

Poland

Exchange rate: U.S.\$1.00 equals 3.96 zlotys.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1927 (salaried employees) and 1933 (wage earners).

Current law: 1998 (implemented in 1999).

Type of program: Dual social insurance system and mandatory private insurance.

Note: A new system consisting of a modified social insurance first pillar (notional defined contributions, NDC) plus a second pillar consisting of individual accounts was implemented in April 1999. Persons under age 30 must join the new system. Those older than 30 but younger than 50 may choose to remain in the old system. Those born before January 1, 1949, must remain in the old system.

Coverage

Employees, members of cooperatives, self-employed artisans, home-workers, attorneys, and clergy.

There are special systems for independent farmers.

Source of Funds

Insured person: 9.76% of current gross salary for the old-age pensions (2.46%, first pillar; 7.3%, second pillar) and 6.5% for the disability and survivors pensions.

Employer: 9.76% of gross payroll for the old-age pensions (9.76%, first pillar; 0% second pillar) and 6.5% for the disability and survivors pensions.

Government: Government funds guarantee a minimum pension.

Qualifying Conditions

Old-age pension: Age 65 (men) or 60 (women) and insured for 25 years (men) or 20 years (women). The age requirement is reduced for dancers, acrobats, miners, underground or unhealthy work, teaching, aviation, and maritime employment.

Partial retirement due to insufficient contribution periods is calculated when the retirement age is reached.

Pensionable age is reduced by 5 years for women with 30 years of insurance, for war veterans, and for the disabled.

Disability pension: Total disability (incapacity for any work) or partial disability (greatly impaired earning capacity or total incapacity for usual work) and 5 years of employment during the last 10 years (1 to 4 years if under age 30) or if disability occurred while employed or within 18 months of cessation of work.

Survivor pension: Deceased was a pensioner or met the employment requirement for disability or old-age pension at the time of death.

Old-Age Benefits

Old system

Old-age pension: 24% of average national salary; 1.3% of the worker's earnings base times the number of contribution years; and 0.7% of the worker's earnings base times the number of credit years (for example, for years spent rearing children). Credit years may not exceed 1/3 of contribution years.

The average national salary in 2001 was 2,061.85 zlotys. The earnings base for pension purposes equates to the average monthly earnings from 10 consecutive years chosen by the applicant from among 19 years prior to the year of the pension application or from 20 years of the applicant's professional career.

Maximum earnings for benefit purposes are 250% of the average national salary (June 1999).

The minimum pension is 530.26 zlotys a month (June 2001).

Constant-attendance supplement: 135.96 zlotys a month (June 2001).

Benefit adjustment: Automatic adjustment of pensions to compensate for inflation (or according to average national salary increase if higher than 10% over a 3-month period).

New system

Old-age pension: The basis of the pension calculation is the total of contributions paid to the old-age insurance scheme taking into account the current valuation of the contributions, divided by average life expectancy.

Individual accounts: The insured purchase an annuity with funds from their individual account.

Permanent Disability Benefits

Disability pension (old and new system): In the case of total disability, the benefit is calculated as 24% of the average national salary; 1.3% of the worker's earning-base times the number of contribution years; and 0.7% of the worker's earning-base times the number of credit years. Credit years may not exceed 1/3 of contribution years.

The average national salary in 2001 is 2,061.85 zlotys. The earning-base for pension purposes equates to the average monthly earnings from 10 consecutive years chosen by the applicant from among 19 years prior to the year of the pension application or from 20 years of the applicant's professional career.

Maximum earnings for benefit purposes equate to 250% of the average national salary (June 1999).

The monthly minimum pension for total disability is 530.26 zlotys (June 2001).

Partial disability pension: 75% of the amount of total disability pension.

The monthly minimum pension for partial disability is 407.88 zlotys (June 2001).

Constant-attendance supplement: 135.96 zlotys a month (June 2001).

Survivor Benefits

Survivor benefit (old system): The total value of benefit entitlement varies with the number of survivors. One survivor receives 85% of the value of the pension due to the deceased; two survivors receive 90%; three or more survivors receive 95%. If the deceased was not eligible for the old-age pension, then the criteria for the total disability pension forms the basis for the assessment of the survivor pension.

Supplement for full orphans: 255.55 zlotys a month (June 2001).

Funeral grant: 4,305.98 zlotys (May 2002).

Minimum pension: 530.26 zlotys a month (June 2001).

Survivor benefit (new system): Entitlement depends on the type of annuity purchased by the insured.

Administrative Organization

Old system: Under the general supervision of the Ministry of Labor and Social Policy.

The system for farmers is under the general supervision of the Ministry of Agriculture.

Social Insurance Institute (ZUS) administers the program through 51 branch offices.

The Institute and branch offices are supervised by boards composed of 15 members, including 5 insured representatives, 5 employer representatives, and 5 government representatives.

Agricultural Social Security Fund administers the program for farmers.

New system: Social Insurance Institute (ZUS) administers the program.

Pension fund supervision office (UNFE) oversees all private pension funds.

Sickness and Maternity

Regulatory Framework

First law: 1920.

Current laws: 1974 and 1998 (implemented in 1999).

Type of program: Social insurance system. Cash and medical benefits.

Coverage

Employees, members of farmers' cooperatives, artisans, those connected with agricultural circles, self-employed artisans, attorneys, and home-workers. Pensioners and some groups of self-employed persons, including farmers, are covered for medical benefits only.

Special systems for farmers, the military, and the police.

Source of Funds

Insured person: 10.20% of earnings (2.45% for cash sickness and 7.75% for medical benefits).

Employer: None.

Government: Subsidies for medical benefits.

Qualifying Conditions

Cash sickness and maternity benefits: Currently in insured employment.

Medical benefits: Currently in insured employment or a pensioner.

Sickness and Maternity Benefits

Sickness benefit: Entitlement equates to 80% of earnings averaged over the preceding 6 months. If the incapacity arises during pregnancy or continues beyond 90 days, the entitlement equates to 100% of earnings. Benefit is payable from the first day of incapacity for up to 26 weeks (may be extended to 39 weeks if recovery is likely). If recovery is likely, entitlement to sickness benefit may be followed by entitlement to rehabilitation benefit for up to 12 months and is payable at 75% of earnings. The employer pays the first 35 days.

Maternity benefit: Entitlement equates to 100% of earnings and is payable for 16 weeks for the birth of the first child and 18 weeks for all subsequent births. For multiple births, benefit is payable for 26 weeks. Maternity benefit is followed by maternity leave of 24 months (36 months for lone-parent) to 72 months (if child is disabled). Payment of maternity leave is set at 308.80 zlotys per month (491.00 zlotys for lone-parent). The benefit is adjusted every 3 months.

Workers' Medical Benefits

Medical services are provided directly to patients by private health care providers contracted by health care funds. Services include general and specialist care, hospitalization, and basic prescription drugs. Government provides a partial subsidy for basic prescription drugs. Patients are free to choose doctor and hospital.

There is no limit on duration if employed. If employment ceases, 26 weeks (may be extended to 39 weeks).

Dependents' Medical Benefits

Medical services are provided directly to patients by private health care providers contracted by health care funds. Services include general and specialist care, hospitalization, and basic prescription drugs. Government provides a partial subsidy for basic prescription drugs. Patients are free to choose doctor and hospital.

There is no limit on duration if employed. If employment ceases, 26 weeks (may be extended to 39 weeks).

Administrative Organization

Ministry of Labor and Social Policy handles general supervision of cash benefits.

Social Insurance Institute administers cash benefits.

Employers of more than 20 workers pay benefits to own workers and deduct from contributions due.

Ministry of Health and Social Assistance handles general supervision of medical care.

Regional health fund councils operate and finance individual health care funds.

Work Injury

Regulatory Framework

First law: 1984.

Current laws: 1975 and 1991.

Type of program: Social insurance system.

Coverage

Employees, collective farmers, members of cooperatives for artisans and cooperatives connected with agricultural circles, self-employed artisans, attorneys, and home-workers.

Special systems for individual farmers, the military, and the police.

Source of Funds

Insured person: None.

Employer: 1.62% of payroll.

Government: Total cost of medical care.

Qualifying Conditions

Work injury benefits: No minimum qualifying period.

Temporary Disability Benefits

100% of earnings. Payable from first day of incapacity for up to 26 weeks (may be extended to 39 weeks).

Permanent Disability Benefits

Permanent disability benefit: In the case of total disability, the benefit is calculated as 24% of the average national salary; 1.3% of the worker's earning-base times the number of contribution years; and 0.7% of the worker's earning-base times the number of credit years. Credit years may not exceed 1/3 of contribution years.

The average national salary in 2001 is 2,061.85 zlotys. The earning-base for pension purposes equates to the average monthly earnings from 10 consecutive years chosen by the applicant from among 19 years prior to the year of the pension

application or from 20 years of the applicant's professional career.

Maximum earnings for benefit purposes equate to 250% of the average national salary (June 1999). The basis for assessment cannot be lower than 80% of individual average monthly earnings.

Constant-attendance supplement: 135.96 zlotys a month (June 2001).

Partial disability benefit: 75% of the amount of total disability pension but not less than 60% of assessed earnings.

Minimum pension: 120% of the minimum disability pension of 530.26 zlotys (June 2001).

Survivor Benefits

One survivor receives 85% of the benefit calculated as a work injury disability pension (total disability) payable to an insured person who died; two survivors, 90%; three or more survivors, 95%.

Administrative Organization

Under the general supervision of the Ministry of Labor and Social Policy.

Social Insurance Institute administers cash benefits.

Ministry of Health and Social Welfare provides medical benefits through its own clinics and hospitals.

Agricultural Social Security Fund administers system for farmers.

Unemployment

Regulatory Framework

First law: 1924.

Current laws: 1991 and 1994.

Type of program: Social insurance system.

Coverage

Employed persons.

Source of Funds

Insured person: None.

Employer: 3% of payroll.

Government: Any deficit.

Qualifying Conditions

Unemployment benefit: Registered with the employment bureau. Must have 180 days of employment in the past year or have completed education, been newly released from the military, have completed maternity leave, or been released from prison.

Unemployment Benefits

Base amount (476.70 zlotys since September 2001) for those with between 5 and 20 years of employment; 80% of base amount if less than 5 years; 120% of base amount for more than 20 years. Payable for 6 to 18 months, depending on the unemployment rate in the region.

Administrative Organization

Ministry of Labor and Social Policy provides general supervision.

Voivodships (provinces) and local labor bureaus keep registry of unemployed and work possibilities and pay benefits.

The Institute of Social Security collects payroll contributions from enterprises.

Family Allowances

Regulatory Framework

First law: 1947.

Current law: 1994.

Type of program: Universal means-tested.

Coverage

All residents.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances: Child must be under age 16 (20 if student). There is no limit if totally disabled.

Dependent spouse's allowance: Wife over age 60 or disabled or caring for disabled child; husband over age 65 or disabled caring for disabled child. Income per person must be less than 50% of national average salary during previous trimester.

Family Allowance Benefits

Family allowances: 41.20 zlotys a month for eligible spouse and for first and second child; 51.00 zlotys for third child; 63.70 zlotys for subsequent children.

Sick child's constant-attendance allowance: 135.96 zlotys a month (June 2001).

Administrative Organization

Ministry of Labor and Social Policy provides general supervision.

Ministry of Agriculture provides general supervision of the system for farmers.

Social Insurance Institute administers program through its 51 branch offices.

The Institute and branch offices are supervised by boards composed of 15 members, including 5 insured representatives, 5 employer representatives, and 5 government representatives.

Agricultural Social Security Fund administers program for farmers.