Grant Thornton
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EXPATRIATE TAX GUIDE

Taxation of income from employment in the EU & EEA

Poland
2016

CONTENTS*

*Poland and Lichtenstein have not conducted a double tax treaty so the latter is excluded from this guidance

Introduction

Many companies located in the European Union & European Economic Area member states are choosing to post their employees to perform work in the territory of other countries, which places them under obligation to apply certain laws within those countries.

The issue of labor income taxation is cumbersome since it requires analysis of the international tax treaties as well as domestic laws of involved in each state, especially methods of eliminating double taxation, social security contributions, tax return filing, items of salary being subject to taxation etc.

Let us present pragmatic advice concerning these issues. We hope you will find this guide useful while assessing whether posting employees is advantageous for your company.

Should you need any further information or assistant, please do not hesitate to contact us.

Małgorzata Samborska

Leader of Global Mobility Services
Tax Advisor

Austria

Income tax

Progressive, up to 50% (in addition to high social security costs although these are capped at earnings of €60 000.00 per annum). An employed person is subject to income tax on wages, allowances and all benefits received from employment. The tax year in Austria is the calendar year. The annual tax return must be filed by 30th of April. Married couple are taxed separately, not jointly.

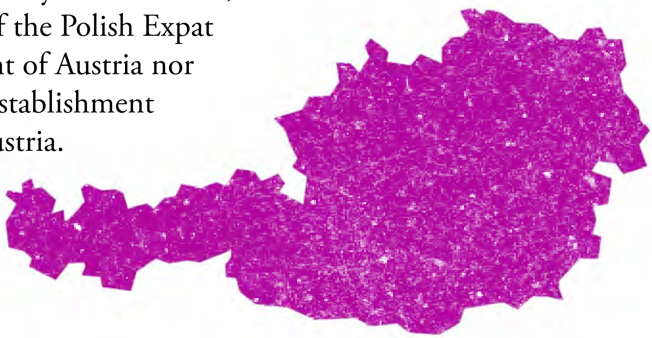
Polish Expats in Austria

An Austrian tax charge arises on employment income derived from duties performed in Austria. There are specific expenses deductible from this income to the extent that the individual is employed in Austria.

Double Tax Treaty – Austria

Income from employment may be taxed in Austria. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in the fiscal year concerned, and
- The employer of the Polish Expat is neither a resident of Austria nor has a permanent establishment or fixed base in Austria.



Elimination of double taxation: exemption method - where

a resident of Poland derives income which may be taxed in Austria, Poland shall exempt such income from the Polish tax. Nevertheless, Poland may in calculating the amount of Polish tax on the remaining income of such resident, take into account the exempted income or capital.

Austrian Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Austria. Tax exemption applies if the following conditions are jointly met:

- The stay of the Austrian Expat does not exceed in the aggregate 183 days in the fiscal year concerned, and
- The employer of the Austrian Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: exemption method - where

a resident of Austria derives income which may be taxed in Poland, Austria shall exempt such income from tax. Nevertheless, Austria may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Belgium

Income tax

Individuals are taxed on all remuneration (including benefits in kind) for duties performed in Belgium, on a progressive scale of income tax between 25% and 50% depending on level of income. Local taxes (0% to 10% depending upon the place of residence) are also payable. There are relatively generous deductions available including child care, mortgage payments and related insurance premiums. Tax credits are also available for pension contributions and life insurance premiums. The tax year in Belgium is the calendar year. The annual tax return must be filed by 30th of June.

Polish Expats in Belgium

Under certain conditions, a foreign executive assigned temporarily to Belgium within an international group of companies may qualify for a special taxation regime. The executive will be treated for Belgian tax purposes as a nonresident, liable to Belgian personal income tax on his/her Belgian-source income only. The expatriate will not be taxed on supplementary recurring and non-recurring expenses (up to an amount of €11,250 or €29,750 per year) which are incurred as a result of his/her recruitment or transfer to Belgium, whether paid as lump sum allowances or as specific reimbursements of outgoings (i.e. housing allowances, cost of living allowances, tax equalization etc.). In addition to these tax free allowances which can be paid by the employer, the proportion of overall remuneration relating to working days spent abroad on business is excluded from taxable income (the so-called ‘travel exclusion’).

Double Tax Treaty – Belgium

Income from employment may be taxed in Belgium. Tax exemption applies, if the following conditions are jointly met:

• The stay of the Polish Expat does not exceed in the aggregate 183 days in any twelve-month period commencing or ending in the tax year concerned, and

• The employer of the Polish Expat is neither a resident of Belgium nor has a permanent establishment or fixed base in Belgium.

Elimination of double taxation: credit method - where a resident of Poland derives income which may be taxed in Belgium, Poland shall allow as a deduction from the Polish tax of that person, an amount equal to the Belgian tax paid under Belgian law, as computed by reference to the same income to which the Polish tax is computed.

Belgian Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies, if the following conditions are jointly met:

• The stay of the Belgian Expat does not exceed in the aggregate 183 days in any twelve-month period commencing or ending in the fiscal year concerned, and

• The employer of the Belgian Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: exemption method - where a resident of Belgium derives income which may be taxed in Poland, Belgium shall exempt such income from tax. Belgium may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Bulgaria

Income tax

Regardless of the status of tax residence, income from employment is subject to income tax of 10%. Deadline for submission of tax returns and replenishment of any underpaid taxes is 30 April the following year. The tax year in Belgium is the calendar year. Interestingly, the Bulgarian tax authorities provide all sorts of "discount" for taxpayers that make a statement electronically, e.g. if the Bulgarian taxpayers filed tax returns for year 2013 to 5 February 2014, they could count on lowering any shortfall by 5%.

Polish Expats in Bulgaria

Every citizen of Poland who works in Bulgaria, in whom there is an obligation in terms of the PIT or insurance, has a duty to register at the relevant Bulgarian tax authorities, in order to obtain an identification number. Income of any kind of premiums, bonuses, benefits in kind, etc., acquired from work in the territory of Bulgaria, beyond the basic salary, is also subject to taxation.

If the employment contract is concluded with the Bulgarian employer, he is obliged to calculate and pay monthly income tax payments. In the case of a contract with the employer not established in Bulgaria, the employee should independently calculate and pay monthly advance income tax.

Double Tax Treaty – Bulgaria

Income from employment may be taxed in Bulgaria. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any twelve-month period, and
- The employer of the Polish Expat is neither a resident of Bulgaria nor has a permanent establishment or fixed base in Bulgaria.

Elimination of double taxation: exemption method

- where a resident of Poland derives income which may be taxed in Bulgaria, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Bulgarian Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Bulgarian Expat does not exceed in the aggregate 183 days in any twelve-month period, and
- The employer of the Bulgarian Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: exemption method

– where a resident of Bulgaria derives income which may be taxed in Poland, Bulgaria shall exempt such income from tax. Bulgaria may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Croatia

Income tax

Croatian tax system has a progressive scale for income tax from individuals. The scale consists of three thresholds of 12%, 25% and 40% and depends on the amount of income.

In addition to the basic income tax, Croatian tax system also provides tax equalization, the amount of which depends on the municipality, which is inhabited by the taxpayer. Deadline for submission of tax returns and payment of any back taxes is end of February of the following year.

Polish Expats in Croatia

Pole acquiring his income from work in the territory of Croatia, beyond the basic salary, is also required for taxation of any kind of premiums, bonuses, benefits in kind, etc. There are some employee benefits that are not taxed to the limit specified by law. If the employment contract is concluded with the Croatian employer, he is obliged to calculate and pay monthly income tax payments.

Double Tax Treaty – Croatia

Income from employment may be taxed in Croatia. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in the calendar year, and
- The employer of the Polish Expat is neither a resident of Croatia nor has a permanent establishment or fixed base in Croatia.

Elimination of double taxation: exemption method

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Croatia, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Croatian Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Croatian Expat does not exceed in the aggregate 183 days in the calendar year, and
- The employer of the Croatian Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method - where a resident of Croatia derives income which may be taxed in Poland, Croatia shall allow as a deduction from the Croatian tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Croatian tax is computed.

Cyprus

Income tax

Individuals are taxed on all remuneration (including benefits in kind) for duties performed in Cyprus, on a progressive scale from 0% to 35%. Various personal expenses are allowed as a deduction for tax purposes including life insurance premiums, social insurance contributions, approved provident fund contributions, approved medical scheme contributions. The tax year in Cyprus is the calendar year. The annual tax return must be filed by 30th of April or 31 July (if submitted through TAXISnet) in the following tax year.

Polish Expats in Cyprus

Expatriates are entitled to an income tax exemption for the lower of 20% of emoluments and €8,550 per annum for the first three years of employment in Cyprus. Expatriates earning over €100,000 per annum are entitled to a 50% exemption for a period of up to five years.

Double Tax Treaty – Cyprus

Income from employment may be taxed in Cyprus. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any twelve-month period, and
- The employer of the Polish Expat is neither a resident of Cyprus nor has a permanent establishment or fixed base in Cyprus.

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Cyprus, Poland shall exempt such income from tax. Nevertheless, in calculating the amount of tax on the remaining income of such resident, Poland may take into account the exempted income.

Cypriot Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Cypriot Expat does not exceed in the aggregate 183 days in any 12-month period, and
- The employer of the Cypriot Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method - where a resident of Cyprus derives income which may be taxed in Poland, Cyprus shall allow as a deduction from the Cypriot tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Cypriot tax is computed.

The Czech Republic

Income tax rate

Resident individuals are subject to flat personal income tax rate of 15%. Solidary tax increase of 7% for income exceeding the amount of the average wage announced by the Czech social insurance authorities multiplied by 48 (i.e. exceeding the amount of approx. €45,446 in 2014). The tax year in the Czech Republic is the calendar year. The annual tax return must be filed by 1st of April. Married couple are taxed separately, not jointly.

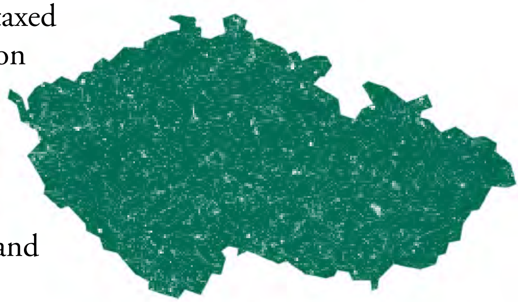
Polish Expats in the Czech Republic

A Czech tax charge arises on employment income derived from duties performed in the Czech Republic based on the gross salary plus social and health insurance paid by the employer. Assessable employment income includes all wages, salaries, overtime pay, bonuses, gratuities, perquisites, benefits etc. including the reimbursement of travel expenses over a certain level. There are no specific concessions for expatriates.

Double Tax Treaty – the Czech Republic

Income from employment may be taxed in the Czech Republic.Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period, and
- The employer of the Polish Expat is neither a resident of the Czech Republic nor has a permanent establishment or fixed base in the Czech Republic.



Elimination of double taxation: exemption method – where

a resident of Poland derives income which may be taxed in the Czech Republic, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Czech Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

• The stay of the Czech Expat does not exceed in the aggregate 183 days in any 12 – month period concerned, and

• The employer of the Czech Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method - the Czech Republic

when imposing taxes on its residents may include in the tax base income which may also be taxed in Poland, but shall allow as a deduction from the amount of tax computed on such a base an amount equal to the tax paid in Poland. Such deduction shall not, however, exceed that part of the Czech Republic tax, as computed before the deduction is given, which is appropriate to the income which may be taxed in Poland.

Denmark

Income tax

Progressive up to 51,95%. The Danish tax rates are among the highest in Europe. The Danish tax system, however, provides a number of reliefs and exemptions that reduce the tax base. The tax year coincides with the calendar year, and the deadline for filing a tax return is 1st of July of the following year. In Denmark, there are two tax-free amounts - one limit shall apply to persons under 18 years of age, while the second: persons over 18 years of age.

Polish Expats in Denmark

Foreign key employees working temporarily in Denmark, who have not been subject to Danish taxation (on certain income) in the previous 10 years, may choose to be taxed at a flat rate of 26% of their gross salary plus a labour market contribution of 8%, resulting in a total tax of approximately 32% of their gross salary (for up to 60 months). Certain requirements must be met in order to qualify for the expat regime.

Double Tax Treaty – Denmark

Income from employment may be taxed in Denmark. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Polish Expat is neither a resident of Denmark nor has a permanent establishment or fixed base in Denmark.

Elimination of double taxation: exemption method - where

a resident of Poland derives income which may be taxed in Denmark, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Danish Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Danish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Danish Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method - where a resident

of Denmark derives income which may be taxed in Poland, Denmark shall allow as a deduction from the Danish tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Danish tax is computed.

Estonia

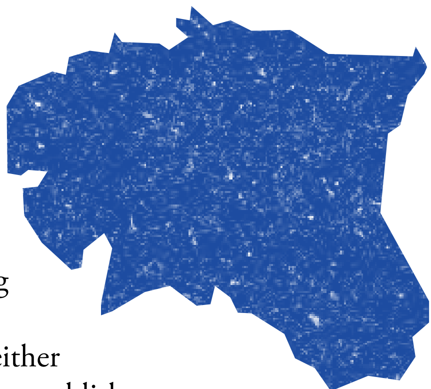
Income tax

The tax rate for 2015 is 20% of the taxable income. The tax year coincides with the calendar year. The deadline for submitting a tax return expires on 31st March of the following year. Estonian tax system provides many tax reliefs and exemptions that reduce the tax base, these include, among others, a joint settlement with the spouse. In addition to tax relief, tax residents of Estonia can count on many exemptions for benefits in kind - many of them are not subject to PIT.

Polish Expats in Estonia

No special favorable tax regime for expatriates. Non-residents pay tax only on their income received from Estonian sources. Rules for the calculation and payment of monthly advances and the right to benefit from tax relief for non-residents is just as for tax residents.

Double Tax Treaty – Estonia



Income from employment may be taxed in Estonia. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Polish Expat is neither a resident of Estonia nor has a permanent establishment or fixed base in Estonia.

Elimination of double taxation: exemption method – where a resident of Poland derives income which may be taxed in the Estonia, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Elimination of double taxation: credit method - where a resident of Estonia derives income which may be taxed in Poland, Estonia shall allow as a deduction from the Estonian tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Danish tax is computed.

Estonian Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Estonian Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Estonian Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Finland

Income tax

Finnish tax system has a progressive scale for income tax from individuals. The scale consists of five tax thresholds: 6.5%, 17.5%, 21.5%, 29.75% and 31.75% and depends on the amount of income. In addition to basic income, Finnish tax system also provides for a municipal tax, the amount of which depends on the municipality, which is inhabited by the taxpayer. Interestingly, people who are members of churches of the Evangelical-Lutheran or Orthodox, are obliged to pay a tax of 1-2% of income. The tax year coincides with the calendar year. Married couple are taxed separately, not jointly.

Polish Expats in Finland

A Finnish tax charge arises on employment income derived from duties performed in Finland. Assessable employment income includes all wages, salaries, overtime pay, bonuses, gratuities, perquisites, benefits etc. There are no specific expatriate concessions in Finland.

Double Tax Treaty – Finland

Income from employment may be taxed in Finland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the calendar year concerned, and
- The employer of the Polish Expat is neither a resident of Finland nor has a permanent establishment or fixed base in Finland.

Elimination of double taxation: exemption method – where a resident of Poland derives income which may be taxed in Finland, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Finnish Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Finland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Finnish Expat does not exceed in the aggregate 183 days in the calendar year concerned, and
- The employer of the Finnish Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method – where a resident of Finland derives income which may be taxed in Poland, Finland shall allow as a deduction from the Finnish tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Finnish tax is computed.

France

Income tax

French tax system has a progressive scale for income tax from individuals. The scale consists of four tax threshold: 14%, 30%, 41 and 45% and depends on the amount of income. An employed person is subject to income tax on wages, allowances and benefits in kind received from employment (for example company car used for private purposes). The taxable base depends on members of family – for example; if a married couple have one child their taxable income is divided into 3. The tax year is the calendar year. Married persons must file annual tax return jointly, not separately. Filing a tax return is mandatory before end of May (end of June if filing online).

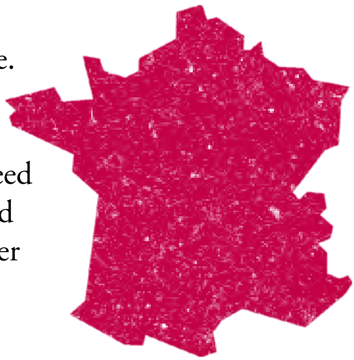
Polish Expats in France

A French tax liability arises on income derived from duties performed in France. For new residents seconded to France (impatriates), allowances related to secondment and remuneration related to workdays spent out of France are tax exempt, under certain conditions.

Double Tax Treaty – France

Income from employment is taxed in France. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in the tax year, and
- The employer of the Polish Expat is neither a resident of France nor has a permanent establishment or fixed base in France.



Elimination of double taxation: exemption method – where a resident of Poland derives income which may be taxed in France, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

French Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment is taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the French Expat does not exceed in the aggregate 183 days in the fiscal year, and
- The employer of the French Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: exemption method - where a resident of France derives income which may be taxed in Poland under rules of Double Tax Treaty, France shall exempt such income from tax. France may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Germany

Income tax

German tax system has a progressive scale for income tax from individuals. Rates are progressive starting at 14% up to 45% and depend on the amount of income. Tax base is different for single and married. Married couples may choose to be assessed either jointly or separately. The tax year is the calendar year. The deadline for submitting a tax return expires on 31st of May of the following year.

Polish Expats in Germany

No special expatriate regime. In general, individual taxpayers are allowed to claim all expenses directly incurred with their income from employment. There is a tax free lump sum for these expenses for employees at an amount of €1,000. Thereafter, various other deductions and allowances apply on taxable income.

Double Tax Treaty – Germany

Income from employment may be taxed in Germany. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the tax year concerned,
- The employer of the Polish Expat is neither a resident of Germany nor has a permanent establishment or fixed base in Germany.

The abovementioned exemption does not apply if:

- under employment contract the employee performs services in favour of entity other than the employer, who controls directly or indirectly the manner of exercise of such a performance and
- the employer does not bear the responsibility or risk of effect of the employee's performance

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Germany, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

German Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the German Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the German Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

The abovementioned exemption does not apply if:

- under employment contract the employee performs services in favour of entity other than the employer, who controls directly or indirectly the manner of exercise of such a performance and the employer does not bear the responsibility or risk of effect of the employee's performance

Elimination of double taxation: exemption method - where a resident of Germany derives income which may be taxed in Poland, Germany shall exempt such income from tax. German tax authorities may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Greece

Income tax

Greek tax system has a progressive scale for income tax from individuals. The scale consists of three tax threshold: 22%, 32% and 42% and depends on the amount of income. An individual whose income is only from a wage is not obligated to file an annual return. Greek tax system provides many tax reliefs and exemptions that reduce the tax base. Married couple must file annual tax return jointly, but they are taxed separately.

Polish Expats in Greece

A Greek tax charge arises on employment income derived from duties performed in Greece. Taxable employment income includes all wages, salaries, overtime pay, bonuses, gratuities, perquisites, benefits etc. There is also a requirement on the expatriate's employer to deduct Greek payroll withholding tax from the taxable employment income. There are no specific expatriate concessions in Greece.

Double Tax Treaty – Greece

Income from employment may be taxed in Greece. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in calendar year concerned, and
- The employer of the Polish Expat is neither a resident of Greece nor has a permanent establishment or fixed base in Greece.

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Greece, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Greek Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Greek Expat does not exceed in the aggregate 183 days in calendar year concerned, and
- The employer of the Greek Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method – where a resident of Greece derives income which may be taxed in Poland, Greece shall allow as a deduction from the Greek tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Greek tax is computed.

Hungary

Income tax

Individuals are taxed on all remuneration (including benefits in kind) for duties performed at a rate of 16%. Employers' social security contributions are payable at 27%. Employees pay 8.5% health and unemployment contribution and 10% pension contribution without limitation. The tax year is the calendar year. The deadline for submitting a tax return expires on 20th May following year. Married couples are taxed separately.

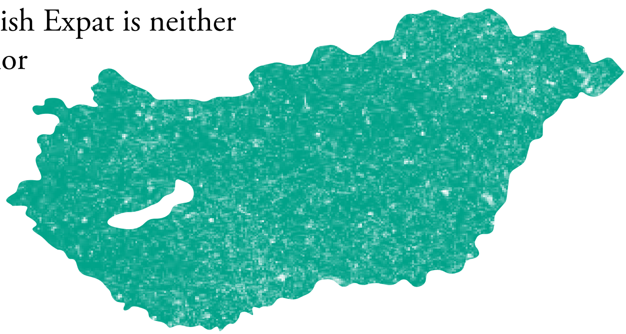
Polish Expats in Hungary

Expatriates are subject to Hungarian tax on the portion of income attributable to work in Hungary.

Double Tax Treaty – Hungary

Income from employment may be taxed in Hungary. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in the fiscal year concerned, and
- The employer of the Polish Expat is neither a resident of Hungary nor has a permanent establishment or fixed base in Hungary.



Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Hungary, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Hungarian Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Hungarian Expat does not exceed in the aggregate 183 days in the fiscal year concerned, and
- The employer of the Hungarian Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: exemption method - where a resident of Hungary derives income which may be taxed in Poland, Hungary shall exempt such income from tax. Hungary may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Iceland

Income tax

Icelandic tax system has three tax rates: 37,13%, 38,35% and 46,25%. An employed person is subject to income tax on wages, allowances and benefits in kind received from employment. The employer is obliged to withhold the part of employee's salary for the social and health security contributions. The deadline for submitting a tax return expires on the end of March the following year. Married couple are taxed separately.

Polish Expats in Iceland

The person who holds a domicile or habitual residence (center of vital interests, leisure activities etc.) in the territory of Iceland is considered as a tax resident in Iceland. As a rule, the expenses concerning an employment incurred by employee are not deductible. However, some kinds of costs related to an accommodation or meals of posted employee may be deductible.

Double Tax Treaty – Iceland

Income from employment may be taxed in Iceland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Polish Expat is neither a resident of Iceland nor has a permanent establishment or fixed base in Iceland.

Elimination of double taxation: exemption method

Elimination of double taxation: exemption method – where a resident of Poland derives income which may be taxed in Iceland, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Icelandic Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Icelandic Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Icelandic Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method – where a resident of Iceland derives income which may be taxed in Poland, Iceland shall allow as a deduction from the Icelandic tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Icelandic tax is computed.

Ireland

Income tax

Individuals are taxed on all remuneration (including benefits in kind) for duties performed in Ireland, on a two tier system of income tax rates starting at 20% up to €33,800 and 40% on income exceeding €33,800. The Irish tax system is similar to British. Just like in the UK, the Irish employers are obliged to withhold so-called PAYE (Pay As You Earn) of the employees' wages. An employed person is subject to income tax on wages, allowances and benefits in kind received from employment. The tax year is the calendar year. The deadline for submitting a tax return expires on 31st of October. Married couple are taxed jointly or separately.

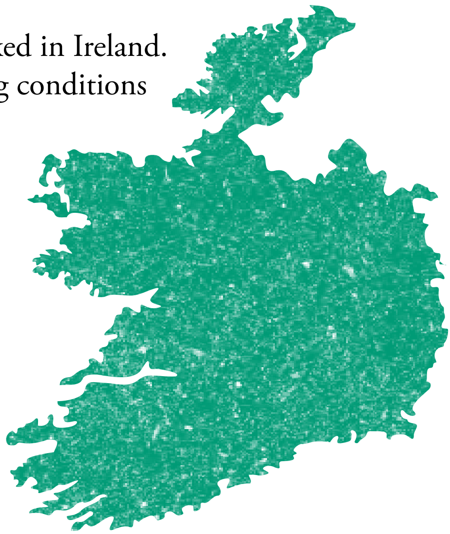
Polish Expats in Ireland

Tax free subsistence payments are possible for secondment in certain circumstances and there are incentives for high paid expatriates.

Double Tax Treaty – Ireland

Income from employment may be taxed in Ireland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in the fiscal year, and
- The employer of the Polish Expat is neither a resident of Ireland nor has a permanent establishment or fixed base in Ireland.



Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Ireland, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Irish Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Irish Expat does not exceed in the aggregate 183 days in the fiscal year, and
- The employer of the Irish Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method – where a resident of Ireland derives income which may be taxed in Poland, Ireland shall allow as a deduction from the Irish tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Irish tax is computed.

Italy

Income tax

Italian tax system has a progressive scale for income tax from individuals. The scale consists of five tax thresholds: 23%, 27%, 38%, 41% and 43% and depends on the amount of income. An additional surcharge of 3% applies to income exceeding €300,000. There is also a regional tax of up to 3.33% and a municipal tax of 0.1%-0.9% depending on a region. An employed person is subject to income tax on wages, allowances and benefits in kind received from employment. The tax year is the calendar year. The deadline for submitting a tax return expires on the end of September. Married persons are taxed separately.

Polish Expats in Italy

There are a few specific concessions for expatriates. Income includes all amounts paid or accrued in a calendar year and paid by 12 January of the following calendar year as salary, wages, commissions, director's fees, bonuses and taxable benefits. Employment income derived by Italian tax residents who work abroad on a continuous basis for more than 183 days is taxed on a conventional reduced taxable basis.

Double Tax Treaty – Italy

Income from employment may be taxed in Italy. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in the calendar year concerned, and
- The employer of the Polish Expat is neither a resident of Italy nor has a permanent establishment or fixed base in Italy.

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Italian Expat does not exceed in the aggregate 183 days in the calendar year concerned, and
- The employer of the Italian Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Italy, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Elimination of double taxation: credit method – where a resident of Italy derives income which may be taxed in Poland, Italy shall allow as a deduction from the Italian tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Italian tax is computed.

Italian Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Latvia

Income tax

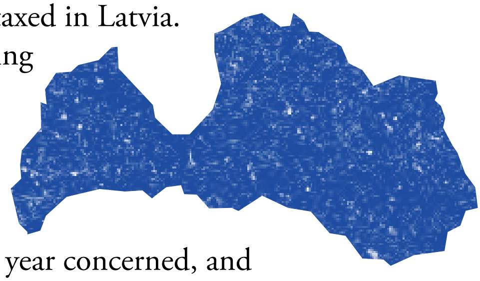
Latvian tax system has a flat rate of 23% for individuals' income. An employed person is subject to income tax on wages, allowances and benefits in kind received from employment (for example: company's car usage). The Latvian employers are obliged to withhold tax advances and social security contribution on personal salary and provide the proper authorities with these amounts. The tax year is the calendar year. The deadline for submitting a tax return expires on 1st of June.

Polish Expats in Latvia

There is no special expatriate tax regime and for tax purposes they are treated as residents.

Double Tax Treaty – Latvia

Income from employment may be taxed in Latvia. Tax exemption applies if the following conditions are jointly met:



• The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and

• The employer of the Polish Expat is neither a resident of Latvia nor has a permanent establishment or fixed base in Latvia.

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Latvia, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Elimination of double taxation: credit method – where a resident of Latvia derives income which may be taxed in Poland, Latvia shall allow as a deduction from the Latvian tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Latvian tax is computed.

Latvian Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Latvian Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Latvian Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Lithuania

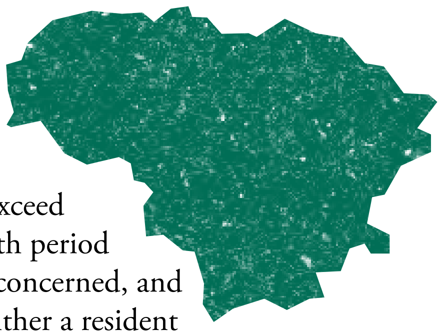
Income tax

The Lithuanian tax system has a flat rate of 15%. An employed person is subject to income tax on wages, allowances and benefits in kind received from employment. The tax year is the calendar year. The deadline for submitting an annual tax return expires on 1st May of the following year.

Polish Expats in Lithuania

Resident individuals are taxed on their worldwide income. Non-residents are subject to Lithuanian tax on income originating in Lithuania. Generally, income or compensations received by an expatriate for both business and private purposes such as cost of living, relocation expenses, settling expenses, schooling allowance are added to the income and taxed accordingly.

Double Tax Treaty – Lithuania



Income from employment may be taxed in Lithuania. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Polish Expat is neither a resident of Lithuania nor has a permanent establishment or fixed base in Lithuania.

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Lithuania, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Lithuanian Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Lithuanian Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Lithuanian Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method – where a resident of Lithuania derives income which may be taxed in Poland, Lithuania shall allow as a deduction from the Lithuanian tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Lithuanian tax is computed.

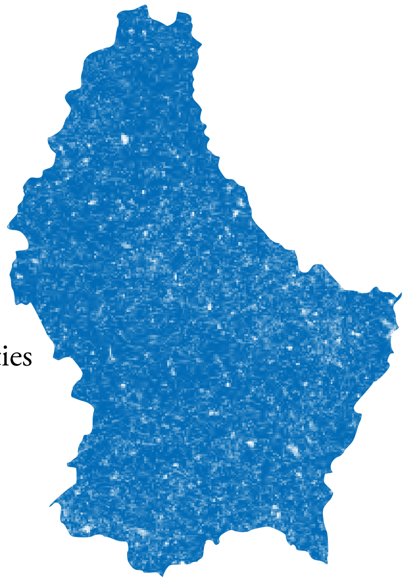
Luxembourg

Income tax

Individuals are taxed on all remuneration (including benefits in kind) for duties performed in Luxembourg, on a progressive scale from 0% to 40%. In addition, a solidarity tax is payable at 7% (or 9% for taxable income exceeding €150,000) of the calculated income tax due. There are general deductions allowable in determining an individual's taxable income for both business and private purposes such as life assurance and health insurance premiums, childcare costs, loan interest and personal pension contributions. The tax year is the calendar year. The deadline for submitting a tax return expires on 31st of March.

Polish Expats in Luxembourg

Since 1st January 2011 there has been a special tax regime for expatriates. The regime only applies to highly skilled expatriates and provides a tax relief in respect of certain relocation expenses incurred. A written application must be submitted to the Luxembourg tax authorities and if the relevant conditions are met the Luxembourg tax authorities will confirm that the regime applies.



Double Tax Treaty – Luxembourg

Income from employment may be taxed in Luxembourg. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in the calendar year concerned, and
- The employer of the Polish Expat is neither a resident of Luxembourg nor has a permanent establishment or fixed base in Luxembourg.

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Luxembourg, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Luxembourgian Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Luxembourgian Expat does not exceed in the aggregate 183 days in the calendar year concerned, and
- The employer of the Luxembourgian Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: exemption method - where a resident of Luxembourg derives income which may be taxed in Poland, Luxembourg shall exempt such income from tax. Luxembourg may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Malta

Income tax

Individuals are taxed on all remuneration (including benefits in kind) for duties performed in Malta, on a progressive scale from 15% to 35%. Highly qualified non-Malta domiciled individuals employed in an eligible office within a company that is licensed and/ or recognized by the Malta Financial Services Authority, the Lotteries and Gaming Authority or the Transport Authority, having an annual income in excess of €75,000, may benefit from a flat personal tax rate of 15%. The same principle applies for individuals engaged in the development of innovative and creative digital products occupying specific designations and having minimum income of €45,000. Furthermore, this 15% flat personal tax status is also available for high net worth individuals (subject to certain conditions being satisfied) applicable on foreign income remitted to Malta subject to a minimum annual amount of €20,000 (and €2,500 for every dependant) for EU, EEA and Swiss nationals and €15,000 (and €5,000 for every dependant) for non-EU/EEA/Swiss nationals, after double taxation relief. A similar programme applicable to retirement planning is in place subject to an annual minimum tax charge of €7,500 on pension income.

Polish Expats in Malta

Expatriates are only taxed in Malta on their Maltese-sourced and remitted income. Foreign gains remitted to Malta are not taxable in Malta.

Double Tax Treaty – Malta

Income from employment may be taxed in Malta. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Polish Expat is neither a resident of Malta nor has a permanent establishment or fixed base in Malta.

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Malta, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Maltese Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Maltese Expat does not exceed in the aggregate 183 days in the calendar year concerned, and
- The employer of the Maltese Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method – where a resident of Malta derives income which may be taxed in Poland, Malta shall allow as a deduction from the Maltese tax of that person.

The Netherlands

Income tax

Individuals are taxed on all remuneration (including benefits in kind) for duties performed in the Netherlands, on a progressive scale up to 52%, inclusive of social security contributions. Generally certain benefits can be provided on a tax efficient basis including child care arrangements, company car, cost of living allowance, schooling, housing, medical expenses, relocation expenses and pension arrangements. The tax year is the calendar year. The deadline for submitting a tax return expires on 1st April of the following year. Married persons are taxed separately.

Polish Expats in the Netherlands

The Netherlands has a special tax regime for expatriates, 'the 30% ruling'. If the employee has specific expertise, has been required from abroad and works for an employer who is a Dutch wage tax-withholding agent, then 30% of gross income may be paid out without being subject to income tax. This results in an effective rate of income tax (and social security contributions) for expatriates of 36.4%. Expatriates may also be entitled to special deductions for relocation related expenses.

Double Tax Treaty – the Netherlands

Income from employment may be taxed in the Netherlands. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Polish Expat is neither a resident of the Netherlands nor has a permanent establishment or fixed base in the Netherlands.

Elimination of double taxation: credit method - where a resident of Poland derives income which may be taxed in the Netherlands, Poland shall allow as a deduction from the Polish tax of that person, an amount equal to the Dutch tax paid under Dutch law, as computed by reference to the same income to which the Polish tax is computed.

Dutch Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Dutch Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Dutch Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: exemption method - where a resident of the Netherlands derives income which may be taxed in Poland, the Netherlands shall exempt such items of income by allowing a reduction of its tax. This reduction shall be computed in conformity with the provisions of Dutch law for the avoidance of double taxation.

Norway

Income tax

Individuals are taxed on all remuneration (including benefits in kind) for duties performed in Norway, on a progressive scale from 0% to 12%. The taxpayers are also obligated to pay combined national and municipal income tax rated at 24,5%-28% depending on a region. The rate of social security contribution amounts to 7,8%. The Norwegian employers are obliged to withhold tax advances and social security contribution on personal salary and provide the proper authorities with these amounts. The tax year is the calendar year. The deadline for submitting the annual tax return expires on 30th of April in the year following the income year. Married couple may choose to be assessed either jointly or separately.

Polish Expats in Norway

Double Tax Treaty – Norway

Income from employment may be taxed in Norway. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the tax year concerned, and
- The employer of the Polish Expat is neither a resident of Norway nor has a permanent establishment or fixed base in Norway.

Elimination of double taxation: exemption method

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Norway, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Norwegian Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Norwegian Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Norwegian Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method - where a resident of Norway derives income which may be taxed in Poland, Norway shall allow as a deduction from the Norwegian tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Polish tax is computed. This reduction shall be computed in conformity with the provisions of Norway law for the avoidance of double taxation.

Poland

Individuals

Taxation in Poland depends upon the residence status of the individual.

- Non-residents pay tax only on Polish sourced income.
- Residents pay tax on their worldwide income (from both Polish and foreign sources).

The tax year for individuals is equal to the calendar year ending on 31 December.

Residence

An individual person is recognized as having a place of residence on the territory of Poland, if:
1. holds a personal or business interest center (center of vital interest) on the territory of Poland or
2. stays on the territory of Poland more than 183 days in a tax year, unless a relevant Double Taxation Treaty states otherwise.

It means that generally the individual who stays in Poland for more than 183 days is treated as a Polish tax resident subject to taxation on his/her worldwide income. However, if the individual is also a resident in another country, he/she shall be deemed to be a resident only of the state with his/her personal and economic relations are closer (center of vital interests).

Taxation of salaries and wages

Taxable employment income includes all wages, salaries, overtime pay, bonuses, gratuities, perquisites, benefits in kind etc. Remuneration for work carried out in Poland is treated as Polish-sourced income (no matter where the employer is located). In the case when an employee derives remuneration from a Polish employer being a Polish resident or from a permanent establishment which a foreign enterprise has in Poland, the said employer or permanent establishment is obliged to:

- calculate and declare advance payments at 18% or 32% tax rates;
- calculate the annual tax settlement for the employee who opts for it (on an official tax form);
- prepare information (on an official tax form) about the income derived or tax loss sustained if the employee submits the tax return on his/her own.

If the employee receives the remuneration directly from abroad (from the employer who has the place of residence or place of living abroad) he/she is obliged to pay personal income tax in the form of advance payments by himself/herself. The amount of the advance payment is to be calculated with the 18% tax rate (the taxpayer can also use a 32% tax rate when appropriate).

Personal income tax payers may take advantage of a special tax relief for the Polish tax residents who earn certain kinds of income on the territory of foreign countries, where the double taxation is avoided by using the proportional tax credit method (so-called tax abolition relief).

Tax scale 2015

The table shows the tax brackets applicable in 2015

Taxation Base (PLN)		In 2015 a tax amounts to:
Over	Up to	
	85,528	18% minus the tax reducing amount PLN 556.02
85,528		PLN 14,839.02 + 32% on the surplus over PLN 85,528.00

Poland

Tax deductible costs

A deduction of 111.25 PLN per month is available in respect of expenses associated with earning employment income. The deduction amounts to 139.06 PLN per month in case when a taxpayer's place of permanent or temporary residence is outside the limits of a district where his or her employment's establishment exists and the taxpayer does not receive a family separation allowance. Those with more than one employment are entitled to an increased deduction up to 1.5 times of the maximum.
An annual tax credit of 556.02 PLN is available to all individuals who have a taxable presence in Poland.

Healthcare contributions

Healthcare contributions (9% of gross income decreased by social security) are deductible from tax up to 7.75% of the assessment base.

Social security contributions

Social security contributions (also paid abroad) are deductible from the tax base.

Child deduction

There is also the possibility of benefit from child deductions - available for parents bringing up children (if certain conditions are met) - up to 1,112.04 PLN annually per child (in 2015); 2,224.08 PLN for two children; 4,224.12 PLN for 3 children; 6,924.12 PLN for 4 children and additionally 2,700 for each next child.

Monthly advance payments
The successive advance payments should be paid on the 20th day of the month following the month when the income was obtained (e.g. for income obtained in September on 20th October). The tax amount for December should be paid when submitting the annual Polish tax return.

Tax Returns

The tax year in Poland begins on 1st January and ends on 31st December. An individual should submit the annual tax return no later than on 30th April of a year following a given tax year (or before leaving Poland if it appears earlier). Married couple may file a joint return if they have unlimited tax liability and if they are married the entire tax year and have a marital co-ownership during the entire tax year (this scheme is also applicable for non-residents from an EEA member country, obtaining at least 75% of their global income in Poland). A joint tax return also applies to single parents with dependent children. The joint tax return leads to essential tax savings if the other person (spouse or dependent child) does not receive any tax income or the income is low.

The Personal Income Tax Act does not apply to revenue which is subject to the provisions on tax on inheritance and donations, actions that cannot be the subject of a legally binding agreement, or revenue subject to tonnage tax.

Portugal

Income tax

Progressive up to 48%, plus a surcharge of 3.5% and an additional tax up to 5% for income in excess of €80,000 (maximum total tax can reach 56.5%). The Portuguese employers are obliged to withhold tax advances and social security contribution on personal salary and provide the proper authorities with these amounts. The tax year is the calendar year. The deadline for submitting a tax return expires on 31st March of the following year or on 31th April if submitted via website.

Polish Expats in Portugal

As of 2011, there is a beneficial expat regime for individuals that have not been resident of Portugal for the past five years. Under this regime, employment and self-employment income will be taxed at the flat rate of 20%, withheld at source. In addition, expats will not be subject to tax on overseas income, providing that income is subject to tax (even if effectively taxed at 0%) and the income was not earned in a black listed country.

Double Tax Treaty – Portugal

Income from employment may be taxed in Portugal. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Polish Expat is neither a resident of Portugal nor has a permanent establishment or fixed base in Portugal.

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Portugal, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Portuguese Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Portuguese Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Portuguese Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method – where a resident of Portugal derives income which may be taxed in Poland, Portugal shall allow as a deduction from the Portuguese tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Portuguese tax is computed.

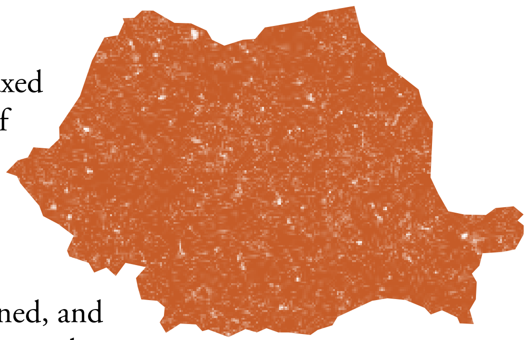
Romania

Income tax

Individuals are taxed on all remuneration (including benefits in kind) for duties performed in Romania, on a flat rate of 16%. The Romanian employers are obliged to withhold, declare and pay the income tax and social security contributions to the proper authorities. Employees are not obliged to submit an annual tax return.

Polish Expats in Romania

In Romania, non-residents pay tax only on income earned on the territory of Romania.



Double Tax Treaty – Romania

Income from employment may be taxed in Romania. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in the calendar year concerned, and
- The employer of the Polish Expat is neither a resident of Romania nor has a permanent establishment or fixed base in Romania.

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Romania, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Romanian Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Romanian Expat does not exceed in the aggregate 183 days in the calendar year concerned, and
- The employer of the Romanian Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method – where a resident of Romania derives income which may be taxed in Poland, Romania shall allow as a deduction from the Romanian tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Romanian tax is computed.

Slovakia

Income tax

19% up to the annual tax base of €35,022.32 (for the year 2014 as well as 2015) and 25% on the tax base exceeding this amount. Individuals are taxed on all remuneration (including benefits in kind) for duties performed in Slovakia. The Slovak employers are obliged to withhold income tax and social security contributions from employees' remuneration. The tax year is the calendar year. The deadline for submitting annual tax return expires on 31st of March. The employees who receive income only from an employment do not have to submit annual tax return.

Polish Expats in Slovakia

No special tax regime for expatriates. There are the same tax allowances as for the tax residents. However, spouse tax allowance and a tax bonus for children are applicable only in cases where at least 90% of the worldwide income is sourced from Slovakia.

Double Tax Treaty – Slovakia

Income from employment may be taxed in Slovakia. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period concerned, and
- The employer of the Polish Expat is neither a resident of Slovakia nor has a permanent establishment or fixed base in Slovakia.

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Slovakia, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Slovak Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Slovak Expat does not exceed in the aggregate 183 days in any 12-month period concerned, and
- The employer of the Slovak Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method – where a resident of Slovakia derives income which may be taxed in Poland, Slovakia shall allow as a deduction from the Slovak tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Slovak tax is computed.

Slovenia

Income tax

Individuals are taxed on all remuneration (including benefits in kind) for duties performed in Slovenia, on a progressive rates 16% - 50% depending on amount of income. The Slovene employers are obliged to deduct income tax and social security contributions from employees' remuneration. The tax year is the calendar year. The deadline for submitting annual tax return expires on 31st of July of the year following the income year.

Polish Expats in Slovenia

In Slovenia, non-residents pay tax only on income earned on the territory of Slovenia.

Double Tax Treaty – Slovenia

Income from employment may be taxed in Slovenia.
Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in the calendar year concerned, and
- The employer of the Polish Expat is neither a resident of Slovenia nor has a permanent establishment or fixed base in Slovenia.

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Slovenia, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Elimination of double taxation: credit method – where a resident of Slovenia derives income which may be taxed in Poland, Slovenia shall allow as a deduction from the Slovene tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the Slovene tax is computed.

Slovene Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Slovene Expat does not exceed in the aggregate 183 days in the calendar year concerned, and
- The employer of the Slovene Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Spain

Income tax

Individuals are taxed on all earned income and passive income and rates are progressive from 20% to 47% for 2015 and 19% to 45% for 2016 and onwards. Savings income is taxed at 20% to 24% for 2015. Employees pay social security contributions at 6,35%. But some plain cost has been introduced in specific cases. The tax year is the calendar year. An annual tax return is to be filled between 3 May and 30 June of the following year.

Polish Expats in Spain

Spain has a special regime for expatriates assigned to Spain as a consequence of an employment contract. Expatriates eligible for this regime are only taxed on income obtained in Spain, at a 24% flat rate (the excess over €600,000.00 is taxed at 47%/45%).

Double Tax Treaty – Spain

Income from employment may be taxed in Spain. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in the financial year, and
- The employer of the Polish Expat is neither a resident of Spain nor has a permanent establishment or fixed base in Spain.

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Spain, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Spanish Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Spanish Expat does not exceed in the aggregate 183 days in the financial year, and
- The employer of the Spanish Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: exemption method - where a resident of Spain derives income which may be taxed in Poland, Spain shall exempt such income from tax. Spain may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Sweden

Income tax

Generally all earnings are taxed as income from employment provided the income is not considered as business income or income from capital gains.

All transfers from an employer to an employee are taxable as income from employment, i.e. wages, fees, sickness allowances, severance pay as well as benefits in kind. Under certain conditions, foreign employees working in Sweden for a limited period may qualify for a reduction of the income tax liability on their earnings. The reduction amounts to 25% of taxable income, i.e. 75% of the income is taxed at ordinary rates and is applicable for only the first three years as long as the employer/employee applies for a ruling within three months of the work started in Sweden. The employer has to be Swedish, i.e. an entity incorporated under Swedish law or a foreign entity with a permanent establishment for Corporate Income Tax (CIT) purposes in Sweden.

The employee may not have been a tax resident in Sweden during the five years preceding the stay. The intended stay in Sweden may not exceed five years. Total taxation consists of a National Tax and Local Tax varying depending on income and location and may exceed 56%. Annual tax returns must be submitted.

Polish Expats in Sweden

Double Tax Treaty – Sweden

Income from employment may be taxed in Sweden. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Polish Expat is neither a resident of Sweden nor has a permanent establishment or fixed base in Sweden.

Elimination of double taxation:

exemption method - where a resident of Poland derives income which may be taxed in Sweden, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Swedish Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Swedish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Swedish Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation:

credit method - where a resident of Sweden derives income which may be taxed in Poland, Sweden shall allow as a deduction from the tax on such income, an amount equal to the Polish tax paid in respect of such income.

Switzerland

Income tax

Individuals are taxed on all remuneration for duties performed in Switzerland on a progressive scale typically between 6% and 32% depending on the place of residence and level of income. All transfers from an employer to an employee are taxable as income from employment, i.e. wages, fees, sickness allowances, severance pay as well as benefits in kind. Married person are taxed jointly.

Swiss social security tax of 10.3% is levied on the employee's salary (50% split between employer and employee). In addition, mandatory contributions to a self-funded professional pension plan (i.e. similar to a savings account) as well as unemployment and accident insurance contributions must be paid.

Polish Expats in Switzerland

There are special deductions against taxable income
for expenses such as housing, relocation and schooling costs
unless reimbursed by the employer.
If expatriates are affiliated
to their own social security system,
they are exempt from paying
Swiss social security taxes.

Double Tax Treaty – Switzerland

Income from employment may be taxed in Switzerland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the tax year concerned, and
- The employer of the Polish Expat is neither a resident of Switzerland nor has a permanent establishment or fixed base in Switzerland.

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in Switzerland, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

Swiss Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Switzerland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the Swiss Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the tax year concerned, and
- The employer of the Swiss Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method - where a resident of Switzerland derives income which may be taxed in Poland, Switzerland shall allow as a deduction from the Swiss tax on such income, an amount equal to the Polish tax paid in respect of such income.

The United Kingdom

Income tax

Broadly, the UK resident individuals are taxed on all remuneration (including benefits in kind) for duties performed in the UK, on a three tier scale: 20%, 40% and 45%, although the 45% rate only applies to taxable income in excess of GBP 150,000. There are numerous deductions and exemptions, in particular, taxable income is determined after deducting a personal tax free allowance of GBP 10,000 and qualifying pension contributions. Most benefits in kind are taxable. Employee social security contributions are payable at 12%, with employers required to pay an additional 13.8% employer contributions on salaries. Employees using taxpaying system PAYE (pay as you earn) do not have to submit annual declarations.

Polish Expats in the United Kingdom

Expatriates from outside the UK may qualify for the 'remittance basis' filing option. The remittance basis permits that non UK sourced investment income or gains will be tax exempted if paid and retained outside of the UK. Furthermore, non UK employment duties performed by expatriates in the first three tax years of residence may also attract relief. Where the remittance basis is chosen, certain allowances are not available and an additional tax charge of GBP 30,000 or GBP 50,000 may apply depending on how long the expatriate has been resident in the UK.

For expatriates on temporary assignments (up to 24 months, to or from the UK), there are further generous deductions for travel and subsistence expenses incurred.

Double Tax Treaty – the United Kingdom

Income from employment may be taxed in the United Kingdom. Tax exemption applies if the following conditions are jointly met:

- The stay of the Polish Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the Polish Expat is neither a resident of United Kingdom nor has a permanent establishment or fixed base in the United Kingdom.

Elimination of double taxation: exemption method - where a resident of Poland derives income which may be taxed in the United Kingdom, Poland shall exempt such income from tax. Poland may in calculating the amount of tax on the remaining income of such resident apply the rate of tax which would have been applicable if the exempted income had not been so exempted.

British Expats in Poland

As a rule, income from employment of natural persons in Poland is subject to income tax calculated in compliance with a progressive tax scale (with rates: 18% and 32%).

Double Tax Treaty – Poland

Income from employment may be taxed in Poland. Tax exemption applies if the following conditions are jointly met:

- The stay of the British Expat does not exceed in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned, and
- The employer of the British Expat is neither a resident of Poland nor has a permanent establishment or fixed base in Poland.

Elimination of double taxation: credit method – where a resident of the United Kingdom derives income which may be taxed in Poland, the United Kingdom shall allow as a deduction from British tax of that person, an amount equal to the Polish tax paid under Polish law, as computed by reference to the same income to which the British tax is computed.

State	Exemption method: PL resident		Exemption method: the other state resident	
	Exemption	Tax credit	Exemption	Tax credit
Austria	√		√	
Belgium		√	√	
Bulgaria	√		√	
Croatia	√			√
Cyprus	√			√
Czech Republic	√			√
Denmark	√	√		√
Estonia	√			√
Finland	√			√
France	√		√	
Germany	√		√	
Greece	√			√
Hungary	√		√	
Iceland	√	√		√
Ireland	√			√
Italy	√			√
Latvia	√			√
Lithuania	√			√
Luxembourg	√		√	
Malta	√			√
Netherlands		√	√	
Norway	√			√
Portugal	√			√
Romania	√			√
Slovakia	√			√
Slovenia	√			√
Spain	√		√	√
Sweden	√			√
Switzerland	√		√	
United Kingdom	√			√

Global mobility services in Grant Thornton

The goal of the global mobility services is to provide comprehensive support regarding compliance with statutory obligations imposed both on foreign nationals deriving income in Poland and entities paying out such remuneration to foreign nationals.

Grant Thornton advisers have access to the right knowledge and experience and also necessary tools ensuring efficient management throughout the tax year and at year-end. Ongoing cooperation with the client makes it possible to develop structures allowing for tax optimisation taking into account the potential risks related to adopting analysed solutions.

Global mobility services in Poland include:

Settlements during the tax year

Determining monthly amounts of withholding tax

- Comprehensive advisory services on payroll, taxes and social security (Social Insurance Institution)
- Determining fiscal residence of a foreign national and applying for certificates of fiscal residence
- Analysis of the employment contract to determine the income due to a seconded employee in Poland
- Submitting NIP applications (tax ID number) and/or updates for the seconded employee and/ or their households
- Calculating withholding tax amounts in a given month
- Processing of transfers related to paycheques and tax
- Drawing up statements to the accountancy department on total remuneration

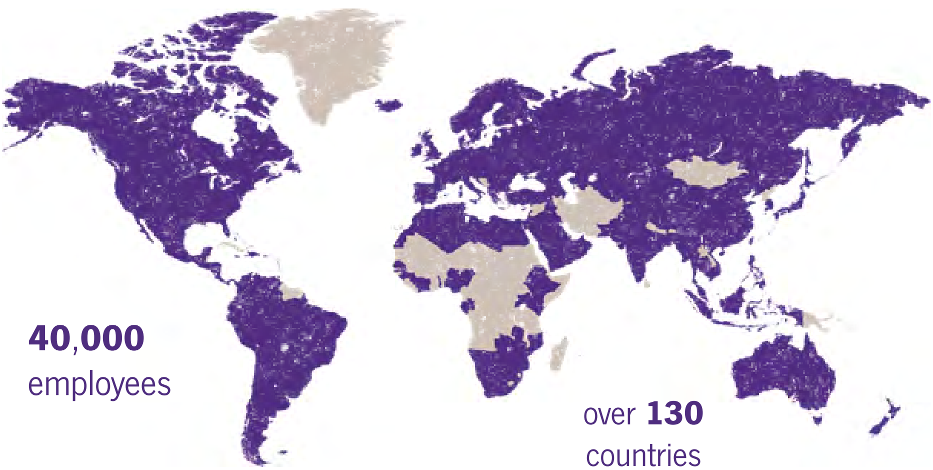
Determining the amounts of social security contributions

- Analysis of actual circumstances to determine whether or not a given person is subject to compulsory social security contributions
- Registration and deregistration for Social Insurance Institution, as well as reporting changes in the data of employees, contractors and the remitter
- Calculating monthly social security contributions, filling out and submitting monthly declarations
- Processing of transfers to Social Insurance Institution

Drawing up annual tax returns:

- related to income from different forms of employment derived in Poland and abroad, taking into account tax reliefs and exemptions
- related to capital gains
- related to income from real estate trading
- related to joint tax returns (of spouses or single parents with children)

Grant Thornton - a global organization



Find out more about global mobility services!

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