Human Capital

4.1. Residence of foreigners in Poland

The basic legal act governing the principles of entry to and residence of foreign nationals in Poland is the Foreigners Act of 12 December 2013.

A foreigner can cross the border and stay in Poland if he/she holds:

- A valid travel document
- A valid visa or other valid document giving entitlement to enter and stay on Polish territory, where required
- Authorization to enter a different country or residence permit in another country, if required in the case of transit.

Thus, in principle, in order to legalize their stay in Poland, foreigners must obtain a visa. This obligation does not apply to, inter alia, nationals of EU Member States, EFTA Member States – parties to the Agreement on the European Economic Area, the Swiss Confederation and citizens of countries that are parties to a visa-free travel agreement signed with Poland.

Visa

Visa is issued as a Schengen visa (residence or transit) or a national visa:

- A Schengen residence visa entitles to one or more entries provided that neither the length of a continuous visit nor the total length of successive visits to the territory of Schengen area countries does not exceed 90 days in each period of 180 days following the date of first entry into that territory
- Schengen residence visa with limited territorial validity entitles to enter to territory of one or more Member States but not all Member States
- Schengen transit visa entitles to:
  1) passing through Polish territory or other Schengen countries on the way to the territory of a country other than the Schengen countries
  2) stay in the transit area of international airports (Airport Transit Visa)
- A national visa entitles to entry and continuous residence in the Polish territory or to several consecutive stays, lasting a total of more than 90 days and not exceeding a total of one year during the period of validity.

A Schengen residence visa or a national visa may be issued, inter alia, for the following purposes: tourism, family visit, business, work, scientific, training, joining a national of an EU Member State, an EFTA Member State – party to the European Economic Area treaty or the Swiss Confederation, or being with him/her.

A work visa may be issued to a foreigner who submits a work permit or a written statement of the employer of his intention to employ the foreigner if a work permit is not required. This visa is issued for a period of residence indicated in the work permit or the employer's statement, but not longer than the period for which the visa may be issued.

The authority responsible for issuing visas is a consul competent for the foreigner's country of citizenship or permanent residence.

Other permits

The Foreigners Act provides other permits as the basis for a foreigner's stay in Poland. The main information is presented below.

A temporary residence permit

A temporary residence permit is granted to a foreigner if the circumstances giving rise to apply for the permit justify his/her residence in Poland for a period exceeding 3 months. Such circumstances are, inter alia:

- Holding a work permit or an employer's written statement of the intention to give work to a foreigner if the work permit is not required
- Conducting business activity under Polish law
- Participation in vocational trainings
- Intention to live as a family member of a Polish citizen or citizen of EU or EFTA Member Country residing in Poland

- Marriage with a Polish citizen.

As a rule, a foreigner applying for a temporary residence permit is required to have a health insurance, a stable and regular source of income, sufficient financial resources to cover maintenance costs. These requirements vary depending on the situation giving rise to apply for the permit.

Permit is issued in each case for the time needed to achieve the purpose of the foreigner's stay in Poland, no longer than for 3 years. A foreigner who obtained a temporary residence permit receives a residence card, which confirms his/her identity and entitles, along with the travel document, to cross the border numerous times without a visa.

The authority responsible for issuing temporary residence permits is the voivode competent for the foreigner's place of residence or intended place of residence.

A permanent residence permit

A permanent residence permit is granted to a foreigner who, inter alia:

- Is a minor child of a foreigner, who holds a permanent residence permit, born on Polish territory
- Has been married to a Polish citizen for at least 3 years before the application is filed and – immediately before the application – has been residing on Polish territory for at least 2 years on the basis of a temporary residence permit

A permanent residence permit is issued for an indefinite period. A foreigner authorized to settle receives a residence card, which confirms his/her identity and entitles, along with the travel document, to cross the border numerous times without a visa.

The authority responsible for issuing a permanent residence permit is the voivode competent for the foreigner's place of residence.

A residence permit for a long-term EC resident

A residence permit for a long-term EC resident is granted to a foreigner who has been residing on Polish territory, immediately before filing the application, legally and continuously for at least 5 years, and who has:

- A stable and regular source of income sufficient to cover his/her maintenance costs and those of family members depending on him/her
- Health insurance or an insurer's confirmation to cover the cost of treatment on Polish territory.

A residence permit for a long-term EC resident is granted for an indefinite period. A foreigner who obtained it receives a residence card, which confirms his/her identity and entitles, along with the travel document, to cross the border numerous times without a visa.

The authority competent to issue a residence permit for a long-term EC resident is the voivode competent for the foreigner's place of residence.

Residence of EU citizens in Poland

An EU citizen may reside in Poland for a period of up to 3 months without registering his/her stay. During this period he/she should hold a valid travel document or other evidence of his/her identity and nationality.

1. An EU citizen's residence permit

An EU citizen planning to extend his/her stay in Poland over 3 months must register it. Residence permit for this period is granted if either of the following conditions is met:

- He/she is an employee or a self-employed person in Poland
- He/she is covered by health insurance and has sufficient financial resources to maintain himself/herself and family members in Poland, so as not to rely on social security
- He/she studies or takes vocational training in Poland and is covered by health insurance and has sufficient funds to maintain himself/herself and family members so as not to rely on social security
- He/she is married to a Polish citizen.

A stay is registered following an application filed by an EU citizen personally. The registration is made and the certificate is issued immediately.

The authority responsible for registration of an EU citizen's residence is the voivode competent for the EU citizen's place of residence.

2. An EU citizen's permanent residence

An EU citizen acquires permanent residence right after 5 years of continuous residence in Poland.

A residence is considered continuous if any interruptions throughout did not exceed a total of 6 months in a year.

An EU citizen who acquired the right of permanent residence receives a document confirming it. This document is issued at the EU citizen's request filed personally.

The authority responsible for issuing the document confirming the EU citizen's right of permanent residence is the voivode competent for the EU citizen's place of permanent residence.

Foreigners working in Poland

Work performed by foreigners on Polish territory is governed by the Promotion of employment and labour market institutions Act of 20 April 2004.

The rule is that foreigners who want to work in Poland (e.g. under an employment contract or a different type of contract, or be board members of legal persons) are required to obtain a work permit.

This obligation does not apply to, among others, citizens of EU Member States and of the European Economic Area Member States.

A work permit is required if a foreigner:

- Performs work in Poland under a contract with an entity whose registered seat or place of residence or branch, or establishment, or other form of

organized activity is located in Poland (permit type A)

- In connection with the duties of a board member of a legal person entered in the register of companies or a company in organization is staying in Poland for a period exceeding 6 months within consecutive 12 months (permit type B)
- Performs work for a foreign employer and is assigned to Poland for a period exceeding 30 days in a calendar year to a branch or establishment of a foreign entity or a related entity in the light of the Personal Income Tax Act of 26 July 1991 (permit type C)
- Performs work for a foreign employer who does not have a branch, establishment or other form of organized activity in Poland and is assigned to Poland to provide a temporary and occasional service (an export service) (permit type D)
- Performs work for a foreign employer and is assigned to Poland for a period exceeding 30 days within consecutive 6 months for purposes other than those listed above (permit type E).

An application for a work permit is filed by the entity that entrusts work to a foreigner. Work permit is issued by the voivode for a definite period of time, not longer than for 3 years (however, it may be extended), and when the foreigner acts as a board member of a legal person for a period not longer than 5 years under certain circumstances.

It is possible to obtain temporary residence permit and work permit during one procedure. Such procedure is possible if the following conditions are met:

- A foreigner is legally present (and working) in Poland
- A foreigner possesses a have health insurance, stable and regular source of income, and secured place of residence
- An employer is not able to fulfil the need of employment using local human resources
- The foreigner's remuneration included in the contract is not lower than a remuneration of an employee performing comparable work.

The procedure may not be applied if:

- A foreigner is assigned to work in Poland by a foreign employer
- A foreigner entered Poland based on provisions of the international agreements on enabling entry and residence for some categories of persons, engaged in trade or investment
- A foreigner performs business activity in Poland.

The following foreigners may be exempted from the work permit requirement, inter alia:

- The foreigner authorised to live and work in the EU, employed by an employer established in the EU and assigned to provide services within the territory of Poland

- Spouse of a Polish citizen or foreigner holding a temporary residency permit in Poland in conjunction with marriage
- Citizens of the Republic of Armenia, the Republic of Belarus, the Republic of Georgia, the Republic of Moldavia, the
- Federation of Russia or the Ukraine who work during a period not exceeding 6 months in 12 consecutive months on the basis of employer's declaration on the intention to employ such nationals registered in the district employment agency competent for the place of residence or registered office of the entity submitting such declaration
- Foreigners authorised pursuant to the Agreement establishing an Association between the EC and Turkey
- Persons delegated into the territory of Poland by a foreign employer (provided that they have their permanent residence abroad) for a period not longer than 3 months in a calendar year for the purpose of:

  a) installation and maintenance or repair of the delivered, technologically complete appliances, constructions, machines or other equipment if a foreign employer is their manufacturer,

  b) collection of ordered appliances, machines, other equipment or parts manufactured by a Polish producer,

  c) providing a training course for the workers of a Polish employer who is a user of appliances, constructions, machines or other equipment, referred to in letter a, in the scope of operation or use of such appliances, constructions, machines or other equipment,

  d) assembly or disassembly of exhibition stands as well as supervision over such stands, if the exhibitor is a foreign employer who delegates foreigners for this purpose.

4.2. Polish labour law

In Poland the labour law is codified and regulated by the Labour Code. However, there are also additional legal acts applicable, in particular on collective redundancies, trade unions, employing temporary workers, informing and consulting the employees, etc.

Relations between employers and employees are regulated primarily by the Labour Code and in the employment contracts, but also in other internal documents, such as work and remuneration regulations and collective bargaining agreements. However, the Labour Code takes precedence in relation to any internal documents that must never provide less favorable employment conditions than the ones provided in the Labour Code.

In 2016 new labour control requirements were introduced in regard of employers posting their workers to Poland. The home companies should appoint a representative of the employer (home entity) based in Poland, who will act as a contact person for the Polish National Labor Inspectorate in case of any questions or audits. Such person should be available in Poland for the entire assignment period.

The home companies are obliged keep in a written and / or electronic form the following documents on the territory of Poland:

a) copy of an employment contract of the assignee and / or any other relevant document confirming the conditions of employment;

b) documents concerning a working time of the assignee in scope of commencement and ending work and the number of hours worked in a particular day or their copies

c) documents specifying the amount of remuneration of the assignee together with the amounts of relevant deductions made pursuant to the applicable law and the confirmations of payment of remuneration to the assignee or their copies.

4.3. Employment contracts

An employment contract can be concluded for:

- An indefinite period – the most common and desirable type from the employees' point of view,
- A definite period – may be concluded only three times between the same employer and the employee; the fourth employment contract is considered to be concluded for an indefinite period.

  The maximum period of concluding the employment contracts for a definite period between the same employer and employee amounts to 33 months.

The above restrictions regarding employment contracts for a definite period do not apply to employment contracts:

- For replacement of another employee during his/her justified absence from work,
- For performance of occasional or seasonal work,
- For performance of work for a term of office,
- If the employer indicates objective reasons attributable to the employer.

Each of the contracts mentioned above may be preceded by an employment contract for a trial period concluded for no longer than three months in order to verify qualifications of the employee.

The employee can be employed on a full or a part time basis.

An employment contract should be concluded in writing and, as a rule, in the Polish language. Such contract must specify its parties, type of contract, execution date and work and remuneration conditions, in particular:

- Type of work, place of performance of work and start date,
- Remuneration corresponding to the type of work with an indication of its components,
- Working hours.

In addition to the employment contract, written information about basic employment conditions, such as: standard working hours, frequency of payments of remuneration, length of the holiday leave, length of notice period and the applicable collective bargaining agreements should be provided to the employee within seven days from conclusion of the contract.

4.4. Termination of an employment contract

An employment contract can be terminated:

- On the basis of a mutual agreement,
- By one party with notice,
- By one party without notice (possible exclusively only in the cases specified in the Labour Code, e.g. disciplinary dismissal or the employer's fault).

Additionally, an employment contract for a definite period expires upon the lapse of the time period for which it has been concluded.

Termination notices of both parties on terminating an employment contract (with or without notice) must be made in writing in Polish language.

Additionally, employers are obliged to provide grounds justifying the termination when terminating any employment contract without notice and also any employment contract for an indefinite period with notice.

Termination of an employment contract with notice

An employment contract is terminated with notice when either the employer or the employee notifies the other party of his/her intention to terminate employment relationship. The employment contract is terminated at the end of the notice period. To effectively terminate the employment contract, the employer is obliged to fulfil all the conditions provided by the Labour Code, in particular to provide specific, justified reason for the termination.

The length of the notice period depends on the type of contract and the length of the employment relationship with the employer. During the notice period, the employee is entitled to receive his/her normal remuneration. The employee may be released from the obligation to perform work during the notice period while still being paid full remuneration ("garden leave").

The notice period for an employment contract for a trial period is:

- Three working days if the trial period does not exceed two weeks,
- One week if the trial period exceeds two weeks,
- Two weeks if the trial period amounts to three months.

The notice period for an employment contract concluded for an indefinite period and employment contract for a definite period depends on the length of the employment relationship with the employer and amounts to:

- Two weeks if the employee has been employed for less than six months,
- One month if the employee has been employed for at least six months but not longer than three years,
- Three months if the employee has been employed for at least three years.

Termination of an employment contract without notice

The employer may terminate an employment contract without notice by fault of the employee if the employee:

- Seriously violates his/her basic duties,
- Commits an offence during employment which prevents the further employment of the employee on the occupied job position, if the crime is obvious or has been declared by a court's binding ruling,
- Through his/her fault loses a license required to perform work on the occupied job position.

The employer can also terminate an employment contract without notice if, for example, the employee is incapable of working due to illness:

- For more than three months if the employee has worked for the employer for less than six months,
- For a period longer than the period for which he/she receives sick pay, sick benefit and rehabilitation benefit for the first three months if the employee has worked for the employer for at least six months or

- If the employee has any justifiable absence from work for reasons other than above, lasting for more than one month.

The employee can also terminate his/her employment contract without notice in the cases strictly defined in the Labour Code (mostly in cases related to the fault of the employer).

As a rule, if an employment contract is unlawfully or unjustifiably terminated by the employer, the employee is entitled within 21 days from the termination of the employment contract to bring a claim to a labour court for:

- Reinstatement to work on former conditions, or
- Pecuniary compensation (usually amounting to the remuneration for the period of being unemployed, but not exceeding the limits specified under the Labour Code).

In case of an unjustified termination of an employment contract by an employee without notice, the employer only has the right to claim compensation.

4.5. Remuneration for work

The minimum remuneration for work for full-time employees, irrespective of the branch of economy, is specified in the Minimum Wage Act and Council of Ministers regulations. An employee cannot be offered remuneration lower than specified in the law. The minimum monthly wage in 2017 has been set at PLN 2,000 gross (ca. EUR 455).

As a rule, wages in Poland are determined in the employment contract in a gross amount, i.e. before payment of any taxes, social security contributions or other mandatory payments.

Remuneration for work is paid at least once a month, on a fixed date agreed in advance (not later than within the first 10 days of the following calendar month). Variable components may be paid in a different manner.

Remuneration for work is subject to a special protection against, e.g., attachment of earnings.

According to the Labour Code, conditions on remuneration for work and the granting of other benefits connected with work, such as awards and bonuses are determined in employment contracts, collective bargaining agreements and/or in remuneration/bonus regulations.

Any employer employing at least fifty persons who are not covered by a collective bargaining agreement is obliged to determine the conditions of remuneration for work in written remuneration regulations (internal by-laws).

4.6. Work regulations

The employer employing at least fifty persons is obliged to introduce work regulations. Work regulations are internal by-laws specifying the organization and order in the work process along with the related rights and duties of the employer and the employees.

4.7. Working time

According to the general principle, working time cannot exceed 8 hours per day and an average of 40 hours per week in a five-day working week within a reference period of usually not more than four months (the reference period may be extended up to 12 months if it is justified by objective, technical or work organization reasons).

The Labour Code contains provisions modifying the general rules depending on the working hour system or schedule adopted by the employer in order to provide flexibility for the employer and the employees.

4.8. Overtime work

Work performed in an excess of the employee's working time constitutes overtime.

Overtime is only permissible in the event of:

- Rescue operations needed for the protection of human life or health, or for the protection of property, or the environment or
- Special needs of the employer - this is the most common purpose.

Overtime cannot exceed 150 hours per calendar year for each employee, unless a collective bargaining agreement, the employer's work regulations or the employment contract provide otherwise. Weekly working hours and overtime cannot exceed an average of 48 hours in total per reference period applied by the employer. This limitation generally does not apply to employees managing workplace in the name of the employer.

Apart from their regular remuneration, the employees working overtime are entitled to additional overtime allowance amounting to:

- 100% of remuneration for working at night, on Sundays or during holidays that are not the employee's usual working days for the employee according to the adopted work schedule and also for overtime on a day off granted in consideration for working on Sundays or during holidays that are not working days for the employee according to the applicable work schedule

- 50% of remuneration for overtime on any other days.

In exchange for overtime work, the employer, at the written request of the employee, may grant the employee time off equal to the number of overtime hours. In this case, the employee is not entitled to overtime allowance. Under certain circumstances, time off may be given without being requested by the employee.

4.9. Holiday entitlement

All employees are entitled to an annual paid holiday.

Holiday entitlement is as follows:

- 20 working days per year – for the first ten years of employment,
- 26 working days per year – after ten years of employment.

When determining the number of days of holiday entitlement, the entire period of employment and periods of education (on the rules specified in the Labour Code) are taken into account.

The employee may not waive his/her right to the holiday leave.

The employee during his first year of employment acquires the right to holiday leave after each month of employment in the prorated amount of 1/12 of the statutory holiday to which he/she is entitled to after one year of employment according to the Labour Code.

The length of a holiday leave of an employee employed on a part-time basis is determined in a prorated manner based on the working time amount of that employee.

The unused holiday is transferred to a subsequent calendar year and should be used by the employee before 30th September of such year.

4.10. Protection of women at work and employment of minors

Conditions of women's work and the employment of minors under the age of 18 are specifically regulated by the Labour Code and the executive regulations.

The protection of women and minors is generally stronger than the protection of other employees. This applies, example given, to the inadmissibility of termination of the employment contract during the time of pregnancy, prohibition of performing particular works by the pregnant women or minors and stricter regulations regarding the working time and overtime work.

4.11. Health and safety regulations

The Labour Code and the executive determine in details the employer's obligations regarding the health and safety at work, such as the admissible norms of factors harmful to health or the procedures of occupational medicine examinations. The employer is also obliged to provide to the employees initial and periodical trainings concerning health and safety on the occupied job position.

Non-observance of the provisions or principles of health and safety at work, is subject to a fine amounting from PLN 1,000 to PLN 30,000. The fine is imposed on the responsible person (e.g. Management Board member).

4.12. Collective redundancies

Collective redundancies are specifically regulated by the Act on Special Rules for Terminating Employment for Reasons not Attributable to Employees.

The Act applies to employers employing 20 persons that simultaneously terminate, or terminate within a period of 30 days, employment contracts with a group of employees comprising at least:

- 10 employees, if the employer employs less than 100 persons,
- 10% of employees, if the employer employs at least 100 but less than 300 persons,
- 30 employees, if the employer employs 300 or more persons.

The provisions of the Act apply in cases of bankruptcy or liquidation of an employer's enterprise as well.

When conducting the collective redundancies, the employer must observe several obligations imposed by the Act, such as notifying the local Labour Office about the redundancies, consulting the redundancies with the trade unions and obligation of payment of severance payments.

The employee subject to the collective redundancies is entitled to a severance payment in the amount of:

- One month's remuneration if the employee has been employed for less than 2 years,
- Two months' remuneration if the employee has been employed between 2 and 8 years,
- Three months' remuneration if the employee has been employed for more than 8 years.

The maximum amount of severance payment may not exceed 15-times of a minimum remuneration for work (i.e. PLN 30,000 in 2017).

Selection of the employees being subject to the collective redundancies should not be discriminating. Such selection and the criteria applied thereto may be assessed by the labour court.

4.13. Trade unions

According to the Labour Code, all employees have the right to freely join trade unions. A minimum of 10 persons is necessary to establish a trade union. The employer cannot limit this right in any way.

Rules on establishing and functioning of the trade unions are regulated in details in the separate Act on trade unions.

Trade unions should be consulted in both individual and collective employment matters, example given, while terminating employment contracts or adopting internal regulations. In certain situations, such as the transfer of employees, it may be required to conclude an agreement with the trade union on work and remuneration conditions.

In case of, example given, violation of the employees' rights or a conflict with the employer, the trade union is entitled to commence a collective dispute and, under certain circumstances, commence a strike.

4.14. Social Benefit Fund

According to the provisions of the Act on Social Benefit Funds, employers employing a minimum of fifty persons calculated as full-time employees are obliged to set up a social benefit fund and introduce appropriate regulations on the rules of disbursing and collecting money for that fund.

Money can be spent on the social activity, that is services provided by employers to employees relating to various forms of relaxation, cultural and educational activity, sports and leisure activities and a child care.

The benefits from the social benefit fund may be exempted from social security burdens. However, the Social Security Institution may correctness of disbursement of money from the fund.

The employer and the employees may agree that no social benefit fund is established in a collective bargaining agreement or, if their employees are not covered by such an agreement, in remuneration regulations (by an agreement with the employee elected by the staff).

4.15. Works councils

The Employee Information and Consultation Act and the European Works Council Act specify certain informational obligations of the employer relating to works councils and European Works Councils.

Employee councils

The Employee Information and Consultation Act determines the rules on which the employees are informed and consulted with and the rules of electing a works council. The act applies to employers employing at least 50 persons. The costs related to the election of a works councils and their activities are borne by the employer.

European Works Councils

Regardless of works councils, European Works Councils may also operate at the employers. The European Works Council Act stipulates the principles of establishing European Works Councils and the rights and obligations of these bodies and the employers where such councils operate.

The Act applies only to community-scale undertakings and community-scale groups of undertakings which employ at least 1,000 employees in EU member states, including at least 150 employees in a minimum of two European Union Member States if there are connections between Poland and this undertaking, i.e.:

- The central management of the undertaking is based in Poland, or
- The central management has appointed a representative in Poland, or
- The working establishment of the undertaking that employs the greatest number of employees among those employed in the EU is placed in Poland.

The European Works Councils have a right to gain information and carry out consultations covering the whole community-scale undertaking or group of undertakings or at least two establishments or two undertakings located in different member states.

4.16. Transfer of a work establishment

M&A transactions often involve not only a transfer of undertaking but also the transfer of employees from one company to another. In such a case, if a work establishment is being transferred to another employer, the new employer becomes a party of existing employment relationship by operation of law.

Such transfer is related to certain informational obligations towards the employees or a trade union. In addition, it may be required to negotiate with the trade union on the employment conditions of the employees.

The transfer is related to specific rules of division of liability. Both current and new

employer are jointly and severally liable for obligations from employment contracts which arose before the date of the transfer.

The employer may not use a transfer of a work establishment as a justified reason for termination of employment contract.

Irrespective of the transfer itself, post-merger integration may also impact employment relationship in the company, example given, in the event of unifying remuneration structures or introducing new internal policies.

4.17. Contingent workforce

The contingent workforce in Poland is useful in various sectors of the economy mostly due to flexibility it provides as well as possibility of significant reduction of HR – related costs. In practice, a contingent worker is any person that is not employed on a basis of employment contract directly by the company he/she performs work for.

The most common types of legal relationships with contingent workers are civil-law contracts such as: contract for providing services, contract for performance of a specific task or a contract of agency. A proper form for a legal relationship with an independent manager or a consultant is a management contract or self-employment (sole proprietorship).

The companies hiring contingent workers on a basis of civil-law contracts must, however, observe the prohibition of inadmissibility of concluding a civil-law contract in cases an employment contract should be concluded.

On 1 January 2017 the amendment of the Act on Minimum Remuneration for Work came into force. The new laws established statutory minimal hourly rate applicable to civil-law contracts. In 2017 such minimal hourly rate is PLN 13 per hour. The parties of a civil law contract should specify the manner of confirmation of number of hours of provision of services under the contract.

Another important type of contingent workers are temporary workers, i.e. persons employed by a temporary work agency, performing work for the employer-user. As a rule, such employees should not be treated in a less advantageous manner than the regular employees. The provisions of employment of temporary employees establish time limits for employment of a particular employee at one employer-user.

4.18. Specific forms of engaging personnel –taxation/social security

As mentioned in the section 4.17 there are some flexible forms of employment in Poland that are associated with certain characteristic for them conditions of taxation or social security contribution.

These forms of hiring can be more flexible than employment contract in specific conditions. There are following exemplary forms of hiring in Poland:

a) Civil law contracts – based on Polish Civil Code regulations, there are specific contracts used as more flexible forms of employment. As mentioned in section 4.17 these can be for example: contract of providing services, contract for performance of a specific task and management contract. Revenue from these contracts is not qualified as labour income, but as income derived from contractual employment, however it is taxed similarly to employment contract.

   Please note that in general students (up to age of 26) who are working under the contract of providing services are exempted from social security contributions.

   Contract for performance of a specific task is exempted from social security contributions. However civil law contracts should not be used as employment contract substitute - as the authorities may challenge such set ups.

b) Civil law contract with self-employed contractor – taxed similarly to civil law contracts, however, such contractor is eligible for much higher tax deductible costs, whose should be incurred to earn revenue, or maintain or secure the source of revenue, though.

c) Appointment of board member via resolution of company's supervisory board or general meeting of shareholders – income of board members paid in such form is exempted from social security contributions and taxed similarly to employment contracts, however, if such a board member is a Polish non-resident, it could be taxed based on unified 20% withholding tax rate (however potentially alternated by regulations of Double tax treaty).