



# GMS Flash Alert

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## Poland - COVID-19: Relief for Social Security Charges, Charitable Donations, Arrears Interest

In light of the coronavirus crisis, Poland's government has introduced new measures that provide special concessions regarding social security, charitable donations, and late payment interest.

On 17 April 2020, the "Act on Special Support Measures Due to the Spread of SARS-CoV-2" (hereinafter "the Act") was published in the country's "Journal of Laws of the Republic of Poland" (*Dziennik Ustaw*).<sup>1</sup> The Act updates the "Anti-Crisis Shield" provisions and extends the "Act on the System of Development Institutions with New Instruments Forming the Financial Shield." (For prior coverage of the Anti-Crisis Shield, see GMS [Flash Alert 2020-144](#), 2 April 2020.)

For the full report, including measures affecting companies, see "[The Act Amending the Anti-Crisis Shield Entered into Force](#)," in *Tax Alert* (April 2020), a publication of the KPMG International member firm in Poland.

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### WHY THIS MATTERS

The amendments to the Anti-Crisis Shield legislation should help mitigate the economic and financial effects felt by employers and other taxpayers (individuals as well as businesses) in Poland due to the coronavirus and COVID-19 crisis and to bring relief to such taxpayers as they come to grips with the changed situation in their daily lives, financial security, and business operations arising from the restrictions implemented to address the pandemic.

The relief (full or partial) in respect of social security contributions is expected to be welcome by many eligible employers as it offers them an opportunity to preserve their cash-flow and additional time to organise their social security and tax affairs and meet their compliance obligations in this difficult period.

## Changes Related to Social Security Contributions

The Act extends to the group of entities eligible for support relief on social security contributions due for the period from 1 March 2020 to 31 May 2020.

Under the Act, contribution remitters who...

- before 1 February 2020 and as at 29 February 2020,
- from 1 February to 29 February and as at 31 March 2020,
- from 1 March 2020 to 31 March 2020 and as at 30 April 2020,

... reported less than 10 employees, **may apply for complete exemption from the obligation to pay social security contributions.**

In turn, the remitters who...

- before 1 February 2020 and as at 29 February 2020,
- from 1 February to 29 February and as at 31 March 2020,
- from 1 March 2020 to 31 March 2020 and as at 30 April 2020,

... reported 10 - 49 employees, **may apply for a 50-percent exemption on the total amount of unpaid contributions as per the statement submitted for the given month.**

Additionally, an amendment to the Act was adopted according to which the financing granted under the Anti-Crisis Shield will not constitute revenues within the meaning of the Corporate Income Tax Act and Personal Income Tax Act.

Importantly, under the introduced amendment, the exemption will also apply to contributions due for March 2020, even if the contributions for March were paid. The contributions due and paid for March 2020 will then be reimbursable under the terms set out in the Act on the Social Insurance System.

## Donations for “Public Benefit” Organisations

The Act adds details on the rules for donating 1 percent of tax to public benefit organisations for PIT annual returns filed after 30 April 2020.

Under the new regulations, 1 percent of the tax may be transferred also via returns filed by 1 June 2020, or by amendment submitted by 30 June 2020.

## Suspending Late-Payment Interest Collection

Note that the Minister of Finance signed a regulation which provides for the suspension of the collection of default interest accrued from 1 May 2020 to 1 June 2020 on personal income tax arrears. This applies to taxpayers submitting the following types of returns: PIT-36, PIT-36S, PIT-36L, PIT-36LS, PIT 37, PIT-38 and PIT-39.

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## KPMG NOTE

Taxpayers who need to determine how these measures impact them and whether they are eligible to benefit from the relief provided should contact their qualified tax professionals without delay.

The tax team with the KPMG International member firm in Poland (see the Contact Us section) can assist with the preparation of appropriate applications for deferred payment or instalment settlements in the area of social contributions, personal income tax returns, and can address your questions about these modified social security and tax compliance obligations.

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## FOOTNOTE:

1 For the text of the bill (in Polish) "Ustawa o szczególnych instrumentach wsparcia w związku z rozprzestrzenianiem się wirusa SARS-CoV-2," see: <http://www.dziennikustaw.gov.pl/DU/2020/695>.

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## Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in Poland:



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**The information contained in this newsletter was submitted by the KPMG International member firm in Poland.**

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