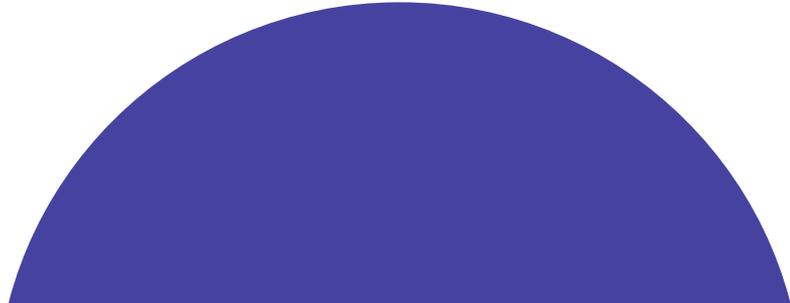


i-payee



**Guide to Contracting in
Poland**



COUNTRY HIGHLIGHTS (2017)

POLAND – Individual

Currency	Polish Zloty (PLN)	
Tax Year	Starts 1 January	Ends 31 December
Taxation Rates	First PLN 85,528 at 18% Balance at 32%	
Personal Allowance	PLN 1,188 (based upon income)	
Social Security	Employer Pension	9.76% (capped on PLN 127,890)
	Employer Disability	6.50% (capped on PLN 127,890)
	Employer Accident	0.40% to 3.60%
	Employer Labour Fund	2.45%
	Employer Guarantee	0.10%
	Employee Pension	9.76% (capped on PLN 127,890)
	Employee Disability	1.50% (capped on PLN 127,890)
	Employee Sickness	2.45%
	Employee Health	9.00%

Tax Residency

An individual is resident in Poland if their centre of personal or economic interest is located in Poland or if they stay in Poland for 183 days or more in a tax year.

An individual who is Tax Resident is taxable on Worldwide Income except if exempt under a double taxation treaty.

An individual who is not Tax Resident is taxable in Poland on Income earned or generated there.

Social Security

Social Security is payable in the Poland unless the individual is paying Social Security in the country in which their employer is based and they are habitually resident. A certificate of continuing liability to Social Security is required to exempt the individual from Polish Social Security.

Right to Work

EU and EEA Nationals have an unfettered right to work in the Poland without the need to hold a VISA or Work Permit. However, all EU and EEA Nationals must register with the local city hall if their stay exceeds 90 days.

Other Nationals, generally, need to have the relevant approval to work prior to their arrival in the Poland with approval sought from the Polish Consulate or Embassy in their home country or country of residence.

I-PAYE Service

I-PAYE is not at present registered as an employer in the Poland and all individuals are obliged to file a local Tax Declaration to report the employment income paid by us.

All income is reported to the Polish Tax Authorities, with deduction for expenses allowed under Polish Tax Law. Any expenses that are reimbursed that are not allowed or are above published rates will be subject to a withholding equivalent to the Polish Taxation due. A local accountant will be engaged to complete the local Tax Return.

I-PAYE will provide UK Nationals that habitually reside in the UK. I-PAYE will not normally seek to employ Polish or other European Nationals to assignments based in Poland.

As an employee of I-PAYE then you simply would register as working in Poland and the rest is down to us.

Frequently Asked Questions

Q. I currently work on a project in the United Kingdom through a PSC and have an assignment in Poland, is it true that I can operate the same model in Poland?

A. Under Polish Domestic Law a UK PSC may be considered as having a Permanent Establishment in Poland, which means that all income derived by the business will be subject to Polish Taxation. No matter the taxation position of the company any employment income paid in respect of duties performed in Poland will be subject to Polish Taxation and Social Security from day 1.

In addition any dividends payable to shareholders will be subject to Polish Dividend Taxation either at resident or non-resident rates.

Q. What happens if I choose to ignore the rules?

A. Poland as with all European Countries may seek to apply the Mutual Assistance Recovery Directive (MARD) to request the UK and other Tax Authorities to collect any unpaid moneys due.

From 1 October 2017 new legislation has been enacted in the United Kingdom that means that any entity engaging in or with business that evades taxation in a Foreign Country will be subject to an unlimited fine. Failing to report income to the Polish Authorities is Tax Evasion, not avoidance, and under Polish Law would generally lead to a criminal conviction.

Q. I want to do it correctly where should I seek advice?

A. Unfortunately, the Polish Tax Office only provide advice in Polish and many of the general advice given on other websites is out of date. Specialist advice should be sought before going on assignment.

More information is available from I-PAYE on 0151 449 3500



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