



Taxation of international executives: Poland



April 2023

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Overview and Introduction

1 Overview and Introduction

Polish income tax law provides that an individual who is considered a Polish tax resident is liable to Polish income tax on their worldwide income. In these circumstances, the individual is considered to have an unlimited tax liability. Conversely, if an individual is a Nonresident for tax purposes of Poland, they are considered to have a limited Polish tax liability. As such, the individual is only liable to Polish income tax in respect of Polish-sourced income.

An individual is defined as resident of Poland, if at least one below-mentioned conditions is fulfilled:

- the individual has closer personal or economic relations with Poland (center of vital interests in Poland), OR
- the individual stays on the territory of Poland longer than 183 days in a given fiscal year.

Only one of the above conditions need to be met for an individual to be considered a tax resident of Poland.

The official currency of Poland is the Polish zloty (PLN).

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Income tax

2 Income Tax

2.1 Tax returns and compliance

When are tax returns due? That is, what is the tax return due date?

30 April.

What is the tax year-end?

31 December.

What are the compliance requirements for tax returns in Poland?

Poland operates a monthly tax payment system.

In case of foreign employment relationship, Polish tax system requires individuals to pay 11 monthly tax advances (expatriates included). The tax advance for December is payable at the time of lodging the annual tax return. No tax declarations need to be filed throughout the tax year, however, on a yearly basis annual tax return needs to be filed by 30 April of the following year or by the next working day after 30 April in case 30 April falls on weekend. In case of payments from Polish bank account, the payment of the tax due is transferred to the individuals tax bank account on the same day. In case of payments made from foreign bank accounts, payments made within EU are usually booked within 2 days and payment from other countries/jurisdictions within 3 and more.

In case of local employment contracts, Polish employer should withhold the tax advance payments from the employee's pay each month.

Residents

Where residents work under an employment contract with a Polish company and perform the work in a territory of Poland, the employer (tax remitter) withholds tax at progressive tax rates of 12 percent and 32 percent of the taxable base. The second rate is applied if the employee's remuneration exceeds the respective income tax threshold. The tax withheld by the employer must be paid to the tax office by the 20th of the month following the month in which the tax was withheld. Residents are obliged to declare their worldwide income in the annual tax return with consideration of appropriate double tax agreements.

Where individuals perform work in Poland as employees of a foreign (non-Polish company) the foreign employer does not have a withholding tax obligation, and the employees themselves should pay the tax advances not later than the 20th of the month following the month in which the income is derived.

There are specific detailed provisions concerning the joint taxation of married taxpayers.

Nonresidents

Where Nonresidents work under an employment contract with a Polish company and perform the work on territory of Poland, the employer (tax remitter) withholds tax at progressive tax rates of 12 percent and 32 percent of the taxable base. The second rate is applied if the employee's remuneration exceeds the respective income tax threshold. The tax withheld by the employer must be paid to the tax office by the 20th of the month following the month in which the tax was withheld. Nonresidents are only taxable on Polish source income (this includes income for work performed in Poland, wherever paid).

Where individuals perform work in Poland as employees of a foreign (non-Polish company) the foreign employer does not have a withholding tax obligation, and the employees themselves should pay the tax advances not later than the 20th of the month following the month in which the income

is derived, provided they are subject to taxation in Poland. For example, this is the case if they exceed 183 days of stay in Poland or if costs of their remuneration are recharged to Polish entity.

There are specific detailed provisions concerning income from personal activity (such as, personal service contract, revenues earned under the contracts of management, revenues received by persons who sit on boards of management, supervisory boards, commissions, and other decision-making bodies of legal persons). In the case of Nonresidents, such income is subject to a 20 percent flat rate final tax, which is paid by the 20th of the following month.

2.2 Tax rates

What are the current income tax rates for residents and Nonresidents in Poland?

In 2023, Poland applies a progressive income tax scale to individuals; these rates are set out below.

The official currency of Poland is the Poland Zloty (PLN) – 1 US dollar (USD) is approximately PLN 4.0 and 1 Euro (EUR) is approximately PLN 4.5.

Income tax table for 2023

Taxable income over (PLN)	Taxable income up to (PLN)	Tax applicable
0	120,000.00	12 percent minus tax-free allowance of PLN 3,600.00
120,000.00	Over	10,800.00 plus 32 percent of excess over 120,000.00

2023		
Taxable Income (PLN)		
Over	But not over	Tax credit (PLN)
0	30,000.00	3 800.00

The statutory deductible cost of earning income stand at PLN 250 per month.

The personal allowance (tax free amount) can be claimed.

Residents

Residents as a rule pay tax on the basis of the aforementioned progressive rate scale.

Nonresidents

Nonresidents, similarly, to residents, pay tax on the basis of the progressive tax rate scale if they work under an employment contract. Specific income sources (for example, personal service contract, or management contract) are subject to 20 percent flat rate final tax.

Please note that capital gains and investment income are taxed under a separate tax regime of 19 percent.

2.3 Residence rules

For the purposes of taxation, how is an individual defined as a resident of Poland?

Polish income tax law provides that an individual whose place of residence lies within the territory of Poland shall be liable to Polish income tax on their worldwide income. In these circumstances, the individual is considered to have an unlimited tax liability.

Conversely, if an individual whose place of residence is not in Poland, the individual has a limited Polish tax liability. That is, the individual is only liable to Polish income tax in respect of Polish-sourced income.

An individual is defined as resident of Poland, if at least one of below-mentioned conditions is fulfilled:

- the individual has closer personal or economic relations with Poland (center of vital interests)
- the individual stays on the territory of Poland longer than 183 days in a given fiscal year.

Is there, a de minimus number of days rule when it comes to residency start and end date? For example, a taxpayer cannot come back to the host country/jurisdiction for more than 10 days after their assignment is over and they repatriate.

If the individual remains in Poland more than 183 days in a given fiscal year, they generally should be considered a Polish tax resident for that year, regardless of the location of their center of vital interests. The 183 days is counted over the course of the whole year and does not depend on the start or end date of assignments.

Split year treatment, although not specifically mentioned in Polish tax legislation, is generally accepted in practice where an individual first arrives in Poland or leaves permanently or for an extended period of time.

What if the assignee enters the country/jurisdiction before their assignment begins?

The entering of the host country/jurisdiction before the assignment begins does not result in any special procedures related to personal income tax for the assignee. However, for computation of the number of days an assignee stays in Poland, the days before the assignment begins are counted and when the period exceeds 183 days, the assignee acquires an unlimited tax liability. If the assignee is a resident of another country/jurisdiction as well, the appropriate double tax agreement should be applied.

2.4 Termination of residence

Are there any tax compliance requirements when leaving Poland?

A registration update form should be lodged indicating a change of address. In the case of non-residents, then strictly speaking, the individual would also be obliged to file an annual tax return for the year of departure prior to their departure.

Additional tax known as 'exit tax' (income tax on unrealized profits) has also been introduced. Exit tax concerns individuals who become Polish tax Nonresidents and they have assets (e.g. securities, derivatives, shares) with value exceeding 4 million PLN. Tax rates are 3 percent and 19 percent depending on the way how the taxable base is determined. Exit tax is described in greater detail in section 'other taxes'.

What if the assignee comes back for a trip after residency has terminated?

Any presence in Poland is taken into account when determining the 183-day period of tax residency. Hence such visits should be taken into consideration when determining the 183-day period for tax residency.

Communication between immigration and taxation authorities

Do the immigration authorities in Poland provide information to the local taxation authorities regarding when a person enters or leaves Poland?

The immigration and tax authorities are separate bodies and generally do not communicate between each other with regard to persons entering or leaving the country/jurisdiction.

2.5 Economic employer approach

Do the taxation authorities in Poland adopt the economic employer approach¹ to interpreting Article 15 of the Organisation for Economic Co-operation and Development (OECD) treaty? If no, are the taxation authorities in Poland considering the adoption of this interpretation of economic employer in the future?

The concept of economic employer is not formalized in Polish tax law, however, in practice the authorities should as a rule apply the principles set down by the OECD.

De minimus number of days

Are there a de minimus number of days² before the local taxation authorities will apply the economic employer approach? If yes, what is the de minimus number of days?

Not applicable.

2.6 Types of taxable compensation

What categories are subject to income tax in general situations?

As a rule, all types of remuneration and benefits received by an individual in the form of both in-cash and in-kind earnings resulting from employment constitute taxable income regardless of where paid. Typical items, which are taxable and form part of an expatriate package, include the following:

- base salary
- payments for overtime
- various allowances (some only over a certain limit)
- awards and bonuses
- cash equivalents for holiday leave not used
- pecuniary performance made on behalf of employee
- value for other benefits-in-kind (non-pecuniary performance)
- housing provided by the employer
- payments made by the employer for the benefit of an expatriate in their home country/jurisdiction, either to provide retirement benefits tailored to the individual employee or to all or the majority of employees.

Intra-group statutory directors

Will a Nonresident of Poland who, as part of their employment within a group company, is also appointed as a statutory director (i.e. member of the Board of Directors in a group company situated in Poland trigger a personal tax liability in Poland even though no separate director's fee/remuneration is paid for their duties as a board member?

In case individual is employed under an employment contract, employment contract taxation rules should be applied.

In case individual is not employed under an employment contract but for example perform their duties on a basis of resolution, regulations applicable to director's fees should be applied.

If no separate director's fee/remuneration is paid for duties as a board member, this should not trigger taxation in Poland.

1 Will the taxation be triggered irrespective of whether or not the board member is physically present at the board meetings in Poland?

In case the presence is incidental, it should not trigger taxation in Poland.

2 Will the answer be different if the cost directly or indirectly is charged to/allocated to the company situated in Poland (i.e., as a general management fee where the duties rendered as a board member is included)?

In case some of remuneration is recharged to Poland or allocated to company situation to Poland, that portion should be taxable in Poland.

With regard to that income, double taxation avoidance rules can be applied.

3 In the case that a tax liability is triggered, how will the taxable income be determined?

As indicated above, it depends whether individual is exercising their duties on a basis of employment contract or for example is appointed as director on a basis of resolution. Employment contract taxation has been described above, in other cases, income is treated as income from service relationship and taxed using 12 and 32 percent tax rates. Income allocated to Poland/recharged to Poland should be treated as income taxable in Poland.

2.7 Tax-exempt income

Are there any areas of income that are exempt from taxation in Poland? If so, please provide a general definition of these areas.

The following sources of income are generally exempt from personal taxation:

- insurance receipts (personal and property)
- per diem allowances and other reimbursed expenses, where business trip-related
- income earned abroad, if international or bilateral agreements so provide.

2.8 Expatriate concessions

Are there any concessions made for expatriates in Poland?

There are no special exclusions from taxable income for expatriates other than for those whose income is earned for work in Poland funded by certain international financial institutions and by foreign governments on the basis of appropriate agreements.

Special concessions may be applied when an expatriate is a Nonresident for tax purposes in Poland and provides services under a personal service contract, or for being a member of the management board or supervisory board. In such cases, the taxpayer may benefit from a final flat rate tax of 20 percent or lower if the relevant double taxation treaty so provides.

2.9 Salary earned from working abroad

Is salary earned from working abroad taxed in Poland? If so, how?

The taxation of salary earned from working abroad depends on an individual's residency status and source of income.

As a rule, any remuneration derived by a tax resident individual is subject to tax in Poland. If the individual is a Polish resident remunerated based on an employment contract with a Polish entity, the tax remitter is obliged to withhold tax advances during the year, unless that income is also taxable in the other country/jurisdiction, in which case withholding may be discontinued.

Nonresidents are generally not subject to Polish tax on income for work performed outside Poland.

2.10 Taxation of investment income and capital gains

Are investment income and capital gains taxed in Poland? If so, how?

Generally, gains on the disposal of investment assets are subject to a special tax regime. Instead of being accumulated together with other items, they are taxed separately at a special flat rate unless specifically exempt.

Capital gains gained abroad, such as interest, dividends, income from capital funds, income from sale of shares, and stock on foreign markets, are subject to a 19 percent flat rate tax (a final tax). In addition, if such income was taxed abroad, the foreign tax can be proportionally deducted from the Polish tax liability (proportional deduction).

Dividends, interest, and rental income

Dividends and interest are subject to a 19 percent flat rate final tax.

Rental income of the individual (not conducting business activity) is subject to tax in Poland.

The proceeds are subject to the 8.5 percent flat rate tax and 12.50 percent flat rate (over PLN100,000). In this case no expenses are deductible. Tax is paid monthly or quarterly under certain conditions.

Gains from stock option exercises

Residency status	Taxable at:		
	Grant	Vest	Exercise
Resident	N	Y/N	Y
Nonresident	N	Y/N	Y
Other (if applicable)	N/A	N/A	N/A

Incentive schemes based on shares.

The new regulations (from 2018) extend the exemption from taxation stipulated by article 24 section 11, thus clarifying the moment of obtaining revenue, indicating that when one obtains revenue under a share-based incentive program, taxable income arises only at the time of the sale of shares.

Preceding events occurring within the framework of the incentive programs (e.g. the acquisition of a derivative financial instrument, free-of-charge acquisition of shares or their purchase at a preferential price) are not taxable.

In order to apply the exemption, the condition must be met that such shares must be acquired through incentive schemes. The definition of an incentive scheme and the concept of a parent company are defined in the PIT Act.

The incentive scheme must be a remuneration system established on the basis of a resolution of the general meeting of shareholders of a joint stock company, with whom the taxpayer (receiving an award in the form of shares of that company) has an employment relationship or a civil law-based relationship or a joint stock company, which is a parent company in relation to the company, with which the taxpayer (receiving an award in the form of shares of the parent company) has an employment relationship or a civil law-based relationship, under which the taxpayer is entitled to receive shares either directly or as a result of realization of derivative financial instruments or as a result of realizing other rights.

A parent company should be understood as a joint stock company which is a parent company within the meaning of article 3 section 1 item 37 of the Accounting Act of 29 September 1994 in relation to the company with which the taxpayer has an employment relationship or a civil law-based relationship.

A significant change compared to current regulations is that the exemption of the awards in the form of shares will be extended to shares of companies seated outside the EU / EEA. The preferential treatment applies to taxpayers acquiring shares of companies whose registered office or management is located on the territory of countries/jurisdictions with which Poland has concluded a double taxation treaty.

Incentive schemes based on derivative financial instruments.

Incentive bonus schemes based on derivative financial instruments have become fairly popular in recent years in Poland, facilitating payment of incentive compensation being subject to taxation at the 19 percent tax rate as capital gains.

In line with the standpoint of the Ministry of Finance, such revenue should, in fact, be considered as being derived from employment, independent personal services or as income from other sources and be taxed according to the progressive tax scale (of 12 and 32 percent). The amended regulations clearly stipulate that proceeds from the exercise of derivative financial instruments or other derivative rights from a capital gains source of income, where such derivative financial instruments or other derivative rights from a capital gains source of income were previously acquired free-of-charge, should be qualified as income from the particular source from which the derivative financial instruments or other derivative rights from a capital gains source of income were obtained (this does not apply to the scenario described earlier regarding incentive schemes, to which the exemption set out by article 24 section 11 applies). As an example, if the derivative instrument was acquired under a scheme operated by the taxpayer's employer, the income from its exercise will be qualified as income from employment.

Foreign exchange gains and losses

Positive exchange rate differences constitute taxable income (gain). Negative exchange rate differences may constitute costs of earning income, so in this context they may be treated as a loss.

Principal residence gains and losses

Not applicable.

Capital losses

A loss from a source of revenue (such as, capital gains) incurred in a given fiscal year may be deducted from the income earned from that source during the 5 subsequent tax years. However, the amount of such deduction in any of these years may not be higher than 50 percent of the amount of such loss (one time up to PLN5 million).

Personal use items

Not applicable.

Gifts

The recipient of a gift is subject to gift tax under the following circumstances.

- The object of transaction is located on Poland's territory.
- The object of transaction is outside Poland and the beneficiary of gift is a Polish citizen or person who has place of permanent stay in Poland. The tax is assessed in accordance of value of the property at varying rates, depending on the relationship between the donor and beneficiary as follows:
 - 3 percent - 7 percent for spouses, children, parents, brothers, and sisters
 - 7 percent - 12 percent for nieces and nephews, spouses of brothers and sisters
 - 12 percent - 20 percent for most others.

Notwithstanding of the above, the acquisition of ownership rights or property rights through donation between certain close family members is exempt from taxation (without limits), if certain specific conditions are met (e.g. notification the tax authorities regarding the acquisition through the donation by specified time limits).

2.11 Additional capital gains tax (CGT) issues and exceptions

Are there additional capital gains tax (CGT) issues in Poland? If so, please discuss?

There is no additional capital gains tax in Poland. The 19 percent flat rate tax is the final tax.

Are there capital gains tax exceptions in Poland? If so, please discuss?

Shares received as an inheritance or donation may potentially be exempted. In addition, the nominal value of shares in a company having legal personality or contributions to a cooperative taken up in exchange for a non-cash contribution in the form of an enterprise or an organized part is exempt.

Pre-CGT assets

There are no CGT assets.

Deemed disposal and acquisition

The moment of disposal of capital gains constitutes a taxable income. The moment of acquisition of capital gains is, as a rule, tax neutral. However, it represents an allowable expense at the moment of disposal.

2.12 General deductions from income

What are the general deductions from income allowed in Poland?

A monthly statutory deduction is applicable to the income obtained by an individual in a given month. The statutory deductible cost of earning income stands at PLN 250 per month (in the case of, for instance, employment income). Employee's social security contributions are also deductible.

Other deductions include donations made, up to the value of a set amount of pre-tax income before donations.

The maximum limit for the relief for donations made to charitable, scientific, technical, educational, and cultural bodies, religious, environmental, and military defense bodies is 6 percent of income. In addition, taxpayers benefiting from this relief are obliged to indicate in the tax return the amount of donation, the amount of tax deduction and information about the recipient, in particular their name and address. The donation should be properly documented (such as in the case where the donation is not made in cash, there should be a confirmation from the beneficiary that it was actually received). In the case of cash donations, confirmation in the form of bank transfer order is required.

There are also new reliefs for individuals who move their tax residency to Poland, relief for families 4+ and relief for seniors, who are still working while they have entitlement to a state pension. Reliefs may be applied under conditions mentioned in the Polish tax provisions.

What are the tax reimbursement methods generally used by employers in Poland?

In the case of tax equalized employees where the employer pays the host tax liability of the employee, this is considered a benefit in kind for the individual. Both current-year gross up and the rollover method are applied in practice in Poland to account for this benefit.

2.13 Calculation of estimates/prepayments/withholding

How are estimates/prepayments/withholding of tax handled in Poland? For example, Pay-As-You-Earn (PAYE), Pay-As-You-Go (PAYG), and so on.

The tax advances are withheld and paid monthly to the tax office during the fiscal year. In this context they are withheld as you earn.

Pay-as-you-earn (PAYE) withholding

An employer is responsible for personal income tax withholdings based on remuneration received during given month. For tax purposes, gross remuneration is reduced by standard cost deduction and the employee's part of social insurance contributions.

PAYE installments

Monthly installments are computed using progressive tax rates. The higher tax rate is applied to income exceeding a given bracket already in the month in which it exceeds the threshold.

When are estimates/prepayments/withholding of tax due in Poland? For example: monthly, annually, both, and so on.

As a rule, tax is withheld (prepaid) monthly as tax advances for personal income tax. After the end of fiscal year, a final tax calculation is carried out when preparing the tax return, which takes into account the total annual income and tax advances/withholding paid during the course of the year. Depending on the final calculation, the individual is obliged either to pay some additional tax (the annual tax is higher than tax advances paid in the course of the year), or the taxpayer may receive a tax refund (the annual tax is lower than tax advances paid in the course of the year).

2.14 Relief for foreign taxes

Is there any Relief for Foreign Taxes in Poland? For example, a foreign tax credit (FTC) system, double taxation treaties, and so on?

Poland has a broad network of bilateral tax treaties. Polish domestic tax regulations also provide methods to avoid double taxation of income taxed outside of Poland.

2.15 General tax credits

What are the general tax credits that may be claimed in Poland? Please list below.

In Poland, against the taxpayer's regular tax liability, childcare relief can be claimed. The standard deduction is PLN1,112.04 per child (PLN92.67 monthly). This relief is prorated in cases where the child was with the parent for only part of the year (e.g. was born during the course of the year):

- children under the age of 18
- children who have been allocated a care allowance under Polish regulations, irrespective of their age
- children under the age of 25 who are studying in recognized educational establishments

- this is on condition that the child did not receive any income themselves other than tax- exempt income in line with Polish tax regulations, a family disability pension, or other income small enough not to trigger a tax liability (i.e. PLN 16,061,28).

If the parents are divorced or separated and the child spends part of the year with each parent, the deduction should be applied pro-rata to each parent based on the number of months the child reside in each spouse.

An income limitation applies to one-child families and therefore may not be available to higher earners. On the other hand, slightly more generous allowances apply to families with three or more children.

2.16 Sample tax calculation

This calculation assumes a married taxpayer resident in Poland with two children (spouse is not working), whose 3-year assignment begins 1 January 2020 and ends 31 December 2022. The taxpayer's base salary is USD100,000 and the calculation covers 3 years.

	2020 USD	2021 USD	2022 USD
Salary	100,000	100,000	100,000
Bonus	20,000	20,000	20,000
Cost-of-living allowance	10,000	10,000	10,000
Housing allowance	12,000	12,000	12,000
Company car	12,500	12,500	12,500
Moving expense reimbursement	20,000	0	20,000
Home leave	0	5,000	0
Education allowance	3,000	3,000	3,000
Interest income from non-local sources	6,000	6,000	6,000

Exchange rate used for calculation: USD1.00 = PLN 4.0.

Other assumptions

- All earned income is attributable to Polish sources, except interest income. 2020-tax rates are applied for 2021 and 2022 tax calculations.
- Bonuses are paid at the end of each tax year and accrue evenly throughout the year.
- The company car is used for business and private purposes.
- The employee is deemed resident throughout the assignment.
- Tax treaties are ignored for the purpose of this calculation, i.e. this is only a Polish tax calculation.
- The employee lives in Warsaw, Poland.
- The spouse has no income.

Calculation of taxable income

Year-ended	2020 PLN	2021 PLN	2022 PLN
Days in Poland during year	366	365	365
Earned income subject to income tax			
Salary	400,000	400,000	400,000
Bonus	80,000	80,000	80,000
Cost-of-living allowance	40,000	40,000	40,000
Housing allowance	48,000	48,000	48,000
Company car	4.800 (limited to PLN400 a month)	4.800 (limited to PLN400 a month)	4.800 (limited to PLN400 a month)
Moving expense reimbursement	80,000	0	80,000
Home leave	0	20,000	0
Education allowance	12,000	12,000	12,000
Personal income	664,800	604,800	664,800
Interest income	24,000	24,000	24,000
Total taxable income	688,800	628,800.400	688,000

Calculation of tax liability

	2020 PLN	2021 PLN	2022 PLN
Taxable income as above	688,800	628,800	688,800
Total Polish tax	188,454	173,814	167,912
Less:			
Foreign tax credits	0	0	0

FOOTNOTES:

¹ Certain tax authorities adopt an "economic employer" approach to interpreting Article 15 of the OECD model treaty which deals with the Dependent Services Article. In summary, this means that if an employee is assigned to work for an entity in the host country/jurisdiction for a period of less than 183 days in the fiscal year (or a calendar year of a 12-month period), the employee remains employed by the home country/jurisdiction employer but the employee's salary and costs are recharged to the host entity,

then the host country/jurisdiction tax authority will treat the host entity as being the "economic employer" and therefore the employer for the purposes of interpreting Article 15. In this case, Article 15 relief would be denied, and the employee would be subject to tax in the host country/jurisdiction.

² For example, in case employee's salary and costs are recharged to the host entity, they should be subject to taxation in Poland from the first day of their work in Poland.

03

**Special considerations
for short term
assignments**

3 Special considerations for short-term assignments

For the purposes of this publication, a short-term assignment is defined as an assignment that lasts for less than 1 year.

3.1 Residency Rules

Are there special residency considerations for short-term assignments?

Individuals who exceed 183 days presence per year in Poland are considered Polish tax residents (subject to the provisions of relevant double tax treaty provisions).

3.2 Payroll considerations

Are there special payroll considerations for short-term assignments?

No special considerations apply for short-term assignments.

3.3 Taxable income

What income will be taxed during short-term assignments?

During short-term assignments, (Polish Nonresident) only income derived on Poland's territory is subject to the tax unless treaty exemption under the employment income article can be applied.

3.4 Additional considerations

Are there any additional considerations that should be considered before initiating a short-term assignment in Poland?

Individuals who are seconded to perform work in Poland and who become subject to Polish tax are required to obtain PESEL id number.

Where the individual is Nonresident in Poland and performs services to a Polish company on the basis of a foreign employment contract and is paid from out of Poland, then in certain cases the Polish company will need to file an information form to let the tax office know about this situation (ORD-W1).

Under the Seconded Persons Act, the home country/jurisdiction employer is required to file a notification to the Polish labor inspectorate concerning the new secondment by the first day that the employee works in Poland during the assignment.

3.5 Work permit / visa requirements

Are there any formalities for foreigners who would like to stay in Poland and work in Poland?

Citizens of countries/jurisdictions with which Poland has signed agreements relating to visa-free travel may remain within the territory of Poland (without performing work) for periods of usually up to 3 months. However, citizens of certain countries/jurisdictions still require a visa in order to enter Poland.

If individual would like to stay longer usually a temporary residence permit or visa is required. EU citizens should obtain confirmation of stay in Poland.

In general, work permits are required for foreign individuals. As a rule, employees of EU countries/jurisdictions are exempt from the work permit requirement. Generally, the procedure for obtaining this document requires involvement of the Polish company where work is performed.

04

Other taxes and levies

4 Other taxes and levies

4.1 Social security tax

Are there social security/social insurance taxes in Poland? If so, what are the rates for employers and employees?

The Polish social security system consists of three pillars, to which payments are made. The first and second are obligatory; the third is not. Contributions are split between the employee and the employer. Generally, social security applies to income derived under a Polish employment contract and/or Polish service contracts, business activities, and so on, depending on the given situation. As a rule, it does not apply to foreign-sourced income, unless EU regulations or totalization agreements are applicable.

Currently, Polish social security system is being reformed and II pillar will most probably be closed down. As announced by the government it will be possible to transfer the funds either to the first pillar or to individual retirement account.

In the case of local payroll remuneration, currently the social security contributions are made by both the employer and employee; however, in the case of the employee's contributions, it is the employer who makes the actual payment to the social security authorities (ZUS). Also, to be noted is that employer makes payments toward the Labor Fund and also the Employee's Guaranteed Benefits Fund (Fundusz Gwarantowanych Świadczeń Pracowniczych), which are calculated on the individual's grossed-up salary.

There is also an additional Employee Capital Plan scheme. Employees are enrolled in the plan by default; however, they can resign. The employee's contribution is 2 percent of remuneration (can be increased to 4 percent) and the employer's contribution is 1.5 percent of remuneration (can be increased to 2.5 percent).

Employer and employee

The table below provides an overview of the current types of contribution and applicable rates.

Type of insurance	Paid by employer	Paid by employee	Total
Pension Fund*	9.76%	9.76%	19.52%
Disability Fund*	6.50%	1.50%	8.00%
Bridging Pension Fund (FEP)	0.00% or 1.50%		0.00% or 1.50%
Illness Fund	0.00%	2.45%	2.45%
Accident Fund**	0.67% - 3.33%	0.00%	0.67% - 3.33%
Employees' Guaranteed Benefits Fund	0.10%	0.00%	0.10%
Labor Fund	2.45%	0.00%	2.45%
Total (up to limit)***	19.48% - 22.14%	13.71%	33.19% - 35.85%

Total (past limit)***	3.22% - 5.88%	2.45%	5.67% - 8.3%
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* Once an individual's gross remuneration exceeds 30 average estimated national salaries for a given year (PLN 208.050,00 for 2023) contributions toward these funds cease.

** Accident fund contributions are calculated based on the number of individuals registered for accident insurance and the activity of the payer specified under the employer's statistical REGON number (according to the Polish Classification of Business Activities-PKD). The level of accident fund is determined through the decision of social security authorities.

*** It is assumed that Bridging Pension Fund is not paid.

All compensation left over after the social security contributions have been deducted is subject to taxation in the standard manner.

Mandatory health insurance contributions are also payable by the employee at 9 percent of income.

Specific EU regulations apply to EU citizens working in Poland (and Polish assignees working abroad in EU states).

Social security of EU citizens in Poland

The Community provisions on social security do not implement one uniform social security system in the form of a single European system for all EU member countries/jurisdictions.

Each EU member country/jurisdiction may retain its own domestic social security system and design different regulations. The Community provisions on social security have, however, general legal force and apply directly in all Member States and are binding upon everyone to whom they are applied and have to be observed by national authorities and administrations, social security institutions, and courts. Even in cases where provisions of national law are in conflict with Community rules, the latter have priority.

Generally, a person who has exercised their right to move within the Union may not be placed in a worse position than a person who has always resided and worked in one single Member State. In order to avoid a situation where migrant workers are either insured twice or not at all, the Community provisions on social security, determine which national legislation applies to a migrant worker in each particular case.

Individuals working in Poland, who are EU Member State nationals, should be affected by the EU social security regulations in the field of social security, which became effective in Poland following EU accession.

Depending on the individual circumstances of each assignee, they may be subject to social security in their home country/jurisdiction, the country/jurisdiction of their employment, or the country/jurisdiction where work is actually performed. Each case should be investigated carefully to determine appropriate social security contribution payment requirements and obligations.

4.2 Gift, wealth, estate, and/or inheritance tax

Are there any gift, wealth, estate, and/or inheritance taxes in Poland?

Inheritance and donation tax are payable on the acquisition of immovable and movable property located within the country/jurisdiction and property rights subject to execution in and outside Poland. However, in the case of movables, this does not apply when the donor and recipient are not Polish citizens and do not have a permanent residence in Poland at the time the donation is made.

At present, there are no wealth taxes imposed in Poland.

4.3 Real estate tax

Are there real estate taxes in Poland?

As a rule, individuals who possess real estate as owners, freeholders of the property or perpetual usufructuaries' of land are obliged to pay real estate tax. The total amount of the tax is determined by commune council with the consideration of maximal real estate tax rates established in appropriate provisions.

4.4 Sales/VAT tax

Are there sales and/or value-added taxes in Poland?

Value-added tax exists in Poland. The basic rate is 23 percent. There are also actions which are subject to lower 8 percent, 5 percent, or 0 percent tax rates and actions exempt from value-added tax.

4.5 Unemployment tax

Are there unemployment taxes in Poland?

Currently, there are no unemployment taxes in Poland.

4.6 Other taxes

Are there additional taxes in Poland that may be relevant to the general assignee? For example, customs tax, excise tax, stamp tax, and so on.

Solidarity levy

The solidarity levy (starting from 2019) have been introduced by the Act on the Solidarity Fund for Persons with Disabilities.

The aforementioned provisions introduce into the PIT Act a new tax in payable at a rate of 4 percent on the surplus of total income above PLN1,000,000 obtained in the tax year, to which the taxation rules set out in Article 27, Article 30b, Article 30c and Article 30f of the PIT Act apply, reduced by the amount of social security contributions and the amounts referred to in Article 30f section 5 of the PIT Act (i.e. amounts reducing the taxable base for the income of a controlled foreign company).

The income referred to above includes income taxed according to the progressive tax scale (rates of 12 and 32 percent), e.g. from employment contracts, civil law contracts, business activities (including those subject to the 19 percent tax rate) and income from capital gains (e.g. from the sale of securities or shares).

Income to which the new levy applies does not include income subject to flat-rate tax (e.g. interest and dividend income).

The taxpayer will be obliged to pay the solidarity levy by 30 April of the year following the tax year. What is important to note, is that the taxpayer will also be obliged to submit an additional declaration on the amount of the solidarity levy for the tax year.

Taxation of unrealized capital gains (exit tax)

In case of individuals, the exit tax is imposed on change of a taxpayer's tax residence if, as a consequence, Poland lose (wholly or in part) the right to levy tax on income derived from the sale of an asset owned by the taxpayer as a result of the change of the country/jurisdiction of residence (for natural persons) or the registered seat or the place of effective management (for legal entities) to another country/jurisdiction.

In the case of natural persons, also the assets which are not related with business activity shall be subject to taxation (e.g. shares in companies) – this regulation concerning personal property shall be applied only if a taxpayer has been a Polish tax resident for at least 5 years within a 10-year period before the change of the tax residence.

The exit tax basis shall be calculated as the surplus of the market value of the transferred asset, determined at the date of the transfer, over its tax value (as defined in the Act).

The tax rate shall amount to:

- 19 percent – for the CIT and PIT taxpayers, if the tax value of an asset is determined
- 3 percent – only for the PIT taxpayers, if the tax value of an asset is not determined (i.e. if according to separate provisions tax deductible costs on the transfer of an asset cannot be recognized).

In the case of natural persons, only the transfer of assets with a market value exceeding PLN4 million shall be subject to taxation (calculated in relation to an individual transaction or for several transactions conducted during a period of 1 year).

Taxpayers will be obliged to submit tax returns and report the amount of income subject to exit tax until the seventh day of the month following the month in which the income arose. At this point taxpayers shall also be obliged to pay the tax.

Local tax

There are generally no local taxes levied on expatriates with respect of their remuneration subject to Polish tax.

Foreign Financial Assets

Is there a requirement to declare/report offshore assets (e.g. foreign financial accounts, securities) to the country/jurisdiction's fiscal or banking authorities?

As a rule no, but the tax office may require access this information on demand during the inspection.

05

Immigration

5 Immigration

Following is an overview of the Polish immigration system for skilled labor.

(including especially the steps required, authorities involved, in-country/jurisdiction and foreign consular processes, review/draft flowchart illustrating the process)

This summary provides basic information regarding business visits to, and work authorization for Poland. The information is of a general nature and should not be relied upon as legal advice.

With regard to entry and residence into Poland it is necessary to differentiate between nationals of the European Union, respectively the European Economic Area, nationals from privileged countries/jurisdictions and so-called third-country/jurisdiction nationals.

EU citizens have the right to freedom of movement, which means they have unrestricted access to the Polish labor market. A work and residence permit or visa won't be required to either enter or work in Poland. The same rules apply to citizens of Iceland, Liechtenstein, Norway and Switzerland. If an individual would like to stay in Poland longer than 3 months only registration of their stay is required.

Unless evidence can be provided that one is an EU/EFTA national, a permit will be required to work and reside in Poland.

Third country/jurisdiction nationals who intend to engage in active, productive employment in Poland will need a residence card or visa and a work permit. Depending on the purpose of travel to Poland, there are different types of visas that will apply to the occasion, and which vary in their processes and processing times. For all work authorization types, foreign nationals must coordinate with their employer to collect and legalize corporate and personal documentation.

Poland distinguishes further between non-visa nationals and visa nationals. Non-visa nationals can enter Poland for business visitor purposes without the need to apply for an entry visa. Non- visa nationals of countries/jurisdictions indicated in the attached link:

[Lista państw, których obywatele mogą podróżować do Polski bez wiz - Polska w Gruzji - Portal Gov.pl \(www.gov.pl\)](http://www.gov.pl)

A non-visa national may not start working until the appropriate work and residence permit has been issued.

5.1 International Business Travel/Short-Term Assignments

Describe (a) which nationalities may enter Poland as non-visa nationals, (b) which activities they may perform and (c) the maximum length of stay.

If non-European nationals visit Poland as either tourists or business visitors, they are generally allowed to enter Poland using their passports for up to 90 days within a 180-day rolling period. This is a general Schengen regulation.

In some cases, a treaty or special agreement authorizes citizens of certain countries/jurisdictions to enter Poland without obtaining a visa. There are many countries/jurisdictions that have established visa exemptions with Poland.

An overview of visa exemptions for entry into Poland can be found on this government site:

[Lista państw, których obywatele mogą podróżować do Polski bez wiz - Polska w Gruzji - Portal Gov.pl \(www.gov.pl\)](http://www.gov.pl)

Moreover, citizens of the above listed countries/jurisdiction can perform work in the territory of Poland after obtaining a work permit, while they are staying in Poland under the visa-free regime. The exemption applies to individuals seconded to a related Polish entity (no local contract). They are allowed to work in Poland for a maximum of 30 days in a calendar year without a work permit.

If an individual does not have a work permit in Poland, as a business visitor they must generally limit their activities to the following:

- Attending meetings and negotiations, preparing contract offers, signing contracts and supervising the implementation of contracts for an employer outside Poland;
- Attending internal business meetings or discussions; Attending or holding internal seminars or trainings;
- Establishing, auditing, or steering an entity in Poland for an employer outside Poland;
- Participating in expositions to present and sell company products, buying goods for sale outside the country/jurisdiction;
- Testing or receiving training for use of equipment and facilities purchased by the employer with a commercial entity outside Poland;
- Touring a company facility;
- Attending a trade show or seminar convention.

Business visitors are generally prohibited from engaging in productive employment activities that are an extension of professional activities.

The following mode of calculation of length of stay applies: A traveler is required to count back 179 days from the current day of stay. The current day of stay counts as the 180th day. Within this time frame the days of stay in all Schengen member states must not exceed 90 days. Days of stay spent in the issuing Schengen member state (in this case: Poland) on the basis of a national visa or national residence permit do not count against the 90 days limitation.

The short-stay calculator on the following website can be used for calculating the period of allowed stay under the Schengen rules:

http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/borders-and-visas/border-crossing/index_en.htm

In addition to Poland, the following countries/jurisdictions are considered as Schengen member states: Austria, Belgium, Czech Republic, Croatia, Denmark, Estonia, Finland, France, Greece, Germany, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Portugal, Slovakia, Slovenia, Spain, Sweden and Switzerland.

Describe (a) the regulatory framework for business travelers being visa nationals (especially the applicable visa type), (b) which activities they may perform under this visa type and the (c) maximum length of stay.

Visa nationals are required to obtain a Schengen visa to be able to enter into Poland for business visitor activities. The Schengen Visa might be issued for single or multiple entries. Although circumstances may vary, a business visitor may receive authorization to visit Poland for up to 90 days within a 180-day rolling period.

Schengen Visas are generally not eligible for in-country/jurisdiction extension, however, in exceptional cases an extension would be possible (especially when foreigner cannot leave Poland due to health reasons).

The application for the Schengen visa must be filed at the Polish embassy/consulate in the respective country/jurisdiction of residence in order to be allowed to enter Poland for up to 90 days within a 180-day rolling period.

If the stay in Poland is longer than 90 days, a national visa (type D) would be required.

with regards to the permitted activities and permitted duration of stay please see the answers above (question 2).

Outline the process for obtaining the visa type(s) named above and describe (a) the required documents (including any legalization or translation requirements), (b) process steps, (c) processing time and (d) location of application.

KPMG in Poland do not assist in the procedure of obtaining visas. Presented below is general information about the process. We strongly suggest contacting the relevant Polish Embassy in home countries/jurisdictions to confirm the full list of documents, procedures and the timetable of the process in each case separately.

- 1 Document gathering (usually 1-2 weeks)
- 2 Booking visa appointment at the Polish embassy/ consulate at the place of residence (usually 1-2 days)
- 3 Preparing visa application (usually 1-2 days)
- 4 Filing visa application with the Polish Embassy/Consulate at the place of residence (usually 5- 10 business days)
- 5 Obtaining visa and travel to Poland (usually 1 day)

GENERAL REQUIREMENTS FOR BUSINESS VISITORS

- Documents needed to be provided either in Polish or in English
- Valid passport or travel document;
- Established purpose for the visit (i.e. Letter of Invitation (LOI) from the Polish company including a guarantee to cover certain expenses);
- Confirmation letter of the employer, if requested;
- Proof of return or onward travel;
- Proof of sufficient funds to cover all costs while a stay in Poland;
- Proof of health insurance coverage while travelling and staying in Poland, valid for all Schengen member states with a minimum coverage of EUR 30,000;
- Polish Embassies may request a copy of the company's registration if a non-Polish Company.

Are there any visa waiver programs or specific visa categories for technical support staff on short-term assignments?

No, there is no such specific type of visa.

5.2 Long-Term Assignments

What are the main work permit categories for long-term assignments to Poland? In this context please outline whether a local employment contract is required for the specific permit type.

Generally, if a foreigner (non-EU citizen) would like to work and stay in Poland there is an obligation of obtaining a work permit and a temporary residence permit or a visa.

1 Work permit procedures.

Per the definition of the performance of work by foreigners, this shall mean employment, performing of other paid work (e.g. on the basis of a service contract) and also fulfilling management board functions in legal entities conducting business activity.

In the Polish legal system 6 types of work permits are enumerated.

Work permit type A - refers to a foreigner performing work on the territory of the Republic of Poland on the basis of a contract with an entity whose registered office or place of residence or a branch, establishment or other form of organized activity is located on the territory of the Republic of Poland

- key documents necessary to initiate the procedure are an application and an opinion of the district head regarding testing the local labor market;

Work permit type B - applies to a foreigner who performs a job in the management board of an entity running a business or business related to a period longer than 6 months in a year within 12 months

- key documents necessary to initiate the procedure are an application and a document appointing a member of the board;

Work permit type C - concerns a foreigner who performs work with a foreign employer and is delegated to the territory of the Republic of Poland for a period exceeding 30 days in a calendar year to a branch or plant of a foreign entity or a related entity

- key documents necessary to initiate the procedure are an application, a secondment letter and documents confirming connections between the foreign company and the Polish entity;

Work permit type D - concerns a foreigner who performs work with a foreign employer who does not have a branch, establishment or other form of organized activity in the territory of the Republic of Poland and is delegated to the territory of the Republic of Poland in order to perform a temporary service and occasional service (export service)

- key documents necessary to initiate the procedure are an application, a transfer letter and service agreement concluded between foreign company and Polish entity;

Work permit type E - concerns a foreigner who performs work with a foreign employer and is delegated to the territory of the Republic of Poland for a period exceeding 30 days in the next 6 months for a purpose other than that indicated in types B-D;

- key documents necessary to initiate the procedure are an application and a secondment letter;

Work permit type S (seasonal work permit for farmers) - refers to a foreigner who performs work on the territory of the Republic of Poland in the scope of activities specified in the regulations on the basis of a contract with an entity whose registered office or place of residence or a branch, establishment or other form of organized activity is located on the territory of the Republic of Poland (seasonal work).

- generally dedicated for farmers.

Simplified work permit - This option can be used for work for 24 months with possibility of extension. This Statement is registered in the Local Labor Office and on the basis of this document a national visa may be obtained at the Polish Embassy in the individual's home country/jurisdiction. The process usually takes 1 month and is available only for the citizens of following countries/jurisdictions: Armenia, Belarus, Georgia, Moldova and Ukraine.

2 Unified work and residence permits.

There are many types of residence permits set out in Polish regulations, which allow also working in Poland. Information regarding the main and most common types is set out below.

Temporary residence permits for work within the framework of an intra-corporate transfer (ICT), local employment contract not required.

Temporary residence permits for work within the framework of an intra-corporate transfer (ICT) shall be granted when the purpose of the foreigner's stay on the territory of the Republic of Poland is to work in the receiving unit, having its registered office in the Republic of Poland, as an employee of managerial staff, a specialist or an internship employee, and the following conditions are met:

1 The foreigner:

- has adequate qualifications and experience necessary in the unit to which the employee is to be transferred by the parent employer - in the case of work as a manager or specialist - or a higher education diploma – in the case of working as an internship employee;
- has formal qualifications and meets other conditions that are required in the case of intending to work in a regulated profession;
- prior to the intra-corporate transfer date, they were employed within the same undertaking or group of companies for at least:
 - 12 months - if they work as a manager or specialist,
 - 6 months - in the case of working as an internship employee; has health insurance
- has a place of residence on the territory of the Republic of Poland;
- after the end of the intra-corporate transfer period, the employee will be able to move back to the home employer or another company belonging to the same group of companies established outside the territory of the European Union.

2 the contract issued by the parent employer, under which the foreigner is to work in Poland, should be concluded in written form and contain the following conditions:

- the period of the foreigner's transfer within the enterprise;
- the seat of the receiving unit;
- position of the foreigner in the receiving unit;
- remuneration and other working conditions of the foreigner in the receiving unit.

3 a foreigner whose purpose of residence on the territory of the Republic of Poland is to perform work as an internship employee, other than fulfilling the conditions referred above, should have a contract for an internship at the receiving unit.

EU Blue Card for highly skilled employees (local employment contract required)

The EU Blue Card can be a viable option for assignments if a Polish employment contract will be signed with the assignee.

A foreigner, a citizen of a non-EU- country/jurisdiction, can apply for the EU Blue Card if the candidate has:

- concluded, for a period of at least 1 year, an employment contract; a civil law contract under which they perform work, provide services or remain in a business;
- a Polish or an accredited foreign or a university degree that is comparable to a Polish one;
- the candidate has an employment contract with a gross annual compensation of at least 150 percent of the Polish average salary in a given calendar year;
- health insurance;

- the consent of the competent authority to occupy a specific position, practice or conduct other activities, if the obligation to obtain it before the conclusion of the contract results from separate provisions.

The EU Blue Card is at first valid for up to 3 years. If the working contract covers a period of less than 3 years, meaning it is limited, the EU Blue Card will be valid for the time of the working contract plus 3 months.

Residence and work permit (local employment contract required)

The residence and work permit is the most frequently issued permit for local hires in Poland.

The residence and work permit can be a viable option for assignments if a Polish employment contract will be signed with the assignee.

A foreigner, a citizen of a non-EU-country/jurisdiction, can apply for the aforementioned permit if the candidate has:

- health insurance;
- a source of stable and regular income sufficient to cover the costs of living for themselves and their dependent family members;
- a place of residence in the territory of the Republic of Poland;
- the Polish entity entrusting the work which is not able to meet the staffing needs in the local labor market;
- remuneration, which is indicated by the entity entrusting the work in the appendix to the application for a permit is not lower than the remuneration of employees performing work of the same duration at a comparable type or in a comparable position and it is not lower than the minimum remuneration for work in Poland.

Temporary residence permit for business activity purposes (local employment contract not required)

Temporary residence permits for business purposes are granted to a foreigner if the purpose of foreigner's stay on the territory of the Republic of Poland is to run a business under the provisions in force in that territory and the following conditions due to foreigner's case are met:

- health insurance;
- a source of stable and regular income sufficient to cover the cost of living for themselves and their dependent family members;
- the consent of the competent authority to occupy a specific position or to pursue a profession, when the obligation to obtain it results from separate provisions;
- in the fiscal year preceding the submission of an application for granting a permit, the earned income is not lower than 12 times the average gross monthly remuneration in the voivodship in which the entity has its registered office;
- or employs for an indefinite and full-time period of at least 1 year preceding the submission of the application of at least 2 employees being Polish citizens;
- or demonstrates that foreigner has the funds to meet the conditions set out above or conducts activities to meet these conditions in the future, in particular contributing to investment growth, technology transfer, introduction of beneficial innovations or creation of jobs.

Provide a general process overview to obtain a work and residence permit for long-term assignments (including processing times and maximum validation of the permit).

- 1 Receiving an authorization to start the process for the Individual.

- 2 Analyzing the situation of the given Individual.
- 3 Providing a checklist with the documents that should be provided by the company and the individual.
- 4 Document gathering including a certified translation (usually 3-4 weeks).
- 5 Supplying the application form and required documents to the Local Labor Office.
- 6 Local Labor Office issues document confirming lack of unemployed Polish workers fulfilling the requirements for the vacancy (type A only). Usually 1,5 – 2 months.
- 7 Issuance of a work permit by the Immigration Office (usually 2 – 8 months depending on the location of the Immigration office).
- 8 Obtaining a visa in the individual's home country/jurisdiction at the Polish Embassy on the basis of obtained work permit – visa may be obtained up to 1 year.

The last step is to obtain a temporary residence permit (for a seconded individual) or unified work & residence permit (for a Polish employee or management board member). Usually the process is very time consuming and takes 6 – 12 months. This procedure takes place after the foreigner enters Poland. The final residence decision is issued by the Immigration office in the voivodship where the foreigner is staying in Poland.

The general processing time depends on the permit type, the authorities involved in the process and the place of filing the application. In general, the process can take for obtaining the work permit from 2 – 8 months and for obtaining the temporary residence permit takes up to 6-18 months, from the day of filing documents with the Immigration office.

Depending on the permit type, the maximum validation varies from 1 – 3 years with the possibility of renewing the permit after.

ATTENTION!! – The Immigration offices in Poland are extremely overloaded at present and the aforementioned timetable is subject to change (i.e. the processing times may in certain locations be significantly extended).

Is there a minimum salary requirement to obtain a long-term work and residence permit for assignments? Can allowances be taken into account for the salary?

There is a minimum salary requirement for all work and residence permits in Poland. In general, there is a requirement that the foreign national must earn a salary equivalent to a comparable Polish local employee in the Polish company where the foreigner intends to work/ be based.

Allowances can be taken into account, if they are paid as a lump sum and for free disposal of the assignees. Only allowances which are paid out to the employee for their free use in return for the work performed are considered for the minimum salary level calculation.

Some permit types, like the EU Blue Card for local hires, require a specific minimum salary. The minimum EU Blue Card will require a gross annual compensation of at least 150 percent of annual average Polish salary.

Is there a fast-track process which could expedite the visa/ work permit?

No, currently there is no fast-track option for Poland regarding obtaining visas, but for citizens of some countries/jurisdictions listed below there is a 'fast' option of obtaining – the so called '24 months Statement'. This is a simplified work permit.

This option can be used for work for 24 months with a possibility of extension. This Statement is registered at the local Labor Office and on the basis of this document a national visa may be obtained at the Polish Embassy in the individual's home country/jurisdiction. The process usually takes 1 month and is available for the citizens of the following countries/jurisdictions - Armenia, Belarus, Georgia, Moldova and Ukraine.

At what stage is the employee permitted to start working when applying for a long-term work and residence permit (assignees/ local hire)?

Generally, the employee is permitted to start working, once the employee obtains either a work permit and their stay in Poland is legal (visa free movement, visa or residence permit).

Can a short-term permit/ business visa be transferred to a long-term permit in Poland?

The short-term business visa cannot be transferred to a long-term visa in Poland. The visas may be obtained only at the Polish Embassy outside of Poland.

Work permits and residence permits may be obtained in the territory of Poland at the appropriate immigration authorities.

Is it possible to renew work and residence permits?

Depending on the permit type, it should be possible to renew the work and residence permits in Poland. The renewal process can take place in Poland, the applicant is not required to leave the country/jurisdiction.

Is there a quota or system or a labor market test in place?

Currently Poland does not have a quota system – this, however, may be implemented if required.

For some permit types a labor market test should take place to verify whether a Polish or EU national is available for the position. The labor market test is a discretionary decision of the responsible labor authorities, who will decide if one will be required.

5.3 General Immigration Related Questions

Would it be possible to bring family members to Poland?

Dependents are allowed to join the main applicant in Poland.

Is it possible to obtain a permanent residence permit?

Generally, this is possible, but the procedure is complicated and very time-consuming. The minimum period of stay in Poland on the basis of legal documents is 5 years, knowledge of the Polish language should be certified, and other circumstances must be applied.

What if circumstances change after the Work and Residence application process?

Any change in the term of the employment or personal situation, job role or salary may require a new work permit or new temporary residence permit and that changes need to be secured or an appropriate notification need to be made.

How long can a permit holder leave Poland without their permit becoming invalid?

If an individual does not work in Poland for more than 3 months (excluding business trips out of Poland), the employer is obliged to inform the immigration authorities about this fact. The immigration office then starts the procedure of cancelling the work permit and the residence permit (as the purpose of stay in Poland elapsed).

Must immigration permissions be cancelled by the end of the assignment/employment?

In case of a termination of the employment before the end of the validity of the permit, the immigration office should be informed. A de-registration at the local town hall needs to take place when the foreigner leaves Poland for good.

Are there any penalties for individuals and/or companies in place for non-compliance with immigration law?

Illegal employment of a foreigner on the territory of Poland may have far-reaching consequences for both the employer and the foreigner.

An employer commits an illegal employment of a foreigner if the employer entrusts employee with work without first obtaining a work permit (if it is required) or if, despite obtaining a work permit, the employer entrusts the employee to work under other conditions or in a different position than specified in that permit.

Such employer commits an offense and should face a fine of between PLN1,000 and PLN30,000.

Similarly, an offense punishable by a fine from PLN1,000 of up to PLN5,000 is committed by a foreigner who performs work in Poland illegally, i.e. without the required work permit, or with a work permit, but without a required work visa or other title entitling the employee to legal residence and work in Poland (e.g. residence permit for a fixed period). It is also illegal to perform work done by a foreigner in Poland on different terms or in a position other than those specified in the work permit, or without the conclusion of the required employment contract or civil law contract.

Detection of illegal employment of a foreigner may also result in notification by the National Labor Inspectorate or another entity of relevant authorities, including Police or Border Guard, the competent voivode, the Social Insurance Institution and tax authorities. The result of the Police or Border Guard notification may be issuing a decision obliging the foreigner to leave the territory of Poland or referral to the voivode for the expulsion of the foreigner.

The costs of such expulsion are borne by the employer.

The re-admission of an employer guilty of offending illegal employment of a foreigner results in the loss of the possibility for the employer to obtain a work permit for foreigners in the future.

In addition, notification of the voivode competent to issue a work permit may be used to issue a decision on revoking a work permit of a foreigner or a decision on refusal to issue work permits for a given employer.

5.4 Other Important Items

List any other important items to note, or common obstacles faced, in Poland when it comes to the immigration processes.

Below is a list of other important items to note and the most common obstacles in the process of obtaining work and residence permits:

- **Salary in renewal cases** – it is imperative that the salary indicated in the first application has been paid during the entire period of the assignment. The salary cannot be lower than indicated in the aforementioned application;
- **the payment conforms to minimum wage standards in Poland;**
- **the salary needs to be comparable to a salary of a Polish employee in the same position;**
- **Degree verification** – the Polish authorities only recognize certain listed degrees for certain permit types;
- **Apostilles/Legalization/ Verification process** – might be requested by the authorities during the procedure of obtaining the work permit or temporary residence permit;

- **Translations** – all documents in foreign languages need a Polish sworn translation;
- **Rental agreements** – a copy of the rental agreement will be required for the in- country/jurisdiction process;
- **A temporary residence address confirmation called ‘meldunek’** – Landlord needs to provide a ‘meldunek’;
- **PESEL** - may be requested by the authorities during the procedure of obtaining the work and residence permit;
- **Inconsistencies in documentation** – for example if there is a discrepancy in the name of the applicant as shown on their passport, degree or marriage certificates, the authorities may require further supporting documentation.

ATTENTION!!! – The Immigration offices in Poland are extremely overloaded now and the timetable presented above might be changed.

5.5 Special solutions for foreigners due to coronavirus outbreak

The current regulations allow people who want to pursue their current purpose of stay or cannot leave Poland due to the spread of SARS-CoV-2 virus to stay legally in the country.

Until the end of the 30th day following the date of cancellation of the last state (state of epidemic emergency or state of epidemic), the following are extended:

- legal stay of foreigners that would end during the period of state of epidemic emergency or state of epidemic,
- periods of validity of residence cards, Temporary Foreigner IDs, Polish foreigner identity documents, “tolerated stay permit” documents and documents issued for a limited period for citizens of EU Member States, the European Free Trade Agreement (EFTA), the Swiss Confederation and family members staying with them
- deadlines for submitting applications for legalization of stay,
- validity of already issued work permits, seasonal work permits and declarations of entrustment of work to a foreigner.

Moreover, the following deadlines will be postponed:

- for foreigners to leave Poland,
- of voluntary return specified in the decisions obliging the foreigner to return.

The option of changing the conditions of work performed by foreigners in the event of employers using the solutions of the Anti-crisis Act has also been introduced.

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