

POLAND

1. Overview of the system

Unemployed persons can receive means-tested unemployment insurance for 12 months (under certain conditions). Lone parents can receive it indefinitely. For those not eligible to this insurance, social assistance can be claimed as a last resort benefit. There are no housing benefits. Family benefits are means-tested. The tax unit is the individual. The 1995 APW level is the 1995 national average wage: Zl 8 391.24 (Zl 699.27 per month).

2. Unemployment insurance

2.1 *Conditions for receipt*

The claimants have to be registered as unemployed, to be able and ready to work full-time, and to be aged from 18 to retirement age (60 for women, 65 for men). They must not possess agricultural land in excess of 2 ha.

2.1.1 *Employment conditions*

Minimum of 180 days of work in the last 12 months.

2.1.2 *Contribution conditions*

None.

2.2 *Calculation of benefit amount*

2.2.1 *Calculation of gross benefit*

Quarterly benefit at flat rate of 36 per cent of the national average wage in the previous quarter (1995 national average wage Zl 8 391.24). Benefits are fully indexed on a quarterly basis. Note that workers dismissed in group layoffs are entitled to 75 per cent of previous earnings.

2.2.2 Income and earnings disregards

Gross earned income of the claimant is disregarded up to half the minimum wage (1995 minimum wage: Zl 285 per month = Zl 3 420 per year). The benefit is not paid if the partner's gross income exceeds twice the average national wage, or if the total gross income per each household member is more than one-third of the average wage.

2.3 Tax treatment of benefit

Taxable.

2.4 Benefit duration

After a one-day waiting period, the benefit is paid 6 days per week for a maximum of 12 months. For those with tenures of at least 25 years for women and 30 years for men, the maximum period is 18 months. There is a 90-day waiting period for voluntary quits.

2.5 Treatment of particular groups

2.5.1 Young persons

School leavers can receive 28 per cent of the national average wage in the previous quarter, for 9 months after a 3-month waiting period.

2.5.2 Older workers

Workers within two years of reaching the retirement age (60 for women, 65 for men) are eligible for the benefit if they hold a work record of at least 30 years for women, 35 years for men. They will receive 52 per cent of the national average wage in the previous quarter until they reach the retirement age.

2.5.3 Lone parents

Unlimited duration. No social assistance for those eligible to unemployment benefits.

3. Unemployment assistance

None.

4. Social assistance

4.1 *Conditions for receipt*

To have insufficient means to live on (*i.e.*, to satisfy the means test). They must not possess agricultural land in excess of 2 ha.

4.2 *Calculation of benefit amount*

4.2.1 *Calculation of gross benefit*

Flat rate of 28 per cent of the national average wage in the previous quarter. Benefit is fully indexed in parallel to old age pensions (but in contrast with unemployment benefits) only once a year, or twice a year if inflation has exceeded an annualised rate of 10 per cent since the 1st of January.

4.2.2 *Income and earnings disregards*

No disregards. Means test on net income (*i.e.*, after tax). Family benefits are not included in the means test.

4.3 *Tax treatment of benefit*

Not taxable.

4.4 *Benefit duration*

Unlimited.

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 benefit is paid by local authorities to the low income household, to unemployed families and to families on social assistance.

5.2 *Calculation of benefit amount*

5.2.1 *Calculation of gross benefit*

Zl 61.95 per month.

5.2.2 *Income and earnings disregards*

No disregards.

5.3 *Tax treatment of benefit*

Normally 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 16, or under 20 if still in education. A dependent wife aged over 50 or husband aged 65 also qualifies.

6.2 *Calculation of benefit amount*

6.2.1 *Calculation of gross benefit*

The benefit amounts to Zl 21 per month per qualifying dependant.

6.2.2 *Income and earnings disregards*

The benefit ceases if the total gross income per each household member exceeds 50 per cent of the national average wage in the previous quarter.

6.3 *Tax treatment of benefit*

Not taxable.

6.4 *Treatment of particular groups*

6.4.1 *Young persons*

None.

6.4.2 *Older workers*

See above.

7. **Child-care benefits**

7.1 *Conditions for receipt*

To have at least one child needing care (that is, not yet schoolgoing age); a dependent wife over 50; to be a pensioner over 65.

7.2 *Calculation of benefit amount*

7.2.1 *Calculation of gross benefit*

Zl 62.41 per month per dependant.

7.2.2 *Income and earnings disregards*

The benefit is not means-tested.

7.3 *Tax treatment of benefit*

Not taxable.

8. Employment-conditional benefits

None.

9. Lone-parent benefits

None.

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

Allowances:

- Basic allowance: Zl 218.40 per individual.
- Work related tax allowance of 491.40. Employees working in two or more institutions can declare not more than 4.5 per cent of this amount. Maximum work related in this case: Zl 61.42 per month (Zl 737.10 per year). Work related expenses can be increased with 25 per cent to cover travel expenses, with a maximum of Zl 491.4 per year.

10.1.2 The definition of taxable income

Gross income minus 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, child-care benefits and social assistance benefits).

10.1.3 The tax schedule

Taxable income (Zl)	Marginal tax rate (%)
0 - 12 400	21
12 400 - 24 800	33
24 800 +	45

10.2 Treatment of family income

The tax unit is the individual. Couples have the option to file a joint tax return. The tax liability in that case is calculated on half the joint taxable income, and subsequently doubled.

10.3 *Social security contribution schedule*

None. (Social security is financed by the employers only: 48 per cent of gross earnings).

11. **Part-time work**

11.1 *Special benefit rules for part-time work*

None.

11.2 *Special tax and social security contribution rules for part-time work*

None.

12. **Policy developments**

12.1 *Policy changes introduced in the last year*

None.

12.2 *Policy changes announced*

None.

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**The annual tax/benefit position of an unemployed single person, 1995
(Zl)**

	Unemployment insurance (12 months)	Social assistance (not insured) (unlimited)
A. Taxable benefits		
Means-tested benefits		
Unemployment benefits	3 021	
Non-means tested benefits		
Total taxable benefits	3 021	0
B. Income tax and social security contributions		
Income tax allowances	788	
Taxable income	2 233	
Income tax	471	
Income tax credits	166	
Total income tax and social security contributions	305	0
C. Non-taxable benefits		
Means-tested benefits		
Social assistance		1 606
Family benefits		0
Housing benefits		743
Non-means tested benefits		
Total non-taxable benefits	0	2 349
D. Net income out of work (A-B+C)	2 716	2 349
E. Net income in work	7 895	7 895
F. Net replacement rate (D/E) (per cent)	34	30

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**The annual tax/benefit position of an unemployed married couple with two children, 1995
(Zl)**

	Unemployment insurance (12 months)	Social assistance (not insured) (unlimited)
A. Taxable benefits		
Means-tested benefits		
Unemployment benefits	3 021	
Non-means tested benefits		
Total taxable benefits	3 021	0
B. Income tax and social security contributions		
Income tax allowances	788	
Taxable income	2 233	
Income tax	471	
Income tax credits	331	
Total income tax and social security contributions	140	0
C. Non-taxable benefits		
Means-tested benefits		
Social assistance	0	1 606
Family benefits	504	504
Housing benefits	0	743
Non-means tested benefits		
Total non-taxable benefits	504	2 853
D. Net income out of work (A-B+C)	3 385	2 853
E. Net income in work	8 061	8 061
F. Net replacement rate (D/E) (per cent)	42	35

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**The annual tax/benefit position of a lone parent with two children, 1995
(Zl)**

	Unemployment insurance 12 months	Social assistance (not insured) (unlimited)
A. Taxable benefits		
Means-tested benefits		
Unemployment benefits	3 021	
Non-means tested benefits		
Total taxable benefits	3 021	0
B. Income tax and social security contributions		
Income tax allowances	788	
Taxable income	2 233	
Income tax	471	
Income tax credits	166	
Total income tax and social security contributions	305	0
C. Non-taxable benefits		
Means-tested benefits		
Social assistance	0	1 606
Family benefits	504	504
Housing benefits	0	743
Non-means tested benefits		
Total non-taxable benefits	504	2 853
D. Net income out of work (A-B+C)	3 220	2 853
E. Net income in work	7 895	7 895
F. Net replacement rate (D/E) (per cent)	41	36