

Employee Capital Plans in your company. Are you ready?

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Dear Clients,

we have launched the process of consulting on the implementation of Employee Capital Plans (Pracownicze Plany Kapitałowe – PPK). Our experts from TPA Poland and Baker Tilly Woroszyńska Legal law firm can offer you comprehensive support in the implementation of numerous duties related to PPK.

BASIC INFORMATION	<p>Each employer operating in Poland is obliged to implement the PPK within the deadlines specified in the PPK Act.</p> <p>Employers employing between 50 and 250 people become subject to the provisions of the Act as of January 1, 2020, and should already start preparations for the implementation of the PPK.</p>
PPK SYSTEM	<p>PPK is a universal, voluntary (from the perspective of employees) and private scheme for raising additional capital for retirement. The willingness to participate in the PPK may be expressed by any person employed between 18 and 70 years of age who has been subject to compulsory social insurance for at least 3 months. PPK does not apply to contractors (contracts for specific work) and the self-employed (b2b contracts).</p>
PARTICIPATION IN PPK	<ul style="list-style-type: none">■ Employees aged between 18 and 55 are automatically enrolled in the PPK (unless they submit a declaration of resignation – participation in the PPK is voluntary).■ Employees aged between 55 and 70 are only enrolled in the scheme once they have submitted an application.
BASIC CONTRIBUTIONS	<p>The PPK Act specifies the amount of basic monthly contributions:</p> <ul style="list-style-type: none">■ PPK participant – 2% of gross remuneration■ Employer – 1.5% of gross remuneration■ Annual subsidy financed by the State Treasury - 240 PLN per person a year■ One-off welcome payment financed by the State Treasury – PLN 250 per person
ADDITIONAL CONTRIBUTIONS	<p>Both the Employer and the employee may pay higher contributions on a voluntary basis; however, the total amount of payments to the PPK from one employed person cannot exceed 8% of his/her gross remuneration. It is necessary to address this issue in the remuneration regulations, as additional payments cannot be granted on a discriminatory basis.</p>
DEADLINES	<p>Employers employing between 50 and 250 people are subject to the following terms:</p> <ul style="list-style-type: none">■ date of entry of the PPK Act into force – January 1, 2020■ final date for consulting with trade unions / organisation representing employees (in the absence of a trade union); deadline for reaching an understanding – March 24, 2020■ final deadline for concluding PPK management agreement – April 24, 2020,■ final deadline for concluding PPK administration agreement – May 11, 2020.

EMPLOYER'S OBLIGATIONS	<p>Employers are required to take a number of steps to introduce the PPK, including:</p> <ul style="list-style-type: none"> ■ conduct a survey of the state of employment – determine the number of employees subject to the Act on the PPK ■ in the absence of a trade union, select the persons representing the employees who will be consulted with regard to the conclusion of agreements with financial institutions ■ consult the trade union / organisation representing employees with regard to the selection of the financial institution to manage the PPK and conclude an agreement on this matter ■ negotiate and conclude a PPK management agreement, ■ conclude a PPK administration agreement PPK ■ adjust the HR and payroll system to the obligations arising from the PPK <p>perform further obligations concerning PPK, including in particular the payment of contributions and informing employees about the rules of participation in the PPK.</p>
SUPPORT ON THE PART OF PA	<p>We offer comprehensive support in the implementation of the PPK tailored to your needs, in particular:</p> <ul style="list-style-type: none"> ■ conducting the whole process related to the implementation of the PPK in the company and further ongoing and comprehensive support in its application, ■ ad hoc support for resolving any doubts related to the implementation or functioning of the PPK, ■ preparation of a package of materials and document templates for independent implementation of the PPK (especially for companies that already have internal PPK specialists).
TRAINING	<p>Our experts can also support you by conducting a training in your company, during which the most important principles of implementation and participation in the PPK will be discussed.</p>
CONTACT	<p>This document was prepared for informational purposes only and is of a general nature. Every time before taking actions on the basis of the presented information, we recommend obtaining a binding opinion of TPA Poland experts.</p> <div>  <div> Iga Kwaśny <i>Partner</i> <i>TPA Poland</i> +48 601 088 206 Email </div> </div> <div>  <div> Katarzyna Koszel <i>Counsel Radca prawny</i> <i>Baker Tilly Woroszyńska Legal</i> +48 734 457 774 Email </div> </div>

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Legal services, offered since 2018 under **the Baker Tilly Woroszyńska Legal** brand, have been a natural addition to our interdisciplinary services. The law firm team consists of lawyers with many years of international experience in the field of transactions, litigation and advisory.

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