

THE LIMIT ON ASSESSMENT BASIS FOR SOCIAL SECURITY PURPOSES WILL NOT DISAPPEAR UNTIL A YEAR LATER

A law to abolish the cap on the assessment of social security contributions (specifically, pension and disability insurance contributions) has been submitted to the President for signature.

The law says that there will be no limit on the amount on which pension and disability insurance contributions will be assessed so that the contributions will be charged on gross income all throughout the calendar year (see our Newsletter no. 55/2017 for news of these changes).

But the Sejm has adopted a Senate-originating proposal to reschedule the effective date of this change to **1 January 2019**. This delays the commencement of the new law by one year comparing to the original proposal.

When the new regulations enter into force, the net income of employees will decrease and the employers' costs of hire will go up. The law will affect persons working under contracts of employment etc. with average gross monthly salaries of ca. PLN 11K or more.

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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