

# Family is the best investment

2 years of the Ministry of Family, Labour  
and Social Policy



Ministry of Family,  
Labour and Social Policy

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### The “Family 500+” programme

The “Family 500+” programme constitutes a systematic support for the Polish families introduced by the Polish Government led by Beata Szydło on 1 April 2016 with a view to improving the financial situation of the Polish families and creating conditions facilitating the decision-making about the family enlargement.

In practice, the “Family 500+” programme amounts to PLN 500 per month for the second and each subsequent child regardless of income. Low-income families are also entitled to the support for the first or only child. In the latter case, the income criterion of PLN 800 or PLN 1200 applies here. The increased criterion (PLN 1200) applies to those families who bring up a disabled child. It is important to remember that the **“Family 500+” programme amounts to PLN 6,000 net of annual support per child.**

The “Family 500+” programme also includes children under the age of 18, placed in foster care (foster family, family-type children’s home and family-type educational care facility). They are entitled to an educational allowance equal to the amount of child-support benefit.

By the end of August 2017, almost 2.62 million families, bringing up 3.996 million children were offered the support of the “Family 500+” programme. **Over PLN 33.2 billion was distributed to the families** at that time. As part of this support, PLN 402 million went to children placed in foster custody. According to the data from August 2017, there were 46.6 thousand children placed in foster custody.

Throughout Poland, the “Family 500+” programme covers 57.3% of all children under 18 years old. Of all the families receiving the 500+ child-support benefit, **about 384 thousand are large families.** The proportion of large families benefiting from the 500+ child-support benefit is highest in rural communes and amounts to 65%. In rural-urban and urban communes, large families that are covered by the programme amount to 59% and 51%, respectively.

**The child-support benefit** – as the “Family 500+” programme is called – **is not included as income when determining the eligibility for benefits from other support schemes.** This applies in particular to family benefits, social assistance benefits and alimony benefits. Importantly, **the child-support benefit is not taxable.** And that means that **it is paid in full.**

**The child support benefit is granted upon request.** The right to the 500+ child-support benefit is set for the period of one year – as of 1 October of the given year to 30 September of the following year. **The child support benefit during the new programming period requires the submission of a new request.** Please note that you can apply for the “Family 500+” programme at any time.

**After the first year of the “Family 500+” programme, it can be said that it fulfils its goals** – it is an investment in the family, it has significantly reduced poverty and contributed to an increase in birth rates. Thanks to the programme, **fewer people use social assistance benefits and food support schemes** – when compared to the previous year, it is a 10 percent decline. **The number of births in 2016 increased by approximately 13 thousand** when compared to the number of births in 2015. **This year’s increase in the number of births should be even higher – even by 25-35 thousand.**

Contrary to the claims made by the “Total Opposition”, no one can claim that the “Family 500+” programme is a waste of taxpayers’ money or that it contributes to the labour deactivation.



What is noticeable, however, is the increase in consumption related to the better situation of the Polish families. The living standard of families receiving child-support benefit has risen, allowing families to live in a sense of greater financial security.

It should also be stressed that according to the announcement expressed in Prime Minister Beata Szydło's exposé, **the government effectively defended the family rights.**

As a result of the amendment of the Family and Guardianship Code, **the following principle was introduced: the placement of a child in foster care against the will of the child's parents solely due to poverty is unacceptable.**

### ***What are the changes for the families?***

**As a result of the adoption by the Parliament in mid-July 2017 of the family package, the deadline for submitting the applications for various forms of support has been unified.** As a result, you can apply for child-support benefits as of 1 August, but also for family benefits and alimony benefits. The solution adopted saves families' time and, on the other hand, streamlines the work of officials who will be quicker to deal with family requests. It is worth noting that – according to the new regulations – the interested parties will be able to apply for all these benefits by electronic means as of July 2018.

## The “For Life” programme

Soon after the introduction of the “Family 500+” programme, the government introduced another instrument of the pro-family policy, namely the “For Life” Programme.

The “For Life” Programme was adopted in 2016, shortly after the adoption of the Act on supporting pregnant women and families “For life”. It is **a comprehensive support package for families with children with disabilities**.

The "For Life" programme encompasses the following elements: providing comprehensive care to woman and children during pregnancy and childbirth, providing early supportive therapy of child development, providing access to coordination and care and rehabilitation services, and to specialised counselling and support of family assistants.

Under the "For Life" programme, a **one-time additional benefit** of PLN 4,000 has been introduced. This benefit shall be paid to the family of a child born with severe and irreversible disability or an incurable life-threatening illness.

But that's not all. The specific solutions adopted under the "For Life" programme include: support for people with disabilities through the development of sheltered housing, professional activation of caregivers of people with disabilities, and the strengthening of the prophylactic aspect of the family assistants' activity.

In practice, **the development of sheltered housing assumes the creation of 50 apartments per year for 500 people**. This year, the amount of PLN 12 million shall be allocated for this goal. In the next four years, PLN 24 million shall be earmarked for development of sheltered housing.

The "For Life" programme shall **also facilitate the caregivers of people with disabilities to return to the labour market**. This will be possible on the one hand by creating preferential conditions for them to start a business and, on the other hand, by encouraging other unemployed to set up activities consisting either of running nurseries or kids clubs with places for disabled children or providing rehabilitation services for disabled children in their place of residence.

Caregivers of children with disabilities will also be **able to benefit from subsidised employment schemes and teleworking**. In turn, those caregivers who cannot obtain the unemployment status will be provided with direct access to labour market services and instruments.

The Labour Fund will allocate this year **more than PLN 23 million** to the professional activation of caregivers of children with disabilities from **and nearly PLN 55.5 million per year in the next four years**.

As a result of the adoption of the Act on supporting pregnant women and families and of the comprehensive “For life” programme, family assistants have been granted new powers. They became responsible for coordinating counselling for pregnant and postnatal women who gave birth to a child with severe and irreversible disability or incurable life-threatening illness as well as for the families of such a child. **The Ministry of Family, Labour and Social Policy wants the number of family assistants to increase**.

The wide range of support options will be complemented by the activities undertaken under other programmes and as part of other funding sources. It includes the so-called **“Respite Care” programme** prepared by the Ministry of Family, Labour and Social Policy. The purpose of this programme shall be to provide care for people



with disabilities and to support family members in caring for a disabled child. The plan is to **provide care for disabled people up to 120 hours a year**. This year, the Ministry of Family, Labour and Social Policy wishes to spend PLN 53 million for this aim. In subsequent years, the level of financing would amount to PLN 106.5 million per year.

In addition, the **facilitated access to community self-help homes for a larger number of people, including for people with an Autism Spectrum Disorder** has been envisaged. This measure will be piloted on the basis of the applicable regulations and after the request has been notified to the voivode.

**The amount of PLN 52 million has been allocated this year for the development of the community self-help homes network.** Over subsequent years, the measure shall be financed at nearly PLN 74 million per year.

### ***Wide consultations***

The "For Life" programme is being implemented in phases and widely consulted. Within the framework of the "Consultation +" project, a series of sixteen regional meetings, two national conferences combined with workshops, and thirty two meetings with the communities of disabled people have been organised. The consultations shall last until March 2018.

## **The Toddler+ Programme**

According to the Social diagnosis 2013, **Poles give up on having children due to difficulties in reconciling work and parenthood, as well as lack of places or too high fees in nurseries.**

Meanwhile – as the Centre for Public Opinion Research figures indicates – **almost all Poles want to have children. Importantly, the vast majority of respondents would prefer to have more than one child.** 49% of respondents declare their desire to have two children. In turn, every fourth Pole (25%) would like to have three children, and every fourth Pole (7%) – four or more children.

**The family package** adopted by the Parliament in July 2017 **introduced changes to the Act on care for children under the age of 3.** This will bring a number of benefits. In practice, it will introduce: lower fees for childcare in nurseries, greater availability of such facilities, the provision of high standards of childcare, the possibility of returning parents to the labour market and the choice of the childcare by the parents.

There are 3.8 thousand early childcare institutions throughout the country. These are nurseries, kids clubs and day-care providers. They provide almost 102.2 thousand childcare places. Currently, 15.3% of children under the age of 3 remain under the care of nurseries. In 2016, this percentage was 13.9%, and two years ago – 12.4%.

**The development of the childcare system for the youngest children is financed from the state budget as part of the Ministry-specific development programme of childcare facilities entitled “The Toddler+ Programme”.** Thanks to the state budget support, since 2016, the number of childcare places has increased significantly – to ca. 5.6 thousand places. In 2017, the number of childcare places is expected to grow by as many as 12 thousand.

Despite the constant and large increase in the number of institutions and childcare places, **the needs are still enormous, especially since more than 70% of communes in Poland lack any pre-school childcare institutions for children up to 3 years.**

**The government knows how to make nurseries more accessible while reducing at the same time the fees for children in such child-care institutions.** Under the Toddler+ Programme, the government **will spend as much as PLN 450 million per year** on pre-school child-care institutions for the youngest children. **It is three times more than it is now.** Moreover, the increased financial envelope for pre-school child-care institutions amounts to almost half of the amount (PLN 1 billion) which is spent annually on nurseries by all communes in Poland in which such child-care institutions already exist.

Local government units, natural persons, as well as legal entities and organizational units without legal personality can apply for the support for the creation and operation of pre-school child-care institutions for children up to 3 years.

**The amount of funding depends, among other things, on the number of childcare places established or functioning and the entity applying for the funds.** In case of establishing childcare places by communes where such childcare places do not exist, **it may be up to 80% of the value of the project.** What is important, the subsidy limit has not been set in relation to the expenditure incurred by the communes for the functioning of the childcare places.

**Thanks to the changes in the so-called Act on Nurseries, a series of facilitating measures have already**



been introduced in setting up and operating nurseries and, as a consequence, in increasing investment certainty in this respect while maintaining high standards of childcare.

A list of entities that can establish a nursery or a kids club has been extended to include poviats, voivodships and state institutions.

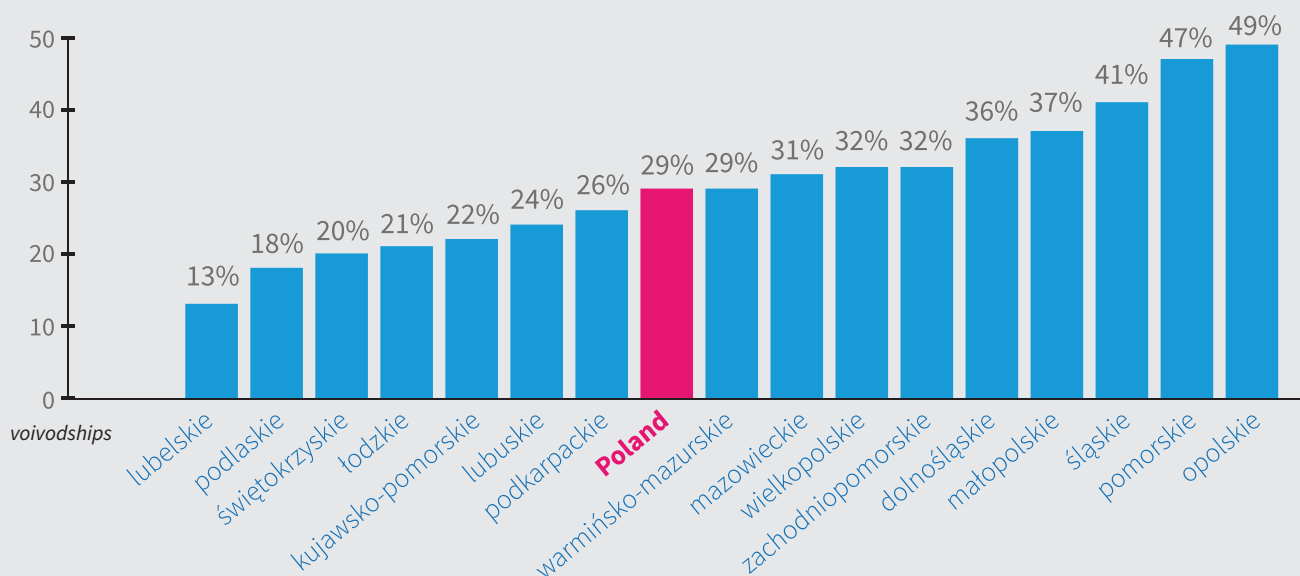
Another change concerns the requirements for caregivers in nurseries and kids clubs. Importantly, candidates for caregivers, nursery managers, as well as managers of kids clubs or nurses **will be screened if their data are not contained in the public sex offender register.**

The requirement for caregivers to attend every second year the first aid training has been introduced.

The new regulations have given parents the right to take a more active part in making decisions related to the operation of a nursery or kids club. They have provided parents with the right to control the conditions of their children's stay in these institutions. In practice, the parents' council, acting as a consultative body, will benefit from the new opportunities.

Thanks to changes in the so-called Act on Nurseries, **the issue of the quality of children's meals has also been regulated.**

*The percentage of communes with pre-school child-care institutions for children up to 3 years in 2016.*





## Large Family Card

The financial support for families with children includes not only the 500+ child-support benefit or the system of pre-school child-care institutions for children up to 3 years but also The Large Family Card (LFC).

**The Large Family Card is a discount and additional benefit scheme for families with three or more children, applicable both in public institutions and in private companies.**

In practice, the Large Family Card provides discounts on food and cosmetics, clothing and footwear, books, toys and fuel. It also reduces the costs of bills for telecommunications or banking services. It allows large families to buy cheaper train and public transport tickets for selected destinations. The Large Family Card holders have the opportunity to make use of the cheaper offer of cultural institutions, recreation centres or bookstores throughout the country. The Large Family Card makes it easier for large families to access recreation and reduces the cost of everyday life.

**Any company and institution**, regardless of its size, sector or scope of operations, **can join the programme**. There are nationwide chains as well as small, local entrepreneurs among the programme's partners.

Thanks to the revised Family Package passed in July 2017 the Polish Parliament, **the Large Family Card will become even more attractive**.

**The Large Family Card will be adapted to the latest digital technology solutions**. It's about implementing the Large Family Card **in the form of an application on your smartphone**.

**Thanks to the application, the use of the Card will be possible immediately after it has been issued** by the either commune head or the mayor, without having to wait for the print of the plastic data carrier. **The plastic card will remain in circulation**. The Large Family Card holders will be able to use both forms alternatively. The application will make it easier and faster to search for interesting discounts and get information about new offers. The amendment will enter into force on 1 January 2018.

**Thanks to the amendment of the existing regulations, the right to hold a Large Family Card will be granted to families with three or more children to care for**. The new solution shall come into force as of 2019.

### The Large Family Card in numbers

So far, over **1.8 million** Large Family Cards have been issued to **391.7 thousand** families with three or more children.

Over **2.5 thousand** companies and institutions offer different discounts.



### ***Rise in minimum wage and the introduction of the minimum hourly earnings***

Together with the improved situation on the labour market, wages must also increase. Decent salary is a goal that has been set by the government of the Prime Minister Beata Szydło. The rise of the lowest wages is a necessary change, expected among Polish workers.

**By fixing the minimum wage for 2017, the government raised it from PLN 1,850 to PLN 2,000 per month. In 2018, it will amount to PLN 2,100.**

As of 1 January 2017, a minimum hourly rate was introduced. Its value shall be indexed on an annual basis by the average annual rate of salary growth and shall amount to PLN 13.70 as of January 2018. This regulation has been introduced to limit the effect that a person employed on a civil law contract has remuneration far lower than the minimum wage paid to an employed person.

An important change regarding remuneration due to seniority has been introduced. From January 2017, all employees – regardless of their seniority – shall receive the same remuneration. Before the change, the employee was paid at least 80% of the minimum wage during the first year of the employment contract, and currently – the employee receives at least the full amount of the minimum wage.

#### ***What is the minimum wage?***

The minimum wage is the minimum remuneration for work that an employer must pay to every full-time employee regardless of their qualifications, position grades, remuneration components, system and working hours used by the employer, as well as specific working conditions and characteristics.

The initial proposal for the minimum wage is based on the inflation forecast for the following year and, if the minimum wage is less than half the national average, also on two-thirds of real economic growth. The minimum wage increase may be higher than the minimum wage adopted in the Act on minimum wage.

In accordance with the applicable regulations, the Council of Ministers shall be required to set the minimum wage and the minimum hourly rate by 15 September of each year.

#### ***What is the hourly rate?***

This regulation is aimed at counteracting the misuse of civil law contracts and protecting people receiving the lowest possible remuneration.

The minimum hourly rate, starting from 2018, shall amount to EUR 13.70 gross (its value shall be indexed by the average annual rate of salary growth) and shall cover workers working on specific mandate contracts and service provision agreement, including self-employed.

## **Finished the “first working day” syndrome**

**Employees’ rights must be protected from the first working day.** Therefore, as of 1 September 2016, changes have been introduced: a written employment contract or written confirmation of the employment contract must be given to the employee before his being admitted to work. The second copy must be kept by the employer. The employer may face a fine for the lack of the written confirmation of the terms of the contract before the employee is being admitted to work.

Previously, the regulations stipulated that the employer needs to complete the formalities related to the employment contract until the end of the first working day. This allowed the employers to postpone the signing of the employment contract and, in case of control, to explain that this is the employee’s first day at work, so the legal deadline for signing the employment contract has not yet expired.

**This change allows employees to enjoy full employment rights from the first day of their work.**

The National Labour Inspectorate has also gained a more effective tool for effective control over the legal employment of workers. The level of fine remained unchanged – its range varies from PLN 1 thousand to PLN 30 thousand, but the employer can no longer explain that this is the employee’s first day at work.

### ***What will change for the employee?***

Having a written employment contract or written confirmation of the terms of the contract before the employee is being admitted to work will make it easier for employees to claim their rights and benefits resulting from the employment relationship and to benefit from the protection, as provided for by the social security regulations.

## **Changes for Temporary Employees**

The amended Act also protects pregnant women involved in temporary employment, ensuring that their contracts are extended by the temporary employment agency until the day of childbirth, if the employee has at least a two-month cumulative period of temporary employment. This will allow the employee to be entitled to the maternity allowance after childbirth.

The amended Act also stipulates that the National Labour Inspectorate may impose a fine of up to PLN 5,000 on the employer for failing to comply with the Minimum Wage Act regulations.

The new regulations have been in effect since 1 June, except for those relating to the payment of contributions which will come into force at the beginning of 2018.

### **What will change?**

The most important change is aimed at preventing the misuse of employment deadlines. Temporary workers cannot be sent by a temporary employment agency to one company for more than 18 months within three years. The employer will not be able to entrust the same work – previously performed by the employer's own employee who was laid off for reasons beyond his control – to the temporary worker.

## **E-sick notes**

Sick notes in electronic form are issued as of the beginning of 2016. Currently, they must be signed using a qualified electronic signature, or a signature confirmed by an ePUAP trusted profile through the ZUS ICT system.

The qualified electronic signature is payable and the cost of the purchase is charged to the doctor. The free ePUAP profile is too time-consuming and complicated to use.

**After the entry into force of these changes, you will be able to authenticate electronically your e-sick note using the ZUS Electronic Services Platform which will be free of charge and simpler.** On the ZUS doctor's profile, the Social Security Office (ZUS) will make the patient's data collected in ZUS registers available, and the data of the medical doctor issuing the e-sick note will be collected from the ZUS register of medical doctors authorised to issue sick notes.

The law shall enter into force on 1 December 2017, with the exception of articles that exclude the issuance of paper sick notes – they will be effective from 1 July 2018.

### ***What are the benefits for the patients?***

When a doctor issues an e-ZLA, the patient does not have to deliver a sick note to the employer (in case of employees) or to ZUS (in case of entrepreneurs). The patient will not have to go to their employer or to a ZUS unit either during illness or care of a sick child, nor ask their family or friends to deliver the sick note to their employer or to a ZUS unit. E-ZLA will be sent to the PUE payer's profile and to the ZUS system.

A patient to whom the e-ZLA has been issued is not bound by the 7-day deadline to deliver the sick note either to their employer or to a ZUS unit. The possible reduction of sickness benefit or care allowance due to this deadline being exceeded do not apply here. It is necessary, however, to send (submit) a request, among other things, in case of persons conducting business activity claiming benefit after the termination of employment (insurance) or in case of employees to whom ZUS and not the employer pays sickness benefits. The insured can do so using his/her PUE profile. The applications may also be made by the employer, for example through the ZUS Z-3 form.

### ***Increased protection of employee claims***

The amendments are intended in particular to: extend the protection of the claims made by the employees who have lost their jobs and their entitlement to benefits arising thereof due to the insolvency of the employer and to accelerate the provision of financial assistance to employees in connection with the actual cessation of the employer's business activity.

The changes organise and streamline the payment of benefits by the voivodeship labour offices.

In addition, there was a relative fee exemption in labour law cases concerning the recovery of receivables arising from the implementation of the provisions concerning the protection of employee claims in the event of the insolvency of the employer if the value of the dispute exceeds the amount of PLN 50 thousand. The solution adopted will result in the FGŚP funds spent so far on court fees could be used to pay benefits to employees of the insolvent undertakings.

The regulations came into force in September 2017.

#### ***Who can receive benefits?***

- employees of an insolvent undertaking,
- former employees of an insolvent undertaking,
- family members of the deceased employee or of the former employee entitled to the survivor's pension,
- persons gainfully employed under a legal basis other than employment relationship if they are subject to the compulsory social security scheme.

## ***New rules for employing foreigners***

A new type of seasonal work permit will be introduced. It will mainly involve employment in agriculture, horticulture and tourism. Unlike other permits, it will be issued by the Poviast Governor [starost]. This means the proximity of the office and faster proceedings than in the case of work permits issued by the voivode. The foreigner will be able to perform seasonal work for 9 months in a calendar year. The extension of the work permit for seasonal work facilitates the continued work by a foreigner (work considered legal in anticipation of the decision of the starost).

In terms of seasonal work, preferences for citizens of six countries, including Ukraine, are now being envisaged, within the so-called 'declaration procedure'. These facilitations include:

- exemption from the so-called labour market test,
- possibility to obtain a multi-seasonal permit (valid for up to 3 years)
- possibility of entrusting other work than seasonal for the period of up to 30 days (except for temporary workers).

The law also takes into account the situation of foreigners who enter Poland under visa-free regime (up to 90 days in any 180-day period). In case of a foreigner entering the territory of Poland in order to perform seasonal work, he/she will be able to apply to the Voivode for a temporary residence permit in Poland for seasonal work which, in conjunction with a permit for seasonal work, will enable the foreigner to continue working until the time of 9 months for seasonal work elapses in a given calendar year.

### ***What is seasonal work?***

Seasonal work is the work performed for a part of the calendar year, associated with a particular season, i.e. with the right season, especially when it comes to weather conditions. Seasonal work is performed by a natural person under the provisions of the Labour Code, i.e. on the basis of a fixed-term contract, a contract of employment for the duration of a particular job. Seasonal work can also be performed on the basis of the provisions of the Temporary Agency Workers Act, employed by temporary employment agencies.

## **Work on the new Labour Code**

The Commission for the Codification of Labour Law is a team of independent experts. The first Commission for the Codification of Labour Law was set up by the Order of 20 August 2002 of the Council of Ministers and started operating in October 2002. The Commission's term in office lasted four years. It was chaired by Professor Michał Seweryński.

On 15 September, a new Commission for the Codification of Labour Law was established with 14 members. The Chairman of the Commission is Marcin Zieleniecki, Undersecretary of State at the Ministry of Family, Labour and Social Policy.

The Commission is composed of: the chairman, two deputy chairmen (appointed from the persons nominated by the organisations forming part of the Council for Social Dialogue) as well as members appointed from the representatives of academics and practitioners of individual and collective labour law. Two secretaries appointed by the Minister from the employees of the office of the competent Minister, in consultation with the Chairman of the Commission, should also take part in the Commission work sessions.

The Commission works in two teams: the team preparing a draft law – the Labour Code and the team preparing a draft law – the Collective Labour Law Code. The Commission's term in office is 18 months.

The changing situation on the labour market requires changes in the legal norms establishing individual labour law. The Commission's task is to prepare drafts of new laws: the Labour Code and the Collective Labour Law Code.

### **What is the Labour Code?**

This normative act is a collection of rules governing the rights and obligations under the employment relationship for all employees, regardless of the legal basis of their employment (in some cases only to the extent not covered by specific legislation, for example the Civil Servants Law) and employers.

Currently, the Law of 26 June 1974 – Labour Code (Journal of Laws of 2016, item 1666) is in force in Poland. According to its Article 1: "The Labour Code defines the rights and duties of employees and employers."



## **Support for carers of disabled people**

Upon the death of a disabled / dependent person, the carer who loses the right to attendance benefit, special care allowance or carer's allowance may apply for unemployment benefits and pre-retirement benefits. This solution has been in force since 1 January 2017.

In many cases, the duty to care for a disabled / dependent person falls on the family members, notably in the absence of sufficient institutional care, and often requires such family members to resign from work. After the death of such disabled / dependent persons, the carers are left destitute and often without employment due for example to the lack of qualifications or long absence from labour market. It is therefore appropriate to treat this type of activity as employment and, consequently, to enable the carers to be entitled to unemployment benefit and pre-retirement benefits which should be granted to persons who have lost their right to attendance benefit, special care allowance or carer's allowance in connection with the death of the disabled / dependent person.

The carers of the disabled / dependent person after the death of the disabled / dependent person may register in a labour office and receive the unemployment benefit. According to the amendment of the Act on employment promotion and labour market institutions, the period of entitlement to unemployment benefits, i.e. up to 365 days in the 18 months preceding the registration of a person as an unemployed in a labour office, includes the period of receiving the attendance benefit, special care allowance or carer's allowance. This is possible even if the carer did not pay contributions to the Labour Fund, if the loss of the right to the above-mentioned benefits was due to the death of the person being cared for.

The caretakers of the disabled / dependent person after the death of the disabled / dependent person can apply for pre-retirement benefits.

### ***In order to receive a pre-retirement benefit, the following conditions must be met:***

- register in a poviats labour office within 60 days of the cessation of the right to the attendance benefit, special care allowance or carer's allowance;
- until the date of the cessation of the right to the attendance benefit, special care allowance or carer's allowance, the carer must have received these benefits for a continuous period of at least 365 days;
- until the date of the cessation of the right to the attendance benefit, special care allowance or carer's allowance – the carer must have completed at least 55 years (women) or 60 (men);
- the carer must prove that the employment period entitles them to retire: for women – at least 20 years of seniority and for men – at least 25 years of seniority.



### *Restoration of the retirement age previously in force*

**Since 1 October 2017, the retirement age of 60 for women and 65 for men has been restored.** As a result, over 400 thousand people qualified for a retirement pension.

**On the one hand, it is the fulfilment of the promise made to the voters, and on the other – the anticipation of the expectations of the Polish society** who largely opposed the extension of the retirement age introduced by the previous ruling party. According to the survey conducted by the Centre for Public Opinion Research during the legislative phase of the Act restoring the retirement age prior to 2012, **as many as 84% of Poles support the restoration of the previous retirement age.**

The restoration of the previous retirement age is intended primarily to allow each insured person to make a personal decision about when to stop working. The law sets out the minimum age for retirement.

The provisions of the minimum retirement age law provide for a **4-year protection period for all employees.** It means that people who are over 60 (women) or over 65 (men) and who have been covered by the protection period as of October 2017 will still be able to benefit from it, which is or may be yet another incentive for them to continue to work.

**The effect of delaying the decision about retiring by one year equals to about 8% higher retirement benefit.** It is one of the largest increases in the world.

The applications for retirement pension began to be accepted by ZUS as early as of September 2017. Until 10 November 2017, over 320 thousand initial applications were submitted which accounted for more than 80% of all applications submitted in this period. The highest submission rate was noted in September this year (about 190 thousand applications). In October 2017, the pace of submitting applications dropped sharply – at that time, 110 thousand applications were submitted.

By 10 November 2017, ZUS examined over 280 thousand applications, of which about 170 thousand were submitted by women and over 110 thousand were submitted by men. **Importantly, those who opted for retirement benefits according to the restored retirement age rules were people who were not economically active in the past.** The structure of all retirement pension applications registered so far shows that the percentage of inactive people is almost 65%. Those who decide to retire and work at the same time are in minority – they prefer to remain in the labour market and continue to work.

**There have been no allegations confirmed thus far that the restored retirement age results in the outflow of workers from the labour market.**

The restoration of the previous retirement age was preceded by **a social information campaign called "Worthy Choice. Restoration of the previous retirement age"** which was initiated by the President of the Republic of Poland Andrzej Duda, Minister Elżbieta Rafalska and the Chairman of the Solidarity Trade Union "Solidarność" Piotr Duda on 11 May 2017. The goal of the campaign was to make people aware that retirement is a right and not a duty.

The campaign lasted until June. Within the framework of the campaign, meetings were held in each voivodeship. During the meetings, the main assumptions of the changes, retirement pension schemes and issues related to the reduced retirement age, as well as the entire system of retirement benefits were presented. On 3 July 2017, the second phase of the information campaign began. The campaign's partner,

Social Security Office (ZUS), has undertaken a number of activities aimed at correct and timely implementation of tasks related to changes in the retirement pension system.

The informational and promotional activities conducted by the Social Security Office (ZUS) in the second and third quarters of this year contributed to an increased number of applications submitted to ZUS for establishing or recalculating the initial capital. With regard to the first-time applications, the increase in the Q3 2017 when compared to Q2 2017 amounted to about 54%, whereas with regard to the applications requiring re-examination, the increase amounted to approx. 64%.

**At the beginning of July 2017, ZUS appointed nearly 600 pension advisors in all its units.** Their task is to provide information on the conditions that must be met in order to receive a retirement pension. Retirement counsellors help you choose the best solution for your retirement benefits, verify the documents you need to submit, and calculate your retirement benefits. From early July to 10 November, approximately 2 million people used the ZUS counselling services.

But that's not all. **ZUS sent nearly 500 thousand notifications to people who as of 1 October 2017 will be entitled to retirement pension.** The shipping was conducted from 14 to 31 July.

**The Social Security Office (ZUS) has secured funds for the payment of all retirement benefits.** This applies to retirement benefits already granted, retirement benefits for people who have already applied for a retirement scheme, and retirement benefits for people who will apply for retirement in the future.

The expenditure coverage ratio of the Social Security Office has reached record highs – 79.1% in the first half of the year and 79.8% in the second quarter. Such a result has not been reported since 2001.

### *How high will be the future retirement benefits?*

The age at which one retires is one of the parameters determining the level of the retirement benefits received. The level of the retirement benefits depends on the earnings of the insured person, i.e. the amount of the contribution paid and the period of this payment, i.e. it depends on the amount of contributions paid to the retirement pension system and on the age at which the insured person starts to benefit from the right to the retirement pension scheme. The older the retirement age, the shorter the average life expectancy, so also the lower the value of the denominator of the new retirement pension calculation formula which consequently means higher retirement benefits. The effect of delaying the decision about retiring by one year equals to about 8% higher retirement benefit.

## ***Raising the minimum retirement pension and disability benefits***

With a view to improving the living conditions of the poorest seniors, **from 1 March 2017, the minimum retirement benefit, disability pension and survivor's pension have increased from PLN 882.56 to PLN 1,000.** In this way, these benefits have reached the level of 50% of the minimum wage.

As of 1 October, women who have at least 20 years of seniority and men who can demonstrate 25 years of seniority are entitled to a minimum retirement benefit. It must be remembered that the condition for acquiring the right to retirement benefits under the new rules is to complete the retirement age and to have on the ZUS account any pension insurance period.

Prior to the change entitling to a minimum retirement benefit, the seniority was 22 years (for women) and 25 years (for men).

It is worth noting that the amount of the partial disability pension has also increased (from PLN 676.75 to PLN 750) and the social pension (from PLN 741.35 to PLN 840).

521.2 thousand benefits paid from ZUS, 203.4 thousand agricultural benefits paid from the Agricultural Social Insurance Fund (KRUS), as well as all social benefits (280 thousand) have been increased to the new guaranteed level.

As a result of the amendment of the Act on Old-Age and Disability Pensions from the Social Insurance Fund, as of 1 March 2018 – with the indexation as of 1 March 2017 – 105 thousand retirement benefits shall be raised of their own motion to the new guaranteed level.

In the case of a retirement pension raised of its own motion granted in return for a total disability pension, the monthly increase in benefits will amount to PLN 107.44 gross (PLN 1289.28 per annum) and in case of a retirement pension raised of its own motion granted in return for a partial disability pension, the monthly increase in benefits will amount to PLN 63.25 gross (PLN 759 per annum).

As of 1 March 2018, all benefits will be increased subject to indexation by contribution indexation ratio, projected at 102.7%. As a result, the lowest retirement pensions will increase by PLN 27 (from PLN 1000 to PLN 1027), average pension – by PLN 58.42 (from PLN 2163.59 to PLN 2222.01), average disability pension – by PLN 43.51 (from PLN 1611.37 to PLN 1654.88), while the average survivor's pension by PLN 50.99 (from PLN 1888.68 to PLN 1939.67).

The total cost of indexation of old-age and disability pensions and other benefits from the general, agricultural and uniformed system – with the mentioned indexation ratio – shall be estimated at about PLN 5.4 billion (with effect in 10 months from March to December).

The actual size of the indexation ratio will be known in February 2018, after the President of the Central Statistical Office notifies the relevant macroeconomic indicators for 2017.

## The Senior+ Programme

**Polish society faces challenges resulting from the changes in the population's demographic structure.**

In practice, this tendency translates into **the increased average life expectancy** and increasing but still low fertility rate. The results of the population forecast for 2014-2050 indicate the deepening of the aging process. The population of people aged 60+ at the end of the forecast horizon will increase to 13.7 million and will constitute over 40% of Poland's total population.

It therefore comes as no surprise that **the social policy towards older people has been recognised by the government as one of the priorities**. This includes issues related to the material and housing situation of seniors, access to health care, and the professional, social, educational, cultural and sporting activities of the elderly.

The most important measures implemented within the framework of the senioral policy in the last two years include **the "Senior +" Multi-annual Programme for the years 2015-2016** addressed to the local government units. Its purpose is to increase active participation in the social life of seniors through the development of the network of the "Senior +" day care centres and "Senior +" Clubs.

The "Senior +" Multi-annual Programme **is implemented under the extended formula** with the possibility of creating "Senior +" Clubs and adapted to the needs and abilities of the elderly and local government units.

Introducing a new form of "Senior +" institutional units is not the only change in the programme. **Another novelty is the adaptation of the minimum standard of the institutional units and the employment standards of employees to the actual needs and possibilities of the local government units.**

The changes also consist in transferring the issues related to the conclusion and settlement of contracts to voivodeship offices in order to streamline the implementation of the programme. It is also worth mentioning that **the subsidy has been increased from PLN 200 to PLN 300 per month for 1 senior citizen** as part of the costs of functioning of the "Senior +" day care centres, as well as **an increase in the maximum amount allocated for the creation of such an institutional unit from PLN 250 thousand to PLN 300 thousand.**

The amount of funds allocated to the "Senior +" Programme is sufficient and adequate for the needs of local governments. In previous editions of the programme, the resources planned for its implementation were not fully utilised. **In 2015, PLN 25 million was earmarked**, of which only PLN 21 million was spent. **In 2016, PLN 40 million was allocated to the programme.** Due to the fact that the demand submitted by the local government units was lower, about PLN 11 million was spent. **In 2017, the "Senior +" programme is planned to amount to PLN 30 million.**

**In 2017, there was a total of 257 day centres for seniors.** When compared to 2015, **the number of centres has increased by as much as 160.**

At the same time, **over the last two years, 221 centres have been subsidised**, including 97 in 2016 and 124 in 2017.



### ***The Senior + Programme in numbers***

In just 2017:

- 35 new "Senior +" day care centres were co-financed for the total amount of PLN 9 million,
- 96 new "Senior +" Clubs were co-financed for the total amount of PLN 11 million,
- 124 already existing Senior + centres subsidised for the total amount of PLN 8.4 million,
- 6,758 places at the day centres for the elderly were guaranteed in the facilities set up under the programme,
- over PLN 28.4 million was allocated to the creation and operation of day centres for the elderly.

## **Government Programme for the Promotion of Active Aging (ASOS Programme)**

**The Government Programme for the Promotion of Active Aging (ASOS) is also implemented by the Ministry of Family, Labour and Social Policy.** The ASOS programme's goal is to improve the quality of living and the life standard of the elderly and to develop their potential by enabling them to be socially active.

The ASOS programme has been developed as a response to the challenges posed by demographic and social processes taking place in Poland. Its main purpose is to create conditions for the development of the social activity of older people who, in connection with the demographic boom of the 1950s, enter or are in the near future entering the 60+ age and ending their professional activity, remain in good psychophysical condition, have the potential, qualifications and life experience and free time which can and should be used through the creation of appropriate social activities.

Activity is one of the necessary conditions for aging in health. Both intra-generational and inter-generational cooperation play an important role in this process.

**The programme assumes undertaking simultaneous actions in four areas** including the social activity of seniors. These include: education for the elderly, social activities promoting intra- and inter-generational integration, social participation of the elderly, and social services for the elderly.

**During the two years of the ASOS Programme implementation, the number of active seniors almost doubled – from 333,849 to 641,747.**

**In 2016, PLN 38,340 million was allocated to the ASOS programme. That is a 194.81% increase when compared to 2012.** For 2017, the expenditure is planned at the level of PLN 39,005 million.

Over the last two years, the government has allocated nearly PLN 80 million to implement the ASOS programme.

### **The ASOS Programme in numbers**

In 2017:

- 370 NGO projects addressed to seniors received financial support,
- PLN 38 million was allocated to social projects addressed to the elderly,
- 179 thousand seniors took part in the projects under the programme.



## **Other activities addressed to seniors**

**At the 45<sup>th</sup> session of the Polish Sejm, the Sejm adopted on 12 July 2017 the Information on the situation of the elderly for the year 2015**, prepared by the Council of Ministers. No previous government has ever presented this type of document to the Polish parliament. Importantly, the government of Beata Szydło plans to submit the Information on the situation of the elderly for each consecutive year. The final version of the Information on the situation of the elderly for the year 2016 is being finalised.

As of 1 March 2017, **the minimum retirement pension benefit** paid by ZUS and KRUS, the total disability pension and the survivor's pension **have been increased by over PLN 100**. The amount of these benefits increased from PLN 882.56 (PLN 758.92 net) to PLN 1000 (PLN 853 net).

**A total of 3,100,000 people benefited from this guaranteed increase**, including 2 million people receiving benefits from ZUS and 1.1 million insured in the Agricultural Social Insurance Fund (KRUS).

**From December 2016, the Ministry of the Family has been carrying out an information campaign called “The Safe and Active Senior”**. The aim of this campaign is to raise the awareness of the Polish public on issues related to safety of seniors and their active aging. The following partners joined the project: Social Security Office (ZUS), Polish Post (Poczta Polska S.A.) and the state television (TVP S.A.).

As part of “The Safe and Active Senior” campaign, three thematic areas of the campaign have been implemented: “The Safe Senior at His Place – How not to become a victim of fraudsters?”, “The Principles of a Safe Senior Consumer” and “How to choose a safe 24-hour care centre”. In addition to the above, over 20 thousand leaflets and posters have been distributed. 5 regional conferences took place, and another 2 conferences are planned. As part of the TVP campaign, four television shows were also broadcast. The same number of TV shows will be broadcast until the end of this year. In addition, materials for publication on the Internet, radio and television are also being prepared.

**On 1 August 2017, an amendment to the Act on anti-communist activists and people repressed for political reasons came into force**. Thanks to the changes, the list of rights and powers enjoyed by anti-communist activists and people repressed for political reasons was expanded. As a result, they were granted **a monthly allowance of PLN 402.72**. But that's not all. The new regulations also provide for the possibility of granting temporary aid for the period of up to 6 months to persons in difficult financial situation or due to the unforeseen occurrence of exceptional events.

According to the amended law, anti-communist opposition activists and people repressed for political reasons have been given priority queue to use the healthcare and pharmacy services. The anti-communist opposition activists and people repressed for political reasons may also count on the specialist outpatient treatment without the need for referral; they can also count on the periods of their imprisonment or internment being counted as dual periods in the determination of the entitlement to a retirement or disability pension.



## Social assistance

### **Food aid – new criteria and bigger support**

The Food Aid Operational Programme provides support to people and families in difficult situations. It consists in providing food aid in the form of parcels or meals. For the implementation of the Programme in the years 2014-2020, the budget of almost PLN 2.5 billion was planned, mostly from the EU funds. Poland will allocate 15% the total amount of funds, i.e. over PLN 360 million to this objective.

In order to receive food aid, you must contact the Social Assistance Centre competent for the applicant's place of residence or the partner organisation distributing the food aid.

The 2016 sub-programme began in August 2016 and lasted until the end of June 2017. Thanks to the involvement of four nationwide non-governmental organisations (Caritas Polska, Federation of Polish Food Banks, Polish Committee of Social Welfare and the Polish Red Cross), the food reached over 1,300,000 people in the form of parcels or meals. This is an increase of more than 100,000 people when compared to the 2015 Sub-programme.

The next edition of the Programme started in August 2017. The budget is over PLN 354 million. Every year, the value of the parcel is also increased: in 2015, the value of the parcel sent to one recipient amounted to about PLN 170, in 2016 – the value increased to PLN 228. In the 2017 sub-programme, the value of the parcel sent to one recipient amounts to PLN 269. The number of products has also grown: from 5 on the start of the Programme, to 19 in 2017.

As of 1 January 2017, the assistance may be provided to people or families in distress and earning incomes not exceeding:

- PLN 1,268 for a person running household alone,
- PLN 1,028 for a family member,

that is the income not exceeding 200% of income criterion entitling to social assistance.

### **How to obtain assistance?**

You should contact your local Social Assistance Centre competent for your place of residence. There you can make a statement of income, if your situation is not known to the Social Assistance Centre. On the basis of your statement, the Social Assistance Centre issues a referral. The referral includes the name and address of the NGO which we have to contact in order to receive food aid.

You can also contact directly the local NGO and make a statement of income there. An employee of a non-governmental organization on our behalf will complete formalities related to the issuance of a referral by the Social Assistance Centre.



## **The social economy and solidarity economy**

### **The Act on Social Economy and Solidarity Economy is being drafted**

The project was prepared by the Social Economy and Public Benefit Department, in cooperation with the Strategic and Programme Group, acting within the framework of the National Committee.

Supporting the development of the social economy sector is one of the priority actions of the Ministry of the Family, Labour and Social Policy, including the regulation of its legal environment. This has been reflected in the Responsible Development Strategy.

The aim of the adopted regulations is to support the creation of high quality jobs, especially for people at risk of social exclusion, and to increase the availability of social services of general interest, supporting family policy, child care, the elderly, etc.

The project encompasses basic definitions, first of all with regard to the criteria determining the status of a social enterprise, its rights and responsibilities, the definitions of social economy and solidarity economy, the social economy and solidarity economy environment, and the rules of cooperation between the public administration and the social economy units, in particular – with respect to the provision by the social economy entities of social services of general interest as well as the implementation of local development tasks.

The Committee adopted a resolution on the direction of further work on the draft law which will be conducted by the Social Economy and Public Benefit Department, in cooperation with the Legal Group, acting within the framework of the National Committee.

The document will be widely consulted at a later stage.

### **What is social economy and solidarity economy?**

Social economy and solidarity economy constitute a sphere of civic activity which, through economic activity and public interest, serves: social and professional integration of people at risk of social exclusion, job creation, providing social services for the benefit of the general public (of general economic interest) and local development.

The subjects of the social economy are:

- Social enterprises – including social cooperatives and other entities that employ at least 50% of people at risk of social exclusion (including the disabled, the unemployed) or 30% of people with moderate or severe disability. In social enterprises, profit is not divisible, but is intended to strengthen the potential of the enterprise: for the reintegration into the labour market and society or for the activities benefiting the local community in which the enterprise operates.
- Reintegration entities, eg. Vocational Training Centres, Occupational Therapy Workshops, Centres for Social Inclusion, Social Inclusion Centres i.e. the centres whose main activity is the social and occupational reintegration of people at risk of social exclusion;
- entities operating in the field of public benefit (eg. associations, foundations);
- economic entities established in connection with the realization of a social goal (non-profit companies and cooperatives aimed at increasing employment, i.e. worker cooperatives, cooperatives of blind and disabled, acting on the basis of Law on cooperatives).



