatment, heating, fuel, clothing, necessary household items, small renovations and repairs in the apartment, as well as funeral costs). In exceptionally justified cases, this kind of support may be granted (as special purpose benefit) even to persons or families who fail to meet the income criterion but who need support from social assistance. Not taxable.

Social pension (renta socjalna)

Social pension is paid by the Social Insurance Institution to adult persons due to inability to work that occurred in childhood (before 18 years old) or during studies. The amount of social pension equals to 100% of minimum disability pension. Since 1 March 2022 and until 28 February 2023 it is PLN 1 338,44 per month. Since 1 March 2023, it is PLN 1 588,44 Social pensions are subject to personal income tax and health care contributions.

Birth grant ("Becikowe")

A single payment in the amount of PLN 1 000 in case of a child birth. The birth grant is granted if the average monthly net income per capita (after deducting the social insurance contribution, income tax and general health insurance contribution) does not exceed PLN 1 922.

Parental benefit (Świadczenie rodzicielskie)

This parental benefit is provided to families in which a child is born but whose members do not receive a benefit or maternity emolument: e.g. students, unemployed, etc. The

parental benefit is granted regardless of income in the amount of PLN 1 000 a month for 52 weeks (after giving birth to one child) up to 71 weeks (after giving birth to five or more children in one labour). The parental benefit is treated as “income” in the means test.

Benefits from the alimony fund (świadczenie z funduszu alimentacyjnego)

Benefits from the alimony fund are granted to entitled person until he reaches 18 years or 25 if still in education or for an unlimited duration in case of child with certified significant disability. The family net income per capita should not exceed PLN 900.

The benefit equals an amount of alimony awarded by court but it cannot exceed PLN 500 per month. Proportional reduction of the amount of benefits from the alimony fund – mechanism “złotówka za złotówkę” (“penny for penny”) was introduced in July 2020. According to this mechanism entitled person who doesn’t fulfil income criteria can receive benefits from the alimony fund reduced by the amount exceeding the income criterion. Previously, the full amount of benefits from the alimony fund was withdrawn if income exceeded the threshold.

It is not allowed to combine the supplementary family allowance for single parents and the benefits from maintenance fund. The first one is dedicated to single mother or father, actual guardian of the child or to the legal guardian if maintenance payments were not awarded for the child from the other parent because:

- the other parent is dead;
- the father of the child is unknown;
- maintenance payments lawsuit against the other parent was dismissed.

Tourist voucher (Bon turystyczny)

This benefit was introduced due to Covid-19. It provides a family eligible for Family 500+ benefit with a single voucher that is amounted in PLN 500 per child, or PLN 1 000 in case of children with disabilities. Benefit is not means-tested and not subjected to income tax.

The voucher can only be used to pay for hotel services, tourist events and similar activities, provided in Poland by tourist entrepreneurs and organizations of public benefit registered on the list maintained by the Polish Tourist Organization (POT).

The voucher can be used multiple times, until its amount is exhausted, between 1 August 2020 and 31 March 2023.

Annex B: Measures to assist households in the cost-of-living crisis

There measures to assist households in the cost-of-living crisis are centred around two programs:

- Governmental Energy Shield (*Rządowa Tarcza Energetyczna*) and
- Governmental Solidarity Shield (*Rządowa Tarcza Solidarnościowa*).

In case of Governmental Energy Shield household can apply for the following supplements: shielding supplement (*dodatek osłonowy*), carbon supplement (*dodatek węglowy*), electricity supplement (*dodatek elektryczny*) and supplement for other types of heating (*dodatek na inne źródła ciepła*). More information about these benefits here: <https://www.gov.pl/web/chronimyrodziny/rzadowa-tarcza-energetyczna>

The Governmental Solidarity Shield protects household from soaring electricity prices, assuming they maintain certain level of annual electricity consumption. More information about it here: <https://www.gov.pl/web/chronimyrodziny/rzadowa-tarcza-solidarnosciowa>

There is also Governmental Anti-inflation Shield (*Rządowa Tarcza Antyinflacyjna*), which aims at lowering VAT and excise duty for certain products like food, fuel, etc. This programme is already partially phased-out. As for 1 January 2023 only lowered VAT for basic food remains in force.