

NO MORE LIMITATION OF BASIS OF ASSESSMENT FOR CERTAIN SOCIAL SECURITY CONTRIBUTIONS

The Ministry of Family, Labour and Social Policy has published a proposal to amend social security law by abolishing the limitation of the basis of assessment for national pension and disability insurance.

Currently, there is a fixed limit on the basis of assessment for national pension and disability insurance, which is thirty times the average wage in the national economy projected for the year concerned. In 2017 this limit is PLN 127,890, which means that no pension and disability insurance contributions will be withheld from any income above that threshold, only sickness and accident insurance contributions.

In accordance with the new proposal, the basis of assessment will not be limited for pension and disability insurance and the relevant contributions will be withheld from gross income all throughout the calendar year.

The practical effects of this change will be felt by those working under contracts for services or contracts of employment whose annual earnings are above the current limit (ca. PLN 130,000 per year).

In accordance with the proposal, the new law is expected to become effective on 1 January 2018.

If this issue pertains to your business and you are interested in our assistance, please contact your WTS&SAJA consultant or our office.

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