

BS&O ALERT



Information

Ministry of Finance changes January 2022 advance collection methods

As of 8 January a change has been made in the methods used to pay income tax advances collected by remitters in January 2022. The change was introduced based on the minister's of finance decree on the payment of income tax advances collected by remitters in January 2022.

The amount of the tax advance collected from employees or service providers whose monthly gross income amounts to no more than PLN 12 800 should be no higher than the amount of the tax advance calculated based on the methods that had been in effect until 31 December 2021. If an employee's wage was lower, he will get reimbursed.

Based on the Minister's of Finance Decree of 7 January 2022 on extending the deadlines for the collection and payment of certain personal income tax advances (2021 Journal of Laws, item 28), as of 8 January 2022 a change has been made in the methods used to pay income tax advances collected by remitters in January 2022.

Income tax advances collected by remitters after 8 January 2022 should be calculated as described in the decree. The advance for January for employees or service providers with monthly income of up to PLN 12 800 should be collected at an amount no higher than the advance calculated using the methods in effect until 31 December 2021.

A remitter that collects the income tax advance at a higher amount will have to refund the difference to the taxable person without delay. As a result, employees will receive appropriate adjustments from remitters, if their wages were not calculated using the income tax advance calculation methods described in the decree.

Pension and disability pay recipients whose gross benefits fall within the range of PLN 4920 to PLN 12 800 will also have their tax advance and health insurance premium calculated by ZUS using the methods in effect until 31 December 2021. The change in the regulations means that pension and disability pay recipients will receive a refund of the tax overpaid in January 2022 with their benefit for February 2022.



Individual ZUS-RPA declaration must be filed in January

Businesses that paid wages for December 2021 after the start of the new year must remember to file ZUS RPA (“individual monthly report on insured’s income/teacher work periods”).

Such declarations are filed once a year. Contrary to what its name seems to suggest, the declaration does not apply exclusively to teachers. It must also be filed by every business that in a given month (in the period covered by the report) has paid remuneration (income) due for a calendar year other than the report, and the income constitutes a basis for the calculation of retirement, disability or accident insurance premiums, as well as if in a given month it has paid remuneration (income) in addition to disability, sick, maternity, parental, rehabilitation benefits, and that

additional remuneration does not constitute a basis for the calculation of retirement and disability premiums.

Among other things, ZUS RPA includes the so-called thirteenth salary; remuneration for December paid with a delay until 10 January; annual bonus for the previous year paid in the following year; remuneration paid in addition to disability, sick and similar benefits.

ZUS RPA should be filed by 15 January. Failure to submit the declaration will result in a need to file a correction of the January 2022 declarations.

It needs to be noted that ZUS RPA is an individual monthly report. This means that it should be submitted to ZUS as part of a complete set of reporting documentation, i.e. as an attachment to the ZUS DRA declaration.



Premium remitters to get 2021 statements

On 8 January 2022 ZUS began to inform premium remitters about the balance of their 2021 settlements. Remitters will get information about their account balances and payments made in 2021 to their individual premium accounts (NRS).

As of 8 January 2021, ZUS will successively provide information about account balances and payments to more than 2,8 million remitters. The information will be made available via ZUS' Electronic Services Platform (PUE ZUS).

Based on this information, remitters will find out whether their ZUS account shows an overpayment, underpayment or a balance of zero. ZUS will also include information about the amount of payments made in 2021 and what those payments were applied to. Remitters who pay arrears in installments will receive information about any outstanding amount.

An underpayment on a remitter's account may be spread into installments by ZUS. If a remitter is unable to pay it off at once, he should apply for relief.

Small arrears may be paid off by increasing a current payment. One should, however, check if any late interest charges should be added. This may be done using the interest calculator for premium remitters.

Whereas an overpayment may be deducted from the next premium payment. A refund may also be requested (form RZS-P). ZUS will only refund a premium overpayment to the bank account listed on the remitter's ZUS account.

If a remitter has corrected his payment declarations or paid premiums after 31 December 2021, they will not be included in the above information. If in doubt, the current account balance may be checked on PUE ZUS "Remitter's Panel" in the "Current Balances" tab.



New social insurance premiums for 2022

The minimum wage and the projected average wage will be higher in 2022. Thus the amount of social insurance premiums calculated by businesses has changed.

Those who conduct business activities and benefit from preferential social insurance premiums for the first 24 calendar months of such activities, pay premiums on a declared amount that is no lower than 30% of the minimum wage. As of 1 January 2022, the minimum wage will amount to PLN 3010, i.e. the basis for the calculation of social insurance premiums in 2022 cannot be lower than PLN 903 (30% x PLN 3010).

For the months of January – December 2022, the social insurance premium of such persons cannot be lower than: PLN 176,27 (i.e. 19,52%) – for retirement insurance; PLN 72,24 (8%) – disability insurance; PLN 22,12 (or 2,45%) – for sickness insurance.

Those who conduct non-agricultural activities and pay premiums on 60% of the projected average wage will in 2022 calculate them on PLN 3553,20. For 2022 the projected average wage amounts to PLN 5922. For the months of January – December 2022, the social insurance premium of such persons cannot be lower than: PLN 693,58 (i.e. 19,52%) – for retirement insurance; PLN 284,26 (8%) – for disability insurance; PLN 87,05 (or 2,45%/) – for sickness insurance.

Social insurance premiums calculated on the new bases are to be paid for January 2022 in February 2022, as well as for the subsequent months.



As of 2022 benefit period shorter after termination of insurance

As of the new year, the sickness benefit collection period after termination of insurance has changed. Benefits may be collected for up to 91 days. But there are exceptions to this rule.

As of 1 January 2022, sickness benefits after termination of insurance will be paid for up to 91 days of: incapacity for work; inability to perform work due to: a decision issued by a competent authority or entity authorized based on regulations on preventing and combating infections and infectious diseases in humans; a mandate to quarantine, isolate at home or isolate as specified in the regulations on preventing and combating infections and infectious diseases in humans; inpatient stay at an addiction treatment facility to treat alcohol dependence, hospital or another medical facility to treat addiction to narcotic drugs or psychotropic substances.

The 91-day benefit period will not apply to incapacity for work: caused by tuberculosis;

occurring during pregnancy; resulting from undergoing medical tests necessary for cell, tissue and organ donor candidates, as well as cell, tissue and organ donation procedures. In such cases, sickness benefits will be paid for the duration of the incapacity for work, but for no more than 182 or 270 days - when the incapacity is caused by tuberculosis or occurs during pregnancy.

To receive benefits after termination of insurance, one must file form Z-10.

If the period of 91 days for which sickness benefits may be granted after termination of sickness insurance ends after the 182/270 day benefit period is used up, eligibility for benefits is granted for a period no longer than until the 182/270 days are exhausted.

Those who use the sickness benefit for the maximum period and continue to be unable to work will, as was the case last year, be able to apply for a rehabilitation benefit. It may be paid out for as long as 12 months.



In short:

↓ **New tax-free amount, tax-reducing amount and tax threshold**

The following are in effect as of 1 January 2022: an annual tax-free amount of PLN 30 000; an annual tax-reducing amount of PLN 5100, and in consequence the monthly tax-reducing amount has gone up from PLN 43,76 to PLN 425; a raised first tax threshold limit that has gone up from PLN 85 528 to PLN 120 000 (the tax rate is 17% on income of up to PLN 120 000 and 32% on income in excess of PLN 120 000). The 2022 increase in the tax-reducing amount to PLN 425 from the PLN 43,76 that applied in 2021 has resulted in limiting tax advances on monthly income below PLN 2500 to PLN 0.

↓ **Health insurance premium no longer deductible**

As of 2022, the health insurance premium, which can no longer be deducted, will not be reduced to the amount of the actual advance for a given month, but rather to an amount that corresponds to the amount of the income tax advance (calculated in accordance with the regulations in effect until 31 December 2021) and will cover benefits of up to PLN 546. In 2021, he-

alth insurance premiums were deducted from tax advances at an amount that constituted 7,75% of the underlying benefit, and premiums higher than the personal income tax advance for the given month were reduced to the value of that advance. As of 2022, health insurance premiums no longer affect the amount of advances and personal income tax. Employee premiums are collected at 9% of the calculation base and will also reduce the benefits paid out by ZUS.

↓ **Change in collection of advances for single parents**

As of 2022 it is no longer possible for single parents to declare intent to file jointly with a child and thus take advantage of a double tax advance reduction. This group will be able to deduct PLN 1500 in the annual tax return after the end of the tax year. A single parent with income from employment and income from a survivor's pension for a minor child should inform his employer about his ZUS income, or inform his ZUS branch to not apply the tax-reducing amount to the child's pension. This is essential to avoid a tax underpayment of as much as PLN 5100 in the annual tax return for 2022.

↓ **Change in taxation of unrealized benefits**

As of the new year, those who submit a declaration that their 2022 annual income will not

exceed PLN 30 000, i.e. the quotient of the tax-reducing amount (PLN 5100) and the lowest tax rate (17%) for the first tax threshold, will be exempt from tax on income from unrealized benefits. Each pension authority, including ZUS, will by itself reduce the monthly tax advances by the reducing amount (PLN 425). Those who receive benefits from both ZUS and from another pension authority (e.g. KRUS), will have a tax underpayment in their 2022 tax returns (of PLN 425 x the number of ZUS and KRUS payments; up to a maximum of PLN 5100 for 12 months). To avoid this underpayment they can file form EPD-18 with ZUS.

↓ **Eligibility for benefits even if premium payment late**

As of 2022, late premium payments do not result in termination of voluntary sickness insurance. This means that traders will be able to receive such insurance benefits even when they pay their premiums after the due date. In order, however, to become eligible for the benefits they cannot have arrears in the payment of social insurance premiums, or those arrears cannot exceed 1% of the minimum wage (in 2022 - PLN 30,10). If the entire social insurance arrear in excess of 1% of the minimum wage is repaid within 6 months of the benefit eligibility date,

ZUS will pay the benefits as of the eligibility date. Traders will no longer be required to apply for permission to pay premiums after the due date.

↓ **Zero-rate PIT for those who continue to work after reaching retirement age**

1 January 2022 is the effective date of the so-called working senior relief introduced as part of the Polish Deal. The relief is available to those who meet the following conditions: they have reached retirement age, which is 60 years for women and 65 years for men; they remain employed; they have not been granted a retirement or disability pension benefit. The relief is

also available to those, who have been granted a benefit, but do not collect it as they have not terminated their employment (suspended retirement pension).

↓ **New social and health insurance submission forms**

The Minister's of Family and Social Policy Decree of 16 December 2021 amending the decree on the specimen forms for submission to social insurance and health insurance, individual monthly reports and corrective individual monthly reports, premium remitter notifications, payment declarations and corrective payment declarations, the submission of data about

work in special conditions or of a special nature, information reports, declarations of intent to file information reports, information on concluded specified work contracts and other documents, has been published in the 2021 Journal of Laws, item 2366.

↓ **Excise tax amendments clarify middle class relief rules**

The Act amending the Excise Tax Act and certain other acts (2021 Journal of Laws, item 2427) has introduced changes in the regulations on the so-called middle class relief to be applied by traders taxed on the tax scale. The initial and concerns-raising term



of “business activity costs” has been replaced with “tax deductible costs”.

↓ **Minister of finance sets out rules for requesting preference opinions**

The Minister’s of Finance Decree on the submission of applications to issue opinions on the application of corporate income tax preference has been published in the 2021 Journal of Laws, item 2485. The decree pertains to the preference specified in Article 26 par. 1 of the CIT Act. Under this provision, at the request of a taxable person, remitter or an entity that pays amounts through entities that keep securities or collective accounts, the tax authority issues an opinion on the remitter’s application of an exemption from the collection of flat-rate income tax on amounts paid to a taxable

person, or on the application of a tax rate arising out of a relevant double taxation treaty or on non-collection of tax in accordance with such a treaty (preference opinion). The new regulations went into effect as of 1 January 2022. An identical decree applicable to PIT (preferences under Article 41 d par. 1) has been published in the 2021 Journal of Laws, item 2496.

↓ **Decree on the operation of e-invoice system**

The Minister’s of Finance Decree of 27 December on the use of the Domestic E-Invoice System (KSeF) has been published in the 2021 Journal of Laws, item 2481. The decree specifies: the types of rights to use the System; the rules for granting, modifying or withdrawing rights to use the System and for notifying that such rights have been granted

or withdrawn; the methods used to authenticate system users; structured invoice data that enable access to invoices in the E-Invoice System.

↓ **Another extension of payment deadline for unrealized profits tax**

The Minister’s of Finance Decree of 21 December 2021 amending the decree on extending the deadline for the payment of tax due on income from unrealized profits by persons taxable with personal income tax has been published in the 2021 Journal of Laws, item 2409. The original deadlines have been extended: from 1 December 2021 to 1 December 2023; from 31 December 2021 to 31 December 2023; from 30 November 2021 to 30 November 2023. The decree went into effect as of its publication date.

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CALENDAR (most important deadlines)

- ✓ Payment for December 2021 of advances collected on employment income
- ✓ Payment for December 2021 of PIT and CIT advances
- ✓ Payment by a holding company representing a tax group of the tax advance collected for December 2021
- ✓ Payment of lump-sum CIT-5
- ✓ Payment of tax advance for December 2021 by real estate company/real estate company tax representative (PIT-ISN and CIT-ISN)
- ✓ Payment for December 2021 to PFRON



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- ✓ Payment of VAT for December 2021
 - ✓ Filing of VAT-8, VAT-9M and VAT-12 for December 2021
 - ✓ Filing of SAF_V7M for December 2021
 - ✓ Filing of SAF_V7K for December 2021 (record and declaration section)
 - ✓ Submission of recapitulative statement on VAT EU intra-Community transactions for December 2021
 - ✓ Filing of VAT-13 by tax representative for December 2021
 - ✓ Reporting of sugar tax for December 2021
 - ✓ Reporting of retail sales tax PSD-1 for December 2021
 - ✓ Submission to PFRON of documents relating to additional financing of the wages of disabled employees for December 2021
 - ✓ Employers from outside the public sector with fewer than 50 full time employees as at 1 January 2022, not covered by a collective labor agreement and not required to issue remuneration regulations, should in the first month of 2022 inform employees of their decision (if taken) to not establish a company social benefits fund and not pay a vacation benefit.



CALENDAR



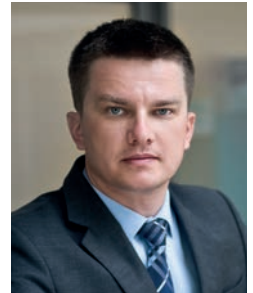
- ✓ Submission to the tax office (in electronic form only) of PIT-11 information
- ✓ Submission to the tax office (in electronic form only) of information on certain capital gains in 2021, i.e. PIT-8C
- ✓ Submission to the tax office of annual calculation of tax by disability authority/information about income obtained from disability authority for 2021 (PIT-40A/11A)
- ✓ Submission to the tax office of notification of having chosen flat-rate taxation of corporate income for the period from 1 January 2022 to 31 December 2025 – if the taxable person’s tax year is concurrent with the calendar year
- ✓ Filing of annual declaration (in electronic form) of income tax advances for 2021 (PIT-4R)
- ✓ Filing of annual declaration (in electronic form) of lump-sum income tax for 2021 (PIT-8AR)
- ✓ Filing (to the tax office) of information about amounts paid to taxable person for performing social and civic duties for 2021 (PIT-R)
- ✓ Submission to ZUS of data for 2021 for the calculation of accident insurance premiums (ZUS IWA)
- ✓ Submission to PFRON by disabled persons conducting business activities of application for a refund of retirement and disability insurance premiums paid for December 2021
- ✓ Filing of declaration CIT-6AR
- ✓ Filing of declaration CIT-11R for 2021 on the amount of income tax on income from dividends and other income from shares in the profits of legal entities, spent for purposes other than listed in declaration CIT-5 or declaration CIT-6AR
- ✓ Filing of declaration to the tax office by a tax remitter whose tax year is concurrent with the calendar year of declaration on the amount of collected lump-sum income tax (CIT-10Z) and on the amount of income (revenue) from dividends and other income from shares in the profits of legal entities (CIT-6R)
- ✓ Submission (electronically) to the Head of National Tax Administration of transfer pricing information TPR-C, for which the filing deadline passed in October 2021
- ✓ Submission (electronically) to the tax office of declaration on the preparation of transfer pricing information, for which the filing deadline passed in October 2021 – 6 February 2022 (Sunday)



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- ✓ Filing of declaration VAT-14 on VAT due on intra-Community acquisition of engine fuels for January 2022
 - ✓ Payment of lump-sum income tax collected in January 2022 on amounts paid to foreign legal entities
 - ✓ Payment of lump-sum income tax collected in January 2022 on dividend income and other amounts from shares of profits of legal entities, and provision of CIT-7 to taxable persons
 - ✓ Payment by acquirer of lump-sum income tax for January 2022



✓ Filing of INTRASTAT for January 2022



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CALENDAR



0 BDO

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