

Anti-crisis shield in terms of HR

- support for employers in Poland

On March 31, 2020 at 8 PM the President of the Republic of Poland signed a package of laws constituting the "anti-crisis shield". At the moment the shield 3.0 is in force. There is the next update, shield 4.0, coming soon.

What kind of support and activities does the "anti-crisis shield" provide for employers?

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1 Exemption from ZUS for companies employing less than 50 employees

In order to benefit from the exemption from ZUS contributions, following conditions must be met:

- ✓ The exemption from the payment of ZUS contributions applies to micro-enterprises that employ less than 50 insured employees, payers who are social cooperatives and also the self-employed persons are exempted from paying ZUS contributions for a period of 3 months, i.e. March, April
- ✓ Entitled to the exemption from paying ZUS contributions:
 - before February 1, 2020 will be entities that as at February 29, 2020 registered the required number of insured persons for ZUS,
 - in the period from 1st February to 29th February will be entities that as at March 31, 2020 registered the required number of insured persons for ZUS,
 - in the period from 1st March to 31st March will be entities that as at April 30, 2020 registered the required number of insured persons for ZUS.

Moreover, in the case of self-employed persons and payers employing from 1 to 49 persons, the exemption for March will also be available if the contribution for that month has already been paid.

- ✓ A person who runs a sole proprietorship may take advantage of the exemption from contributions for April and May, if the gross income in the first month of the exemption (e.g. April) was higher than PLN 15,680, but the net income from business activity in the first month of the exemption (e.g. April) was lower than PLN 7,000,

A self-employed person, using the so-called „starter discount” (i.e. paying only health insurance contributions for the first 6 months), may be exempted from paying the health insurance contributions for April and May, if the gross income is lower than PLN 15,680 or if it is higher, but the net income is lower than PLN 7,000.

Moreover, if the contribution payer registered ONLY juvenile employees for social insurance, the payer is treated as a payer who is registering not more than 10 insured persons (i.e. complete exemption).

- ✓ When contributions are paid exclusively for own insurance and business income - in the first month for which the application is submitted - may not exceed PLN 15,681, i.e. 300% of the forecasted average gross remuneration.
- ✓ Benefits, from the Employee Guaranteed Benefits Fund, for job protection were not used at the moment.
- ✓ Submitting an application to the Social Insurance Institution by June 30, 2020 is required.
- ✓ Submitting settlement documents for the period March-May 2020 till 30 June 2020 is required.
- ✓ The application can be submitted by:
 - PUE ZUS, eletronically
 - the website: gov.pl
 - post
 - in person at a Social Insurance Institution – into a box specially prepared for documents (without contacting any ZUS employee)

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Possibility of paying ZUS contribution at a later date or by installments - applies to all companies, regardless of size

- ✓ In case of ZUS contributions it is possible to request for deferred payment or installments. If the application is submitted during the state of epidemiological emergency OR epidemic OR within 30 days following the cancellation of these states, the prolongation fee will not be charged on the amount due from January 1, 2020.
- ✓ The relief applies to contributions from January 2020. Therefore you cannot apply for a reduction of contributions for 2019.

- ✓ The application will be submitted during the state of epidemiological emergency OR epidemic OR within 30 days following the cancellation of these states.
- ✓ The condition is to prepare the application for a relief without the prolongation fee.
- ✓ The application can be submitted by:
 - PUE ZUS, electronically
 - post
 - in person at a Social Insurance Institution – into a box specially prepared for documents (without contacting any ZUS employee)

Financial aid - downtime benefit

It is envisaged that a financial aid may be paid to self-employed entrepreneurs and contractors up to approximately PLN 2,000.

Obligations to be met in order to receive the financial aid:

- a) no standstill/suspension of business, at least a reduction of 15% in revenue in the month preceding the month of submitting the application; revenue from business activity not higher than PLN 15,681,00 gross,
- b) suspension of business activity after January 31, 2020; revenue from conducting business activity not higher than PLN 15,681,00 gross.

The above solutions can be used by people who:

- are citizens of the Republic of Poland, or
- have the residence permit or the permanent residence permit on the territory of the Republic of Poland,
- are citizens of European Union member states, European Free Trade Association (EFTA) member states - parties to the agreement on the European Economic Area or the Swiss Confederation, or
- are foreigners legally residing in the territory of the Republic of Poland.

- ✓ it is possible to benefit from it more than once (but up to three times),
- ✓ it is possible to benefit from it more than once based on a statement of an authorized person,
- ✓ it is possible to benefit from it more than once, but not earlier than in the month following the month when the previous downtime benefit has been paid out.

The condition for granting the next downtime benefit will be demonstrating that the financial situation of the entrepreneur or the person working under the civil law contract has not improved.

Shield 3.0 introduced a change in the deadline for entrepreneurs who apply for the downtime benefit for the first time. Previously, entrepreneurs, who started their business before February 1, 2020, could apply - now also those, who started their business before April 1, 2020, can benefit.

The financial aid applies also to people who pay contributions under „Mały ZUS Plus” program of the Social Insurance Institution and, the so-called, „starter discount”. The amount of the financial aid depends, among others, on the method of the income tax settlement and will be paid in the amount of PLN 1300 or PLN 2080.

4 Additional care allowance

In connection with the closure of educational institutions at least until April 12, 2020, the Act provides parents, who have already used care allowance, with further care allowance for the following period.

5 Possibility of co-financing remunerations

The Act also claims to subsidize employees' remunerations up to 40% of the average monthly salary.

To obtain co-financing, the employer must prove a decrease in turnover:

- not less than of 15%, calculated on the basis of total turnover over the following two months in the period after 01/01/2020 (in comparison with total turnover in the same 2 months last year) - as a result of the appearance of COVID 19, or
- not less than of 25%, calculated as the ratio of total turnover in any month in the period after 01/01/2020 to the turnover from a previous month.

✓ In the event that the amount of working time is reduced, the maximum amount of funding per employee will be: PLN 2,079.43 gross and social security contributions due from the employer based on the granted benefit: PLN 372.84. The amount of the contribution depends on the amount of a resultant contribution applicable at a given employer: from 0.67% to 3.33%. Therefore, the amount of the social security contribution due from the employer may vary.

✓ Moreover, it should be remembered that the calculation of the amount of financial aid takes into account the working time.

✓ It should be remembered that benefits may be combined, but financial aid cannot be obtained simultaneously for the same employees.

✓ Applications for co-financing are submitted to the Voivodship Labor Office, appropriate for the employer's seat. The application may be submitted to the VLO in paper or electronic form via praca.gov.pl. Submission is free of charge.

6 Possibility of using a revolving loan financing the payment of remuneration

It is possible to obtain a loan based on verification of the liquidity gap pursuant to account statements (confirming the balance of funds at the level of "PLN 0") and short-term liquidity analysis (verification analysis by own resources or by an operational agent: PKO / Pekao / BGK) .

- ✓ Small and medium-sized companies can benefit from this help.
- ✓ To submit an application, you must show:
 - Financial statements for 2018-2019 (along with the opinion of an statutory auditor),
 - Information on balance-sheet and off-balance sheet financial liabilities together with their repayment parameters (possibly including anticipated changes in repayment schedules with information on an established collateral).
 - Information on employment - number of persons / full-time jobs / form of employment - at the end of 2019, at the time of submitting the application, planned during the financing period - information relevant for estimating the need for working capital (a matter of employees / possible ZUS benefits / payments for business activities).
 - A plan of inflows and expenses in the next 12 months - indicating an expected possible reduction of business activity caused by coronavirus - divided into individual categories of expenses (operational - salaries, social security contributions / fuel, external services: including leases / rents / operating leases / service / other ..., taxes, fees, other and financial: planned repayments of financial leasings and loans / other financial liabilities); indication of the period for which the activity is planned to be limited. Liquidity support is necessary.
 - Documents regarding proposed collaterals (In the case of real estate valuation, it is allowed to take appraisal reports not older than 24 months from the date of submission of the application. In the case of machines and devices, their net book value may be accepted maximum as at 31.12.2019 and a confirmation of their value with an insurance policy or their valuation not older than 12 months from the date of submission of the application).

7 Flexible working hours

Employers struggling with negative financial effects caused by COVID-19 may use the following solutions (if the turnover decreased by 15%):

- ✓ reduction of the employee's working time by 20%, but no more than to ½ of full-time work (whereas an employee is ensured with the minimum salary). Therefore the fund will subsidize up to 40% of the average monthly salary which is determined based on the statistics from the previous quarter announced by the President of the Central Statistical Office. Also the social security contributions will be subsidized which must be normally paid by the employer. It means that the limit of the additional financing is PLN 2,452.27.
- ✓ the above benefits will be valid for 3 months from the date of filing the declaration.

8 Changes regarding preventive examinations

The Act provides for suspension of the following examinations:

- a. periodic examinations for employees,
- b. medical and psychological examination for drivers,
- c. periodic medical and psychological examinations for train drivers in accordance with the Rail Transport Act.

No mention was made of suspension of preliminary and follow-up examinations. The act provides for carrying them out in a different mode. If a doctor is not available by the given date, the examination may be carried out by another doctor, but it expires 30 days after the outbreak is finished.

9 Facilitations for foreigners

The act provides for extension of residence visas as well as temporary residence permits for foreigners - up to 30 days from the date of cancellation of the epidemic. **Shield 3.0 brings an opportunity to change the conditions of work for foreigners who, due to COVID-19, have had their salaries reduced or their family member have had lost their source of income. Solutions of the shield extended the validity of: residence cards for a family member of an EU citizen, documents confirming the right of permanent residence and permanent residence cards for a family member of an EU citizen, if their validity expired during the epidemic. Above documents will remain valid for a period of 30 days from the date of cancellation of the epidemic status.**

10 Postponement of the PPK* implementation date

**Employee Capital Plans*

- ✓ The deadlines for concluding the management contract for PPK for employers covered by the obligation to create PPK have been postponed from January 1, 2020.
- ✓ It follows that the contract for running PPK should be concluded by November 10, 2020, and the PPK management contract by October 27, 2020.

11 Waiving interest for delayed payments of ZUS contributions in the period from January 2020

This solution will be intended for payers of ZUS contributions who have difficulties in timely paying contributions due to COVID-19. They will be able to benefit from waiving interest for delayed payments of contributions for the period from January 2020. This relief will apply to all payers - the size of the enterprise is irrelevant.

Withdrawal from charging interest will be possible if:

- contributions have already been paid, but after the statutory payment deadline, and as a result, interest has been charged;
- contributions have not yet been paid and their payment deadline has already expired.

12 The employer can direct the employee to take unused holiday

Due to the anti-crisis shield 3.0, employers were given the possibility of sending an employee on an compulsory, overdue leave without the consent of the employee. The amount of severance payment and compensation in the event of the termination of employment and the termination of contract have been also limited. The maximum amount of benefit paid cannot exceed 10 times the minimum remuneration for work (PLN 2,600 gross monthly). The regulations are valid till September 30.

Questions?
Contact us!

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