1. Overview of the tax-benefit system

Unemployed persons receive benefits in a fixed amount for a period from 6 to 18 months. In cases provided for in the law they may receive social assistance benefits (income related) and in special cases after the loss of the unemployment benefit. In the case of an expectant mother there are guaranteed temporary benefits (36 months) and in other cases facultative temporary benefits (2–3 months). Besides, social assistance plays a role of the “last resort benefit”. Housing allowances function outside the social assistance system and require fulfilment of income criterion. The income criterion also applies in the case of family and maternity benefits.

The tax system allows for joint taxation of spouses, and in the case of single parents – joint taxation with the child.

As concerns social benefits, only pension benefits (retirement and disability pensions) and unemployment benefits (as well as pre-retirement allowances and bridging benefits) are taxable.

1.1. Average wage (AW)

The 2005 AW level is PLN 27 889.1

2. Unemployment insurance

2.1 Conditions for receipt

The right to unemployment benefit is granted to a person

- registered as unemployed,
- able and ready to take up employment on a full time basis, according to the working time rate applied in a given occupation or service,
- who has reached the age of 18 years and has not reached the retirement age (60 years for women and 65 years for men)

Persons applying for unemployment benefits

- may not be owners or possessors of an agricultural estate, with arable land exceeding the area of 2 hectares taken for the purposes of calculation

---

- nor have monthly income in the amount exceeding half the minimum pay (excluding income from interest rates or income from savings on bank accounts)\(^2\).

they should not be the recipients of permanent allowance or permanent compensatory allowance, guaranteed temporary allowance, nor training benefit. Furthermore, they should not be the recipients of nursing benefit, supplement to family benefit on the basis of the social assistance legislation.

### 2.1.1 Employment conditions

The right to the benefit is granted to the unemployed person for each calendar day after the lapse of 7 days from a day of registration in an appropriate district (powiat) labour office, if there are no proposals of suitable employment for him/her, no referral to subsidized job, public works or to a created additional job; and if during the period of 18 months preceding the day of registration, for a total period of at least 365 days, she was employed and reached remuneration at least equal to half the minimum pay.

The right to unemployment benefit shall not be granted in the period of 6 months preceding the registration at the district (powiat) labour office, providing that the unemployed has terminated his/her employment relationship with notice or upon the consent of both parties, unless the consent of both parties had been caused by:

- bankruptcy or liquidation of the employer or
- by employment cut-offs for employer-related reasons or
- by the change of the place of residence.

There are no job-search conditions for becoming and remaining entitled to unemployment benefits apart from:

- being registered as unemployed,
- obligation to report to the district (powiat) labour office at designated dates to confirm readiness to take up employment and to receive information on employment and training opportunities
- accepting job offers proposed by the district (powiat) labour office.

The Staroste shall deprive of the status of the unemployed the person who:

- has refused, without a justified reason, a proposal of employment, training, on-the-job-training, subsidized work or public work, deprivation of the status of an unemployed shall be valid for 90 days
- has not reported to the district (powiat) labour office at a designated date and has not informed within 5 days on a justified reason for his/her absence, deprivation of the status of an unemployed shall be valid for the period of 3 months as of the designated date of reporting to the district (powiat) labour office
- has refused to undergo medical or psychological examination assessing the ability to work; deprivation of the status of an unemployed shall be valid for 3 months as of the date of refusal;
- has applied for deprivation of the status of unemployment.

There are possibilities to re-apply for benefits once they have expired, provided that the conditions concerning the benefit eligibility period (defined above) are fulfilled. According to district (powiat) labour office experience it is common that the unemployed re-apply for benefits as soon as they acquire the right

to do it, but unfortunately there are no detailed data describing this process (there are data concerning the persons who were registered as unemployed for at least second time from 1990 - in June 2003 the number of such persons amounted to 61% of total number of persons registered as unemployed).

2.1.2 Contribution conditions

Contribution (2.45 per cent on the payments) made by employers to Labour Fund.

2.2 Calculation of benefit amount

2.2.1 Calculation of gross benefit

In 2005 unemployment benefits were subject to indexation by consumer prices growth index for the previous, since 1st June. The monthly level of unemployment benefit in recent years amounted to:

- From 1 September 2001 to 31 August 2002 – PLN 476.70.
- From 1 September 2002 to 31 August 2003 – PLN 498.20.
- From 1 September 2003 to 28 February 2004 – PLN 503.20.
- From 1 March 2004 to 31 May 2005 – PLN 504.20.
- From 1 June 2005 – PLN 521.90.

Additionally the benefits are adjusted to the eligibility period:

- Persons having less then 5 years benefit eligibility period receive 80 per cent of benefit.
- Persons having from 5 to 20 years benefit eligibility period receive 100 per cent of benefit.
- Persons having more then 20 years benefit eligibility period receive 120 per cent of benefit.

2.2.2 Income and earnings disregards

Gross income of an applicant for the benefit is disregarded up to the amount of half the minimum pay (in 2005 the average minimum pay gross is PLN 849 per month).

2.3 Tax treatment of benefit and interaction with other benefits

Taxation rate is 19 per cent of gross benefit.

Yearly net benefit = gross benefit – (gross benefit * 19% - 530.08).
2.4 Benefit duration

The right to the benefit is granted to the unemployed person for each calendar day after the lapse of 7 days from a day of registration in an appropriate district (powiat) labour office. The period of receiving the benefit is as follows:

- 6 months – for the unemployed persons who, during the period of receiving the benefit, reside on the territory of competence of a district (powiat) labour office, if the unemployment rate on this territory on 30 June of the year preceding the date of acquiring the right to benefit did not exceed 125% of the national average unemployment rate.

- 12 months - for the unemployed persons who, during the period of receiving the benefit, reside on the territory of competence of a district (powiat) labour office, if the unemployment rate on this territory on 30 June of the year preceding the date of acquiring the right to benefit exceeded 125% of the national average unemployment rate. Or Who are aged 50 or more and have at least 20-year benefit eligibility period

- 18 months - for the unemployed persons who, during the period of receiving the benefit, reside on the territory of competence of a district (powiat) labour office, if the unemployment rate on this territory on 30 June of the year preceding the date of acquiring the right to benefit exceeded twice the national average unemployment rate, if at the same time they had at least 20-year benefit eligibility period.

- Or Who have at least one dependent child in the age of up to 15 years if a spouse of the unemployed person is also unemployed and forfeited the right to benefit because of expiry of the a period of receiving benefit.

2.5 Treatment of particular groups

The groups receiving particular treatment are defined as:

- young persons (aged 25 or less)
- long term unemployed (that is registered as unemployed for together 12 months within last 2 years)
- persons aged over 50
- low-skilled unemployed
- lonely parents with a child aged 7 years or less
- disabled.

The unemployed who belong to the groups receiving particular treatment should be offered during the period of 6 months following the day of registration (or in case of long term unemployed – during the period of 6 months following the day of benefit eligibility period termination) either a job vacancy or other work possibility, an internship, on-the-job training, public work or subsidized work. The unemployed participating in on-the-job training is eligible for scholarship in the amount equal to the unemployment benefit.

2.5.1 Young persons

The young person referred to training is eligible, during the training period, for scholarship equal to 40 per cent of the amount of benefit.
Upon young person’s application or with his/her consent, the Staroste may refer him or her to employer for on-the-job training for a period not exceeding 12 months. This applies also to persons aged 27 or less registered as unemployed within 12 months preceding graduation.

The unemployed aged 25 or less who take up education in the secondary school for adults or who take up evening or extramural studies are granted scholarship amounting to 40 percent of the unemployment benefit for 12 months. Staroste may decide to prolong the scholarship eligibility until graduation. Scholarships require fulfillment of family income criterion within social assistance legislation. The loss of the status of unemployed or discontinuation of education is followed by termination of scholarship eligibility.

2.5.2 Older workers

Persons who have registered in the poviat labour office and met all necessary requirements before 1 August 2004 will receive the pre-retirement benefit under the earlier principles, laid down in the law on employment and counteracting unemployment.

As of 1 August 2004 (Social Insurance Institution took over the granting and payment of pre-retirement benefits) the right to pre-retirement benefit will be exercised by a person who:

1) before the day of employment relationship termination has reached at least the age of 56 years (woman) and 61 years (man) and has completed a period entitling to the old-age pension, equal to at least 20 years for women and 25 years for men, or

2) before the day of employment or service relationship termination for reasons concerning the establishment, where he or she was employed for a period not shorter than 6 months, reached at least the age of 55 years (woman) and 60 years (man) and has completed a period entitling to the old-age pension, equal to at least 20 years for women and 25 years for men, or

3) before the day of declaration of insolvency has been running within an uninterrupted period not shorter than 24 months, business outside of agriculture and reached at least the age of 56 years (woman) and 61 years (man) and has completed a period entitling to the old-age pension, equal to at least 20 years for women and 25 years for men, and for this period paid contributions to the social insurance, or

4) registered in a competent poviat labour office within 30 days from the day of cessation of the right to disability pension, received during an uninterrupted period of at least 5 years, and before the day of cessation of this right he or she has reached at least the age of 55 years (woman) and 60 years (man) and has completed a period entitling to the old-age pension, equal to at least 20 years for women and 25 years for men, or

5) before the day of employment relationship termination for reasons concerning the establishment where he or she was employed for a period not shorter than 6 months, has completed a period entitling to the old-age pension, equal to at least 35 years for women and 40 years for men, or

6) before 31 December of the year preceding the termination of the employment or service relationship due to liquidation or insolvency of employer with whom he or she was employed or remained in service relationship for a period not shorter than 6 months, has completed a period entitling to the old-age pension, equal to at least 34 years for women and 39 years for men.

Thus, the pre-retirement benefit is granted to the above-mentioned person after at least 6 months of receiving the unemployment benefit, if he or she meets all of the following requirements:
1) is still registered as the unemployed person,

2) within the period of receiving the unemployment benefit did not refuse without justified reason a proposal of suitable employment or other gainful work or subsidised jobs and public works,

3) files an application for the pre-retirement benefit within 30 days from the day of issue by the poviat labour office of a document certifying the 6-month period of receiving the unemployment benefit.

As from 1 August 2004 the benefit amounts to PLN 670 and will be subject to indexation. The benefit together with additional income may not exceed a half of average monthly earning from the previous year proclaimed by the President of the Central Statistical Office, and additional income may not be higher than 70% of this earning.

/source: Social Insurance in Poland - Information and facts, Social Insurance Institution, Warsaw 2004/

2.5.3 Unskilled workers

The unskilled workers are defined as persons with educational attainment ISCED 1 or ISCED 2.

The unskilled unemployed who take up education in the secondary school for adults or who take up evening or extramural studies are granted scholarship amounting to 40 percent of the unemployment benefit for 12 months. Staroste may decide to prolong the scholarship eligibility until graduation. Scholarships require fulfillment of family income criterion within social assistance legislation. The loss of the status of unemployed or discontinuation of education is followed by termination of scholarship eligibility.

2.5.3 Lone parents with a child aged 7 years or less

Staroste may reimburse the costs of childcare if the unemployed takes up a job or is referred to on-the-job-training or other training. Reimbursement amounts up to 50 percent of the unemployment benefit, requires fulfillment of family income criterion within social assistance legislation and lasts:

- 3 months if the unemployed takes up a job for at least 6 months
- 6 months if the unemployed takes up a job for at least 12 months

If the unemployed is referred to training or internship reimbursement can be obtained during the whole training period.

Similarly Staroste may also reimburse the costs of care for family members living in the unemployed person’s household that require assistance for reasons regarding their age or state of health.

3. Unemployment assistance

None

4. Social assistance

4.1 Conditions for receipt

A. Benefits from social welfare system

General principles: to have insufficient means of living under income criteria and to meet social criteria.
### Income criteria per capita - monthly (in PLN)

<table>
<thead>
<tr>
<th></th>
<th>From May 2004*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single person family</td>
<td>461</td>
</tr>
<tr>
<td>At least two-persons Family</td>
<td>316</td>
</tr>
</tbody>
</table>

*Income criteria in 2005 hasn’t changed since May 2004

**Social criteria:** poverty, orphanage, homelessness, unemployment, disability, permanent illness, family violence, need to protect motherhood and large families, inability to provide for the care of children or a household, especially in a large or incomplete families, difficulties in adjustment to life of youth raised in care and education centers, difficulties in integration of refugees, difficulties in adjusting to life upon the release from penal institutions, alcohol and drug addiction, natural ecological disaster, crisis situation.

Simultaneously the right to permanent, temporary allowance belongs only to specific kinds of beneficiaries. In other cases there is discretion periodic assistance (cash). It concerns purpose benefits (e.g. for the coverage of costs of purchases of food, medicines and treatment, fuel, clothing, daily necessities, minor apartment and damage repairs or funeral costs).

Government’s statistical data reported average supplementary allowance of 811,11PLN for 2005.

**B. Benefits from Social Insurance Institution – social pension**

Social pension are paid by the Social Insurance Institution to adult due to inability to work that occurred in childhood (before 18 years old) or during studies.

#### 4.2 Calculation of benefit amount

**4.2.1 Calculation of gross benefit**

**A. Benefits from social welfare system**

**Permanent benefits**

Permanent benefits – the level stated in the Act on Social Assistance and the level= family income criterion per capita – family income per capita,

Maximum benefit: 418 PLN monthly, minimum benefit = 30 PLN.

**Temporary benefits**

Temporary benefits – the final level depends on discretionary administrative decision, might be less than maximum:

Maximum benefit = family income criterion per capita – family income per capita, but not more than 418 PLN monthly, minimum benefit = 20 PLN.

---

3 Net income

4 Since October 2004, social pension was excluded from social welfare system.
In 2005 the minimum amounts of the temporary benefit shall be as follows:

- for a person keeping a single household – 30% of the difference between the criterion of income of a person keeping a single household and the income of that person

- for a family – 20% of the difference between the criterion of income of the family and the actual income of that family.

In 2006 and 2007 these amounts will grow to 35% and 25% respectively.
B. Benefits from Social Insurance Institution – social pension

The amount of social pension equals 84% of minimum pension

<table>
<thead>
<tr>
<th></th>
<th>October 2003 – February 2004</th>
<th>From March 2004*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social pension (84% minimum pension)</td>
<td>464,21</td>
<td>472,57</td>
</tr>
</tbody>
</table>

*Since minimum pension hasn’t changed since March 2004, social pension amount remains the same

4.2.2 Income and earnings disregards

No disregards. Income test on net income.

4.3 Tax treatment of benefit

Not taxable.

4.4 Benefit duration

It depends on kind of benefit and of person’s social situation.

Permanent – unlimited (no time limit stated in administrative decision), temporary – benefit duration fixed according to the beneficiary situation and after the case examination by the local social assistance centre

4.5 Treatment of particular groups

4.5.1 Young persons

None

4.5.2 Older workers

None

5. Housing benefits

5.1 Conditions for receipt

Housing benefits are paid by local authorities to the low income households. A single person must have gross income under 160 (175 from January 2005) per cent of the minimum retirement pension and families must have gross income equal to less than 110 (125 from January 2005) per cent of the minimum retirement pension per capita. All benefits are withdrawn if income exceeds these limits. Housing benefits are outside the social assistance system.

Income criteria (monthly, PLN)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Single household (160% minimum pension)</td>
<td>852,70</td>
<td>884,20</td>
<td>900,13</td>
</tr>
</tbody>
</table>
Government’s statistical data reported average Housing Benefit of 1 680PLN for 2005.

5.2 Calculation of benefit amount

5.2.1 Calculation of gross benefit

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
- 40 m² – two people
- 45 m² – three people
- 55 m² – four people
- 65 m² – five people
- 70 m² – six people
- each additional person – 5 m²

The area of the house cannot exceed these limits by more than 30%. To calculate the expected housing costs, calculate the cost per square meter of the house, and then multiply this cost per metre by the expected house size. As an example, a single person in a 36m² house paying 360 per month would have a cost per metre of PLN 10. PLN 10 times the expected house size (35m²) gives us an expected housing cost of PLN 350.

The household has to cover the housing expenses up to:

- 15% of household income – in case of single person households
OECD - Social Policy Division - Directorate of Employment, Labour and Social Affairs
Country chapter - Benefits and Wages (www.oecd.org/els/social/workincentives)

- 12% of household income – 2 – 4 person households
- 10% of household income – 5 and more person households

Thus if in the above example the individual earns PLN 500 they would be expected to pay 15% of 500, or PLN 75. The housing benefit would thus be the expected housing cost (PLN 350) minus their expected contribution (PLN 75), or PLN 275.

5.2.2 Income and earnings disregards

No disregards

5.3 Tax treatment of benefit and interaction with other benefits

Not taxable.

5.4 Treatment of particular groups

None.

6. Family benefits

6.1 Conditions for receipt

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.

6.2 Calculation of benefit amount

6.2.1 Calculation of gross benefit

Family benefit:

1.05.2004 - 31.08.2005 (per child per month):

- PLN 43 for the first and second child.
- PLN 53 for the third child.
- PLN 66 for the fourth and next child.

Within family benefits there are following supplementary benefits available (1.05.2004 - 31.08.2005):

1. Birth supplement – PLN 500 per child, one-off payment
2. Child care supplement in the time of maternity leave – PLN 400 – per month
1. Maximum duration of benefit 24 months (in special cases 36–72 months).

3. Supplementary allowance for single parent that are not entitled to unemployment benefits anymore – PLN 400 – per month

   Maximum duration of benefit 3 years, but not longer than if child is up to 7 years old

4. Supplementary allowance for single parents – PLN 170 – per child per month, to a maximum of PLN 750 per month. Lone parents with disabled children can receive PLN 250 per disabled child per month.

5. Supplementary allowance on education and rehabilitation of disabled children – PLN 50 per child aged up to 5 per month, PLN 70 – per child aged 6-24

6. Supplementary allowance at beginning of the school – PLN 90 - one-off payment per each grade

7. Supplementary allowance on children that are taking up education in schools outside the area of living – PLN 80 – per child per month (if child lives in boarding-school), or 40 PLN – per child per month (if child needs to travel to school). The allowance is available for 10 months of school year from September to June

Within family benefits there are following supplementary benefits available (1.09.2005 - 31.08.2006):

1. Birth supplement – PLN 500 per child, one-off payment

2. Child care supplement in the time of maternity leave – PLN 400 – per month

   Maximum duration of benefit 24 months (in special cases 36–72 months).

3. Supplementary allowance for single parents – PLN 170 – per child per month, to a maximum of PLN 340 per month for all children. Lone parents with disabled children can receive PLN 250 per disabled child per month, to a maximum of PLN 500 per month for all children.

   In case the family net income per capita does not exceed 50% of income criteria the allowance will be increased by 50 PLN per child (not more than 100 PLN for all children).

4. Supplementary allowance for raising child in large family (3 children and more) – for third and next child – 50PLN per child per month.

5. Supplementary allowance on education and rehabilitation of disabled children – PLN 50 per child aged up to 5 per month, PLN 70 – per child aged 6-24

6. Supplementary allowance at beginning of the school – PLN 90 - one-off payment per each grade

5. It is not possible to receive both allowances (no 3 & no 4) at the same time.
7. Supplementary allowance on children that are taking up education in schools outside the area of living – PLN 80 – per child per month (if child lives in boarding-school), or 40 PLN – per child per month (if child needs to travel to school)

6.2.2 Income and earnings disregards

Benefit is granted for a period of 12 months\(^6\) (1.09 – 31.08), thus the right to benefit is tested once a year. From 1 May 2004 till 31 August 2005 – net income criteria per capita – PLN 504 (average monthly family net income per capita in 2002); from 1 September 2005 till 31 August 2006 – PLN 504 (net income per capita in 2004), in both periods in the case of families with disabled child – PLN 583.

6.3 Tax treatment of benefit and interaction with other benefits

Not taxable

6.4 Treatment of particular groups

No special rules.

7. Childcare for pre-school children

Nurseries are for taking care of children under 3 years old, nursery schools for children between 3 and 6 years old. Attending nursery schools (pre-primary education) is obligatory for 6-year-old children. Compulsory schooling starts at age of 7. Generally, in the case of nursery schools, local governments cover the cost of 5 hours of childcare a day (without board), for more hours and board partners have to pay on their own. The fees are established by local governments. Childcare in nurseries is fully covered by parents. All of this concerns only public institutions. In case of non-public institution, parents need to cover childcare for whole day. The fees are established by organizations that run childcare.

There is no information on average fees. The data on children in childcare for 2004 would be available in the second half of 2005.

Data on childcare in 2003 (as of 31 December 2003)

Children staying in nurseries per 1000 children up to age 3 – 20 children

---

6. The current period is prolonged and lasts 16 months (1.05.05 – 31.08.05)
<table>
<thead>
<tr>
<th>Children in nurseries (as of 31 XII 2003)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>total</strong></td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>Public</strong></td>
</tr>
<tr>
<td><strong>Non-public</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Children attending nursery schools in thous.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1995/96</strong></td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

„Concise statistical yearbook of Poland 2005” p. 223

<table>
<thead>
<tr>
<th>Children attending pre-primary education establishments per 1000 children</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age:</strong></td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>3-6</td>
</tr>
<tr>
<td>3-5</td>
</tr>
<tr>
<td>6</td>
</tr>
</tbody>
</table>

„Concise statistical yearbook of Poland 2005” p. 241

<table>
<thead>
<tr>
<th>Children attending nursery schools per 1000 children</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age:</strong></td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>3-6</td>
</tr>
<tr>
<td>6</td>
</tr>
</tbody>
</table>

“Statistical yearbook of the Republic of Poland 2004” Chapter XI Education Tabl. 40 (274)

<table>
<thead>
<tr>
<th>Children in nursery schools (as of 30 XI 2001)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At age of (year of birth)</strong></td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>848507</td>
</tr>
</tbody>
</table>

| Children in nursery schools (as of 30 IX 2003) |
|-------------------------------|----------|----------------|---------|-----------------------------|
| 832346                        | 9592     | 415429         | 397892  | 8709                        |

“Education in the school year 2003/2004” p. 286

7.1 Out-of-pocket childcare fees paid by parents

Information on fees is only available at the local level (gmina level). Fees for nursery schools consist of monthly fee (fixed on gmina level and established by local government) and payment for feeding (depends on institutions). There are no statistics on regional levels.

Examples* of fees for rural and rural/urban gminas in 2005 (voivodship level):

<table>
<thead>
<tr>
<th>Voivodship</th>
<th>Fee for nursery school in 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dolnośląskie</td>
<td>135,60 PLN</td>
</tr>
<tr>
<td>Śląskie</td>
<td>70,40 PLN</td>
</tr>
<tr>
<td>Łódzkie</td>
<td>133,50 PLN</td>
</tr>
<tr>
<td>Wielkopolskie</td>
<td>83,60 PLN</td>
</tr>
<tr>
<td>Lubuskie</td>
<td>128,00 PLN</td>
</tr>
<tr>
<td>Zachodnio-pomorskie</td>
<td>177,00 PLN</td>
</tr>
<tr>
<td>Pomorskie</td>
<td>100,00 PLN</td>
</tr>
<tr>
<td>Kujawsko-pomorskie</td>
<td>59,00 PLN</td>
</tr>
<tr>
<td>Warmińsko-mazurskie</td>
<td>150,40 PLN</td>
</tr>
<tr>
<td>Podlaskie</td>
<td>147,00 PLN</td>
</tr>
<tr>
<td>Lubelskie</td>
<td>112,00 PLN</td>
</tr>
<tr>
<td>Podkarpackie</td>
<td>101,00 PLN</td>
</tr>
<tr>
<td>Małopolskie</td>
<td>172,90 PLN</td>
</tr>
<tr>
<td>Świętokrzyskie</td>
<td>107,00 PLN</td>
</tr>
<tr>
<td>Mazowieckie</td>
<td>170,00 PLN</td>
</tr>
<tr>
<td>Opolskie</td>
<td>97,45 PLN</td>
</tr>
</tbody>
</table>

Examples* of fees for urban gminas in 2005 (voivodship level):

Voivodship Fee for nursery school in 2005
Dolnośląskie 248,00 PLN
Śląskie 186,34 PLN
### 7.2 Child-care benefits

See chapter 6

### 8. Employment-conditional benefits

None

### 9. Lone-parent benefits

See chapter 6

### 10. Tax system

#### 10.1 Income tax rate schedule

Any individual resident in Poland or on a temporary stay longer than 183 days in a given tax year, is liable to tax on his/her worldwide income, irrespective of the source of that income.

#### 10.1.1 Tax allowances and credits

**Relief for work related expenses:** standard deductions depend on the number of workplaces and on whether dwelling place and work place are the same or not.

<table>
<thead>
<tr>
<th>Region</th>
<th>Amount (in PLN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Łódzkie</td>
<td>190,00</td>
</tr>
<tr>
<td>Wielkopolskie</td>
<td>250,00</td>
</tr>
<tr>
<td>Lubuskie</td>
<td>210,40</td>
</tr>
<tr>
<td>Zachodnio-pomorskie</td>
<td>278,00</td>
</tr>
<tr>
<td>Pomorskie</td>
<td>260,31</td>
</tr>
<tr>
<td>Kujawsko-pomorskie</td>
<td>191,40</td>
</tr>
<tr>
<td>Warmińsko-mazurskie</td>
<td>213,60</td>
</tr>
<tr>
<td>Podlaskie</td>
<td>185,00</td>
</tr>
<tr>
<td>Lubelskie</td>
<td>212,80</td>
</tr>
<tr>
<td>Podkarpackie</td>
<td>151,00</td>
</tr>
<tr>
<td>Małopolskie</td>
<td>211,88</td>
</tr>
<tr>
<td>Świętokrzyskie</td>
<td>169,00</td>
</tr>
<tr>
<td>Opolskie</td>
<td>206,24</td>
</tr>
<tr>
<td>Mazowieckie</td>
<td>238,90</td>
</tr>
</tbody>
</table>

- examples are not representative of all nursery schools in specific voivodship, information was taken only from one unit (one for rural or rural/urban and one for urban gmina) of each voivodships

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Annual deductible amounts (in PLN)
Basic relief: a non-refundable tax credit of PLN 530.18 is available for all taxpayers.

Relief for health insurance contributions: A tax credit is provided that almost equals health insurance contribution paid to the National Health Fund. The contribution is 8.50 per cent of the basis, tax relief is 7.75 per cent of the basis.

10.1.2 The definition of taxable income

Gross income minus social security (in case of workers) and the above 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 and social assistance benefits).

10.1.3 The tax schedule

<table>
<thead>
<tr>
<th>Tax base (in PLN)</th>
<th>Tax amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 37 024</td>
<td>19 % of the tax base, less a basic tax credit of PLN 530.08</td>
</tr>
<tr>
<td>Below 74 048</td>
<td>PLN 6504.48 + 30% of surplus over PLN 37 024</td>
</tr>
</tbody>
</table>

10.2 Treatment of family income

The tax unit is the individual. Couples have the option to file a joint tax return. Couples have the right to two tax credits. The same case applies to single parents, when children have no own income.

10.3 Social security contribution schedule

Since 1\textsuperscript{st} January 1999 social insurance contributions are paid by employer and employee. Social insurance contribution paid by employee covers:

<table>
<thead>
<tr>
<th>Scheme</th>
<th>In per cent of wages before taxation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement</td>
<td>9.76</td>
</tr>
<tr>
<td>Disability</td>
<td>6.50</td>
</tr>
<tr>
<td>Sickness</td>
<td>2.45</td>
</tr>
</tbody>
</table>

Furthermore, health insurance contribution is paid by employees as well. Rate of contribution is 8.50 per cent of wage after deducting social insurance contributions. A portion of health insurance contributions are tax deductible.

10.4 Treatment of particular group
10.4.1 Young persons

10.4.2 Older workers

10.4.3 Others if applicable

11. Part-time work

There are no special rules for part-time workers.

12. Policy developments

12.1 Policy changes introduced during the previous year

None

12.2 Policy changes announced

None