

Anti-crisis shield solutions saving jobs

Taking into account the regulations prescribed in the so-called Shield 2.0

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Monika Smulewicz
Partner, Managing Director
Grant Thornton

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The SARS-CoV-2 pandemic has put on hold the functioning of a great number of enterprises, not only from the SME sector, almost overnight. Those that had not felt the economic consequences from the very beginning, have already started receiving negative signals coming from the market in the form of deteriorated condition of their own customers and contractors. After all, the economy is a system of interconnected vessels. First companies are announcing their decisions on redundancy of employees right now.

Some chances for maintenance of the employment level can be seen in the solutions of the so-called "Anti-Crisis" Shield signed by the president on 31 March 2020, though. In connection with the numerous questions we are receiving with regard to the latest regulations regarding the labour market, we have prepared this publication for you. It provides answers to the most common doubts related to the frequently convoluted provisions of the coronavirus act amendment. In case of any other doubts, do not hesitate to contact us.

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Adopted solutions

The main goal of the Anti-Crisis Shield is supporting companies that sustained losses as a result of COVID-19 to protect jobs



The adopted solutions regarding the labour market include:



Exemption from ZUS (Social Insurance Institution) contributions for the smallest entrepreneurs



Conclusion of an agreement regarding less favourable conditions of employment of employees than those resulting from the contracts of employment concluded with such employees, to the extent and for the duration determined in the agreement.



Introduction of **economic stoppage** or **reduced work time**



Flexible solutions in the scope of application of regulations regarding worktime

Exemption from entrepreneur's ZUS contributions



Conditions to obtain the exemption from ZUS contributions

- Having a status of a registered payer of contributions:
 - before 01.02.2020 and as at 29.02.2020,
 - in the period from 01.02.2020 to 29.02.2020 and as at 31.03.2020,
 - in the period from 01.03.2020 to 31.03.2020 and as at 30.04.2020,
- The exemption from ZUS contributions regards both contributions due for the employees and the entrepreneur. It applies to all contributions for social insurance, Labour Fund, Guaranteed Employee Benefit Fund, Old-age Bridging Pensions Fund as well as health insurance for March, April and May 2020.
- Companies who were in a difficult situation in December 2019 and did not pay their liabilities, including ZUS contributions, are not eligible for the exemption.

Note!

The exemption regards also contributions paid for March; ZUS will refund such contributions based on the payer's application within 30 days.

Exemption from entrepreneur's ZUS contributions cont.



Exemption from ZUS contributions for entrepreneurs employing up to 9 insured persons

Based on the application submitted by the payer, exemption is awarded for unpaid liabilities due to contributions for social insurance, health insurance, Labour Fund, Solidarity Fund, Guaranteed Employee Benefit Fund or Old-age Bridging Pensions Fund due for the period from 1 March to 31 May 2020, disclosed in the settlement declarations submitted for the said period if the payer was registered as a contribution payer:

- 1) prior to 1 February 2020 and remains registered as at 29 February 2020,
 - 2) from 1 February 2020 to 29 February 2020 and remains registered as at 31 March 2020,
 - 3) from 1 March 2020 to 31 March 2020 and remains registered as at 30 April 2020
- and has registered less than 10 insured persons for social insurance

Note! The number of insured persons is calculated excluding insured persons who are adolescent employees.

Exemption from entrepreneur's ZUS contributions cont.



Exemption from ZUS contributions for entrepreneurs employing from 10 to 49 insured persons

Based on the application submitted by the payer, exemption is awarded for unpaid liabilities due to contributions for social insurance, health insurance, Labour Fund, Solidarity Fund, Guaranteed Employee Benefit Fund or Old-age Bridging Pensions Fund due for the period from 1 March to 31 May 2020, up to 50% of the total amount of the liability due to the contributions specified in the settlement declaration submitted for the given month if the employer is registered as a contribution payer:

- 1) prior to 1 February 2020 and remains registered as at 29 February 2020,
 - 2) from 1 February 2020 to 29 February 2020 and remains registered as at 31 March 2020,
 - 3) from 1 March 2020 to 31 March 2020 and remains registered as at 30 April 2020
- and has registered 10 to 49 insured persons for social insurance

Note! The number of insured persons is calculated excluding insured persons who are adolescent employees.

Exemption from entrepreneur's ZUS contributions cont.



Exemption from self-employed persons' ZUS contributions

Based on the application of a payer of contributions who is a person conducting a non-agricultural business activity who pays contributions for their own social insurances or health insurance, such a person is exempted from the obligation to pay the unpaid liabilities due to contributions for their mandatory pension, disability pension and accident insurance, voluntary sickness insurance, health insurance, Labour Fund and Solidarity Fund due for the period from 1 March 2020 to 31 May 2020 if the said person conducted a business activity prior to 1 April 2020 and the revenue earned on this business within the meaning of the law on natural income tax in the first month for which the application for exemption from contributions referred to in Art. 31zp para. 1 is submitted did not exceed 300% of forecasted average monthly gross salary in the national economy in 2020.

In the case of the so-called self-employed persons, this exemption applies only to those entrepreneurs who meet the revenue criterion, i.e. those who earned revenue not exceeding 300% of the forecasted salary, i.e. PLN 15 681, in the month preceding submittal of the application.

Exemption from entrepreneur's ZUS contributions cont.

How to use it?

The exemption from payment of contributions is not awarded automatically. The payer of contributions interested in the exemption from ZUS contributions is obliged to submit an application for exemption from contributions to the ZUS Division of proper venue in relation to the registered office of their business activity no later than on 30 June 2020.



The application can be submitted electronically and must contain such data of the contribution payer as:

- name and surname,
- abridged name,
- NIP (Tax Identification Number) and REGON (National Official Business Register), potentially PESEL (Personal Identification Number) or series and number of identity card or passport,
- correspondence address;
- declaration of the contribution payer referred to in Art. 31zo para. 2, confirming earning of revenues from the business activity not exceeding 300% of the forecasted monthly gross salary in the national economy in 2020 in the first month for which the application for exemption from payment of contribution is submitted;
- other information necessary to discharge the payer from the obligation to pay the contributions;
- applicant's signature.

Note! The exemption from the obligation to pay the contributions does not exempt from the obligation to submit the settlement declaration or named monthly reports under previously applicable terms for March, April and May 2020. The application for exemption from ZUS contributions must be submitted to ZUS no later than on 30 June 2020.

Introduction of economic stoppage or reduced work time

Basic definitions

ENTREPRENEUR

Any entrepreneur within the meaning of Art. 4 para. 1 or 2 of the Act of 6 March 2018 - Law on Entrepreneurs (Journal of Laws of 2019, item 1292, as amended), i.e.:

- natural person,
- legal person,
- organisational unit who is not a legal person, granted legal capacity by a separate act, conducting a business activity,
- partners of a civil partnership in the scope of the business activity conducted by them and
- public benefit institutions.

EMPLOYEE

An employee is a natural person who is a party to an employment relationship with an employer under the Polish law.

The Act applies accordingly to:

- persons employed under an outwork contract or contract of mandate or any other service contract to which, under the Act of 23 April 1964 - Civil Code (Journal of Laws of 2019, item 1145 and 1395) the regulations regarding a mandate apply or who performs gainful work under a basis other than an employment relationship for the benefit of an employer who is an agricultural production cooperative or another cooperative involved in agricultural production if such a person is on this basis subject to the following insurance obligation: pension and disability pension.

The act introduces an exception prescribing that the provisions of the act do not apply to domestic assistants hired by a natural person.

An entrepreneur who:

- **records a decline in economic turnover understood as a decline in sale of goods or services, in quantitative or value terms, by not less than 15%, calculated as a relation of total turnover during any specified two consecutive calendar months after 1 January 2020** to the day preceding the day of submittal of the application, in comparison to total turnover from analogous 2 consecutive months of 2019 (a month is understood also as 30 consecutive calendar days if the comparative two-months period begins during a calendar month) or 25% calculated as a relation of turnover from any specified calendar month after 1 January 2020 to the day preceding the day of submittal of the application in comparison to the turnover from the prior month (a month is understood also as 30 consecutive calendar days if the comparative period begins during a calendar month),
- **is not in default with regard to payment of tax liabilities**, contributions for social insurance, health insurance, Guaranteed Employee Benefit Fund, Labour Fund or Solidarity Fund up to the third quarter of 2019, except for cases where the entrepreneur concluded an agreement with the Social Insurance Institution or received a decision of the tax office regarding debt repayment and pays the instalments on time or benefits from deferment of the payment deadline,
- in relation to whom the **criteria for declaration of bankruptcy** referred to in Art. 11 or Art. 13 para. 3 of the Act of 28 February 2003 - Bankruptcy Law (Journal of Laws of 2019, item 498, as amended) **are not met**

can introduce:



work time reduction by 20%

Not more than to half-time, provided that the salary cannot be lower than the minimum wage determined on the laws on minimum wage, taking work time into account.



economic stoppage

Economic stoppage

The employee subject to the economic stoppage is paid by their employer a salary reduced by not more than 50%, not lower, however, than equal to the minimum wage determined on the laws on minimum wage, taking work time into account.

The salary is co-financed from the Guaranteed Employee Benefit Fund in the amount equal to 50% of the minimum wage determined on the laws on minimum wage, taking work time into account.

The maximum amount of co-financing from the Guaranteed Employee Benefit Fund in the case of economic stoppage is **PLN 1 533.09**.

The co-financing is not granted for salaries of employees whose remuneration earned in the month preceding the month in which the application is submitted exceeded 300% of forecasted average monthly gross salary in the national economy in 2020.

EXAMPLE 1

The employer employs an employee whose gross salary amounts to PLN 5 800.00. As a result of the SARS-CoV-2 epidemics, the employer is forced to apply economic stoppage.

In such a case, the employer can reduce the work time and salary of the employee by up to 50%, i.e. to the gross amount of PLN 2 900.00.

The calculation below presents the obtained aid and costs of the employer in case of application of economic stoppage.

Calculation	Amount
Reduced (gross) salary received by the employee	PLN 2 900.00
Salary co-financing received by the employer	PLN 1 300.00
Co-financing of employer's ZUS contributions	PLN 233.09
Total co-financing	PLN 1 533.09
Total cost of employment of the employee	PLN 3 493.92
Employer's cost	PLN 1 960.83
% of salary co-financing	43.88 %

Economic stoppage cont.

EXAMPLE 2

The employer employs an employee whose gross salary amounts to PLN 2 600.00. As a result of the SARS-CoV-2 epidemics, the employer is forced to apply economic stoppage.

In such a case, the employer cannot reduce the salary of the employee as the minimum wage is PLN 2 600.00.

The calculation below presents the obtained aid and costs of the employer in case of application of economic stoppage.

Calculation	Amount
Reduced (gross) salary received by the employee	PLN 2 600.00
Salary co-financing received by the employer	PLN 1 300.00
Co-financing of employer's ZUS contributions	PLN 233.09
Total co-financing	PLN 1 533.09
Total cost of employment of the employee	PLN 3 132.48
Employer's cost	PLN 1 599.39
% of salary co-financing	48.94 %





Economic stoppage cont.

EXAMPLE 3

The employer employs an employee whose gross salary amounts to PLN 3 700.00, as a result of the SARS-CoV-2 epidemics, the employer is forced to apply economic stoppage.

In such a case, the employer can reduce the work time and salary of the employee by up to 50%, i.e. to the gross amount of PLN 2 600.00.

The calculation below presents the obtained aid and costs of the employer in case of application of economic stoppage.

Calculation	Amount
Reduced (gross) salary received by the employee	PLN 2 600.00
Salary co-financing received by the employer	PLN 1 300.00
Co-financing of employer's ZUS contributions	PLN 233.09
Total co-financing	PLN 1 533.09
Total cost of employment of the employee	PLN 3 132.48
Employer's cost	PLN 1 599.39
% of salary co-financing	48.94 %

Economic stoppage cont.

EXAMPLE 4

The employer employs an employee whose gross salary amounts to PLN 15 000.00. As a result of the SARS-CoV-2 epidemics, the employer is forced to apply economic stoppage.

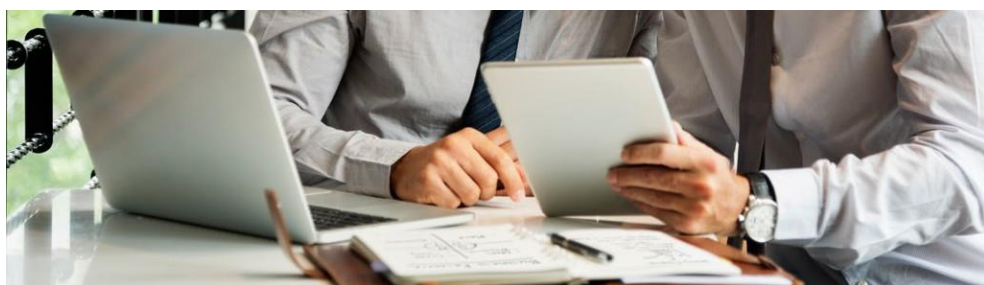
In such a case, the employer can reduce the work time and salary of the employee by up to 50%, i.e. to the gross amount of PLN 7 500.00.

The calculation below presents the obtained aid and costs of the employer in case of application of economic stoppage.

Calculation	Amount
Reduced (gross) salary received by the employee	PLN 7 500.00
Salary co-financing received by the employer	PLN 1 300.00
Co-financing of employer's ZUS contributions	PLN 233.09
Total co-financing	PLN 1 533.09
Total cost of employment of the employee	PLN 9 036.00
Employer's cost	PLN 7 502.91
% of salary co-financing	16.97 %



Work time reduced by 20%, not more than to half-time



The maximum work time reduction the employer can apply is 20%, not more than to half-time, provided that the salary cannot be lower than the minimum wage determined on the laws on minimum wage, taking work time into account.

The employer can apply for co-financing from the Guaranteed Employee Benefit Fund up to half the salary due to the employee, not exceeding, however, 40% of the average monthly salary from the previous quarter, i.e. PLN 2 452.27

The maximum amount of co-financing from the Guaranteed Employee Benefit Fund in the case of work time reduction is **PLN 2 452.27**.

EXAMPLE 1

The employer employs an employee whose gross salary amounts to PLN 5 800.00. As a result of the SARS-Cov-2 epidemics, the employer is forced to reduce the employee's worktime by maximum 20% and use co-financing from the Guaranteed Employee Benefit Fund.

In such a case, the employer can reduce the work time and salary of the employee by up to 20%, i.e. to the gross amount of PLN 4 640.00.

The calculation below presents the obtained aid and costs of the employer in case of application of reduced work time.

Calculation	Amount
Base salary before the change	PLN 5 800.00
Base full-time before the change	100.00%
Work time reduction (effective)	20.00%
Post-reduction work time	80.00%
Reduced (gross) salary received by the employee	PLN 4 640.00
Salary co-financing received by the employer	PLN 2 079.43
Co-financing of employer's ZUS contributions	PLN 372.84
Total co-financing	PLN 2452.27
Total cost of employment of the employee	PLN 5 590.27
Employer's cost	PLN 3 138.00
% of reduced salary co-financing	43.87 %



Work time reduced by 20%, not more than to half-time, cont.

EXAMPLE 2

The employer employs an employee whose gross salary amounts to PLN 2 600.00. As a result of the SARS-Cov-2 epidemics, the employer is forced to reduce the employee's worktime by maximum 20% and use co-financing from the Guaranteed Employee Benefit Fund.

In such a case, the employer can reduce the work time and salary of the employee by up to 20%, i.e. to the gross amount of PLN 2 080.00.

The calculation below presents the obtained aid and costs of the employer in case of application of reduced work time.

Calculation	Amount
Base salary before the change	PLN 2 600.00
Base full-time before the change	100.00%
Work time reduction (effective)	20.00%
Post-reduction work time	80.00%
Reduced (gross) salary received by the employee	PLN 2 080.00
Salary co-financing received by the employer	PLN 1 040.00
Co-financing of employer's ZUS contributions	PLN 186.47
Total co-financing	PLN 1 226.47
Total cost of employment of the employee	PLN 2 505.98
Employer's cost	PLN 1 279.51
% of reduced salary co-financing	48.94 %

Work time reduced by 20%, not more than to half-time, cont.

EXAMPLE 3

The employer employs an employee whose gross salary amounts to PLN 3 700.00. As a result of the SARS-Cov-2 epidemics, the employer is forced to reduce the employee's worktime by maximum 20% and use co-financing from the Guaranteed Employee Benefit Fund.

In such a case, the employer can reduce the work time and salary of the employee by up to 20%, i.e. to the gross amount of PLN 2 960.00.

The calculation below presents the obtained aid and costs of the employer in case of application of reduced work time.

Calculation	Amount
Base salary before the change	PLN 3 700.00
Base full-time before the change	100.00%
Work time reduction (effective)	20.00%
Post-reduction work time	80.00%
Reduced (gross) salary received by the employee	PLN 2 960.00
Salary co-financing received by the employer	PLN 1 480.00
Co-financing of employer's ZUS contributions	PLN 265.36
Total co-financing	PLN 1 745.36
Total cost of employment of the employee	PLN 3 566.21
Employer's cost	PLN 1 820.84
% of reduced salary co-financing	48.94 %





Work time reduced by 20%, not more than to half-time, cont.

EXAMPLE 4

The employer employs an employee whose gross salary amounts to PLN 15 000.00. As a result of the SARS-Cov-2 epidemics, the employer is forced to reduce the employee's worktime by maximum 20% and use co-financing from the Guaranteed Employee Benefit Fund.

In such a case, the employer can reduce the work time and salary of the employee by up to 20%, i.e. to the gross amount of PLN 12 000.00.

The calculation below presents the obtained aid and costs of the employer in case of application of reduced work time.

Calculation	Amount
Base salary before the change	PLN 15 000.00
Base full-time before the change	100.00%
Work time reduction (effective)	20.00%
Post-reduction work time	80.00%
Reduced (gross) salary received by the employee	PLN 12 000.00
Salary co-financing received by the employer	PLN 2 079.43
Co-financing of employer's ZUS contributions	PLN 372.84
Total co-financing	PLN 2452.27
Total cost of employment of the employee	PLN 14 457.60
Employer's cost	PLN 12 005.33
% of reduced salary co-financing	16.96 %

Procedure of introduction of economic stoppage or reduced work time

The conditions and mode of work performance in the period of economic stoppage or reduced work time are determined in agreement with the social party (trade unions or representatives of employees).

The agreement must lay down at least the following:



groups covered by the economic stoppage or reduced work time;



reduced work time effective for the employees;



period in which the solutions regarding economic stoppage or reduced work time apply.

The employer must supply a copy of the agreement to the competent district labour inspector within 5 days business days from the day of agreement conclusion.

If the employees employed by the employer are covered by a collective labour agreement, the district labour inspector supplies information on the agreement regarding determination of conditions and mode

of performance of work in the period of economic stoppage or reduced work time to the register of collective labour agreements.

In the scope and for the time specified in the agreement determining the conditions and mode of performance of work in the period of economic stoppage or reduced work time, the conditions resulting from the collective labour agreement and the corporate labour agreement regarding contracts of employment and other documents laying out the basis for conclusion of employment relationships do not apply.

When determining the conditions and mode of work performance in the period of economic stoppage or reduced work time, the provisions of art. 42 § 1-3 of the Act of 26 June 1974 - Labour Code do not apply.

This means that the employer does not terminate the current terms and conditions of work and pay and the change of employment conditions **enters into force automatically** on the day specified in the agreement with the social party.

It is a **solidarity-based** solution, i.e. the employee is deprived of 20% of their salary and the balance is covered in half by the employer and in half by the Guaranteed Employee Benefit Fund. Reserving, however, that the co-financing amount cannot exceed **PLN 2 452.27**.

Employee protection

The entrepreneur who introduces economic stoppage or reduced work time as well as receives funds for protection of jobs from the Guaranteed Employee Benefit Fund under the agreement regarding payment of benefits **cannot terminate the contract of employment due to reasons not attributable to the employee:**



in the period or in the periods when the employee receives



Flexible solutions in the scope of application of regulations regarding worktime and application of less favourable employment conditions

An employer who recorded a decline in economic turnover as a result of COVID-19 and who is not in default with regard to payment of tax liabilities, contributions for social insurance, health insurance, Guaranteed Employee Benefit Fund, Labour Fund or Solidarity Fund up to the third quarter of 2019 can also:



reduce the daily rest time

to 8 hours; in such a case, the employee is eligible for an equivalent period of rest equal to the difference between 11 hours and the number of hours of the reduced rest period used by the employee; the equivalent rest period is granted to the employee by the employer within a period not exceeding 8 weeks;



reduce the weekly rest time

to 32 hours;



introduce the equivalent work time system

in which it is admissible to extend the daily work time, not more, however, than to 12 hours in the settlement period not exceeding 12 months;



conclude an agreement regarding less favourable conditions of employment of employees than those resulting from the contracts of employment concluded with such employees, to the extent and for the duration determined in the agreement.



Flexible solutions in the scope of application of regulations regarding worktime and application of less favourable employment conditions cont.

The conditions and mode of implementation of the reduction of uninterrupted rest, conclusion of the agreement introducing the equivalent work time system, conclusion of the agreement regarding application of less favourable conditions of employment than those resulting from the contracts of employment concluded with such employees **are determined in the agreement concluded with the social party** (trade unions or representatives of employees).

The employer must supply a copy of the agreement to the competent district labour inspector **within 5 days business days** from the day of agreement conclusion. If the employees employed by the employer are covered by a collective labour agreement, the district labour inspector supplies the information on the agreement introducing the equivalent work time system or application of less favourable conditions of employment than those resulting from the contracts of employment concluded with such employees to the register of collective labour agreements.

In the scope and in the period specified in the agreement introducing the equivalent work time system, conclusion of the agreement regarding application of less favourable conditions of employment than those resulting from the contracts of employment concluded with such employees, the conditions of the collective labour agreement or corporate labour agreement regarding contracts of employment and other documents laying out the basis for conclusion of employment relationships do not apply.



Note!

The presented solutions are informative in nature and are not the only available solutions. The solution optimal for the enterprise is applying the proposals of the Anti-Crisis Shield best adjusted to the given organisation in combination with other currently effective laws, adequate to the specifics and current needs of the given company.

Feel free to contact us



Monika Smulewicz

Partner, Managing Director,
Outsourcing Department
E Monika.Smulewicz@pl.gt.com

In the current situation, the task of both employers and employees is doing everything they can to minimise the negative scenarios.

The goal is the quickest possible recovery after the pandemics. Its accomplishment without employees will be impossible. Therefore, all effort must be made to protect jobs.

Our team is ready to support your organisation in these difficult times. Should you have any questions, do not hesitate to contact us.

Together we can do more!



Grant Thornton is one of the leading auditing and advisory organisations in the world.

Knowledge of over 56 000 employees available for customers in 140 countries. We have been operating in Poland for 27 years. The team of 700 employees and presence in key agglomerations (Warsaw, Poznań, Katowice, Wrocław, Kraków and Toruń) ensure that we have close contact with our customers and allow us to provide auditing services, fiscal counselling, economic counselling, legal counselling and outsourcing of accounting, human resources and payrolls regardless of the size, type and location of our customers' businesses.