

POLAND

As per 1 January 2018

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EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

Personal Income Tax Rates – Employment Income	Progressive personal income tax rates from 18% – 32% (in some particular case, flat tax rate is possible).
Tax period	Calendar year
Tax residency / Domicile according to domestic law	Tax residency criteria is laid down in the law and principally outlines the following requirements: <ul style="list-style-type: none">• Present for more than 183 days in a calendar year in Poland.• Centre of personal or economical interests in Poland.
Tax registration	Applicable in case PESEL number (personal identification number) is not issued
Employment income definition	Remuneration and benefits in cash or in kind received by an employee for services rendered under an employment agreement
Examples of tax exemption	Children allowance depending on the income and number of children. Payments and benefits relating to business trip within statutory limits
Specific expatriate concession	N/A
Income of board members	Depending on the type of contract: income from activity performed personally (resolution, civil law contract), employment income (employment contract)
Tax returns	Local employment agreement: the employer is responsible for the monthly tax compliance (tax advance as well as monthly filings). Foreign employment agreement, monthly individual tax compliance (tax advance any yearly filings).
Tax payments	As a rule by 20th day of the month following the month in which income was derived and balancing payment upon filing annual tax return.

TAX TREATIES

Employment income / income from board members	Art 15/16 Model OECD Tax treaties
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INTERNATIONAL SOCIAL SECURITY

Cross border employments	EU Regulation No 883/2004 and EU regulation No. 1408 / 71.
Exception under Art 16 of Reg. 883/2004 and Art 17 of Reg. 1408/71	Generally applicable
	Due by employer on gross salary: <ul style="list-style-type: none">• 9,76% : Pension contribution ;• 6,50% : Invalidity contribution ;• 1,67% : Accident contribution ;• 2,45% : Labour fund ;

Social Security Cost as % from gross salary and absolute amounts

- 0,10% : Employee's Guaranteed Benefits Fund.

Due by employee on gross salary:

- 9,76% : Pension contribution ;
- 1,50% : Invalidity contribution ;
- 2,45% : Sickness contribution ;
- 9,00% : Health insurance – 7,75% deductible from tax due

The pension and invalidity contributions are capped over the income exceeds 30 average estimated national salaries for a given year (PLN 142.950 for 2019, converted against the exchange rate as applicable as of 17 June 2019 approximately EURO 33,500).

IMMIGRATION

Work permit

Swiss, EU and EEA nationals do not need a work permit to work in Poland, if certain conditions are met a notification may need to be filed. After fulfilling certain requirements, exempt from possessing a work permit in Poland are citizens of the Republic of Armenia, the Republic of Belarus, the Republic of Georgia, the Republic of Moldova, the Russian Federation or Ukraine

Nationals of another countries need a work permit in order to perform (employment) activities in Poland

Visa

EU and EEA citizens do not need a visa to enter Poland. Non-EU and EEA citizens from particular countries may be obliged to apply for a visa before entering Poland.

Residency permits / registration certificate

EU citizens need to apply for a registration certificate if their stay exceeds three months. A foreigner can apply for the residence permit for a specified period of time (not exceeding two years period) if circumstances justifying residence in Poland for a period longer than 3 months occur.

Driving license

The driving licence issued in other EU, EEA countries and Switzerland as well as International Driving Permit are recognized

STOCK OPTION PLAN

Tax treatment depends upon the conditions of the Stock Option Plan.

ARTICLE 15 OF THE OECD MODEL

183 days

The days of physical presence will be accounted per calendar year, tax year or 12 month period (depends on tax treaty).

Notion of employer

Economic and formal employer

Existence of a permanent establishment

The definition of a permanent establishment is determined in the tax treaty



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