

BS&O ALERT



Information

Changes in premium payment relief form as of July

Form RDU to defer the due date for the payment of premiums or to pay the premiums in installments, ceased to apply as of 1 July. Business operators who have problems with the payment of social insurance premiums can now use the PUE ZUS platform to submit the applications that had been in use before the pandemic – RSO and RSR.

The simplified RDU form used to apply for relief in the payment of premiums by applying for a deferral in the payment of premiums or for payment in installments, is no longer used. As of 1 July, business operators who have problems with the timely payment of premiums can use application RSO – to defer payment, or application RSR – to pay premiums in installments.

The forms may be filed electronically, via the PUE ZUS platform. Each application has to be accompanied by the required documents about the family situation and financial position of the business operator.

If an application is submitted to ZUS while a state of epidemic threat or state of epidemic is in effect, or within 30 days after they are lifted, than no deferral fee will be accrued on premiums due for the period since January 2020. Eligible to apply for a deferral in the payment of premiums is any remitter currently required to pay them, who has temporary financial problems that prevent him from obtaining the funds necessary to pay the premiums by the statutory due date. Also eligible to apply for such relief are remitter representatives, or those who hold a written authorization from the premium remitter.

The following premiums may be deferred: social insurance, health insurance, Labor Fund and Guaranteed Employee Benefits Fund, the Bridging Pension Fund. Only current or future premiums that are not yet past due may be deferred.

Similar rules apply to installment payments. It should, however, be noted that the submission of an application for installment payments does not in itself guarantee that relief will be granted and does not constitute a statutory basis for suspending a collection proceeding. If ZUS refuses to grant relief, the business operator is required to pay the debt with late interest charges accrued up until and inclusive of the payment date.



Service providers and contractors will be able to belong to mutual assistance and loan funds

The Council of Ministers has adopted a draft bill on mutual assistance and loan funds, submitted by the minister of development, labor and technology. Its new features will include the ability to create a fund by at least 10 people who perform gainful work for a given employer.

The government plans to change the rules that apply to the formation, organization and operation of mutual assistance and loan funds. They are part of a draft bill on mutual assistance and loan funds that has already been adopted by the government and sent to the Sejm. Its most important new feature will be the ability to form a fund by at least 10 people who perform gainful work for a given employer, which means that it will be possible for funds to be formed by contractors or those who perform work based on specific work contracts.

The bill specifies how mutual assistance and loan funds will be supervised at employers that have no trade unions. The current rule is that the funds are supervised by the trade union organization operating at the employer. If there is no such organization, the funds will be supervised by an employee council, and in its absence - by a representation of those who perform gainful work, who will be selected in accordance with the procedure adopted by the employer.

The bill also proposes regulations that decide the fate of mutual assistance and loan funds in the event of a change in the employer's organizational structure (such as merger or split, or liquidation). In such situations, a general

meeting of members will have to pass a resolution on adapting the organizational structure and statute of the funds to the employer's organizational structure.

Irrespective of the above, the bill adds to and clarifies such regulations as those relating to: the rules for granting loans or assistance (e.g. detailed loan guarantee terms); coverage of the costs of operating an intercompany assistance and loan fund; the possibility of adopting a resolution on the liquidation of a fund on the initiative of the general meeting of members; the rules for settling asset-related issues if a mutual assistance and loan fund is liquidated.

The new regulations permit the formation of funds by at least 10 people who perform gainful work for a given employer. Up until now, it had to be at least 10 employees. In the government's opinion, this solution will make the conditions for belonging to a mutual assistance and loan fund more flexible. In particular, the funds will be open to not just employees, but also to others who perform gainful work (e.g. service providers, contractors, etc.).

The new solutions are to go into effect after 30 days of their publication in the Journal of Laws. The employee mutual assistance and loan funds that operate based on currently binding regulations will become mutual assistance and loan funds as defined in the planned provisions of the bill. In consequence, the statutes of the funds will need to be adapted to the changed legal basis within 18 months of the bill's effective date.



There will be a government platform for the conclusion of employment and service contracts

The Ministry of Development, Labor and Technology wants to create an IT system in which it will make available to microbusinesses, farmers and individuals who employ nannies and household help ready-made templates of employment and service contracts.

Such a solution is provided for in a draft bill on the electronic conclusion and settlement of contracts by certain employers. The draft regulations will make it possible to electronically conclude employment contracts, service contracts and contracts for help with harvesting with small employers, which will include microbusinesses, farmers and natural persons (e.g. employment of a babysitter or an elderly person).

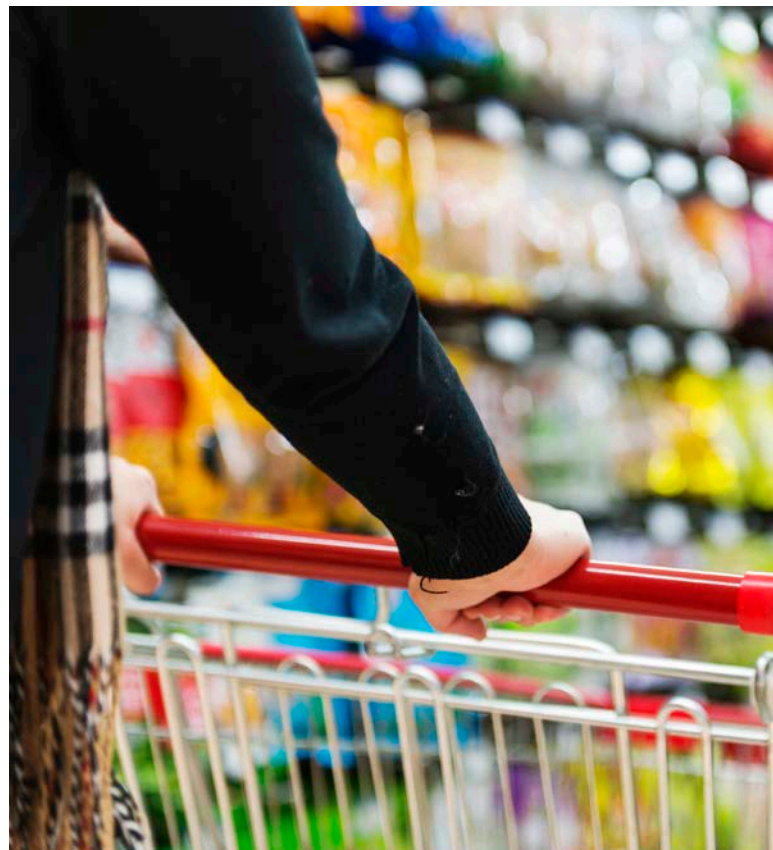
The intent is to simplify the conclusion of contracts with respect to employer obligations, such as: submission to insurance, payment of ZUS premiums or PIT advances.

The system will make it possible to: use ready-made contract templates; account for annual leave; exempt the employer from separate employee documentation storage; submit ZUS and KAS filings and calculate premiums and tax advances; use a trusted profile to conclude the contracts.

The solution will make it possible to take care of all contract related matters, from conclusion to termination, in one place (the [Praca.gov.pl](https://praca.gov.pl) portal). Both parties to the contract, throughout the contract's duration and for 10 years thereafter, will have access to the documents associated with the contract. Termination of business operations by a business will not affect access to the documents. The system will be supervised by the minister in charge of labor matters. The project is to encourage the conclusion of contracts

and limit unregistered employment. At the same time, the solution is directed towards the conclusion of typical contracts and will not be a full alternative to the current formula of employment contract conclusion. The available contract templates will contain the elements necessary to conclude a lawful contract of a given type. For employment contracts, these will include in particular: the parties to the contract; contract type; contract conclusion date; type of work; place of work; salary; working hours; starting date. Whereas for service contracts, the template will include: the parties to the contract; contract conclusion and expiration date; subject of contract; contractor fee; information if the contractor has another title to social insurance, and if so, what is that title.

The draft bill is to be ready in the 3rd quarter of 2021.



Employee will have a new definition: contractor and service provider also considered employees

A draft of changes to the Labor Code and the Business Operators Act provides that contractors and service providers who perform work for businesses will be classified as employees. This is the result of a new definition of employee in the Labor Code.

A parliamentary draft bill on amending the Labor Code and the Business Operators Act (paper 1120), which provides for the introduction as of 1 January 2022 of a new definition of employee, has had its first reading in the Sejm. Under the bill, defined as employee would be a person employed based on a contract of employment, appointment, election, nomination or a cooperative employ-

ment contract, as well as, within the scope of the bill, a person providing work based on another contract, in particular a service contract, as long as he/she provides the work in person, on a permanent basis, over a period of no less than 6 months, on at least a half-time basis.

In theory, the bill is to provide broad access to annual leave for all of those who are gainfully employed. The right to such leave would as of next year be given to natural persons who are sole traders and to those who provide work based on an agreement other than an employment contract, and in particular a long-term civil law contract. Thus the draft bill provides that the right to annual, uninterrupted leave is also granted to a natural person who operates a sole proprietorship and a partner in a civil partnership within the scope of his/her business operations, who has no employees.

A corresponding change will also be made to regulations that define the length of annual leave (Article 154 of the Labor Code). A provision will be added that natural persons who operate sole proprietorships get 14 days of annual leave. At the same time, a provision will be added to the Business Operators Act stating that business operations may also be suspended for the duration of annual leave taken by a trader who is a natural person operating a sole proprietorship and a partner in a civil partnership within the scope of his/her business operations, who has no employees.

It needs to, however, be noted that after the definition of employee is changed, every person covered by that definition, including contractors and service providers, will be subject to those Labor Code provisions that use the term employee. This means, for example, the possibility of applying the entire packet of protective provisions, as long as they do not refer directly to employment contracts.



In short:

↓ WHT refund collection date postponed again. This time until the end of the year.

The effective date of the regulations on specific cases of the tax refund procedure as part of WHT refund has been postponed until 31 December 2021. This is yet another such postponement. The effective date had already been moved to 30 June 2021. The new rules have been in effect since 1 January 2019, but the collection of the tax continues to be postponed.

More on this on our website.

↓ In 2022 minimum wage will increase from PLN 2800 to PLN 3000

The Council of Ministers has adopted the amount of minimum monthly wage and minimum hourly rate proposed for the year 2022 by the minister of development, labor and technology. For the year 2022, the government has proposed the adoption of a minimum monthly wage in

the amount of PLN 3000 and a minimum hourly rate for certain civil law contracts in the amount of PLN 19,60.

↓ SAF_VAT will not change before the end of the year, but some changes effective as of July

The Ministry of Finance has announced that the implementation of the new SAF_VAT with declaration document template is planned starting with the returns for January 2022 and will be preceded with tax consultations. Certain new rules will, however, have to be applied as of July. And so, for example, when completing SAF, the MPP (split payment mechanism) description should no longer be used in either the sales or purchase records, which according to the Ministry means that this field should not be filled in. The same applies to mail order sales (SW). Changes have also been made to the descriptions of

the various GTU (groups of goods and services). More on this on our website.

↓ Amendments to the VAT Act as part of the e-commerce package have forced a change in VAT-R

The minister's of finance, funds and regional policy decree of 29 June 2021 amending the decree on the templates of documents relating to registration for value added tax has been published in the Journal of Laws (item 1186). The decree contains a new VAT-R(15) form specimen. The specimen has been published due to the changes introduced by the VAT e-commerce package. The new decree became effective along with the amendments to the VAT Act, i.e. as of 1 July 2021.

↓ Changes in VAT records in connection with VAT e-commerce package

In connection with the changes relating to VAT



e-commerce, the minister's of finance, funds and regional policy decree of 29 June 2021 amending the decree on the detailed scope of data contained in value added tax declarations and records has been published in the Journal of Laws (item 1197). The new regulations are effective as of 1 July. This means that declarations submitted in July for June are still subject to the old rules.

↓ **There will be explanations on how to apply the new VAT e-commerce regulations**

The minister of finance has prepared a comprehensive guide on the application of the new VAT e-commerce regulations in effect as of 1 July 2021. The more than 50-page guide has the status of tax explanations and almost exclusively consists of practi-

cal examples of how to apply the new regulations, of which there are 59. The explanations are currently in the consultation phase and should be published later in July. **More on this on our website.**

↓ **New rules for signing electronic excise tax forms have been published**

The minister's of finance, funds and regional policy decree of 29 June 2021 amending the decree on the methods used to send declarations and applications and on the types of electronic signatures they should bear, has been published in the Journal of Laws (item 1183). The changes pertain to excise tax declarations, including AKC-WG, AKC-UA, AKC-P, AKC-US, AKC-KZ, AKC- UAKZ, KOP-MS, KOP-RG. The decree became effective on 1 July 2021, but some of the changes in the

methods used to sign declarations will only apply to declarations filed as of 30 September 2021.

↓ **Businesses to receive PLN 75 million to improve work safety**

Employers had until 30 June to apply for financing for projects that improve work safety and reduce the negative effects of harmful agents. ZUS received nearly 3,5 thousand applications. PLN 75 million is available for distribution. Financing will not be granted based on the type of business operations, but rather on the fulfilment of formal conditions. The maximum amount of financing will depend on the number of people for whom the employer pays social insurance premiums. Financing may cover as much as 90% of project value.



Interpretations and rulings

➔ **Working from a foreign employer does not take away the right to “start relief”**
Referring to the concept of “former employer” in the context of eligibility for reduced social insurance premiums (so-called start relief), ZUS explained that the concept does not pertain to an employer (company) for which work was provided in an EU member state other than Poland. Thus, employment in the territory of an EU member state other than Poland does not take away the right to “start relief”. Such employment is not considered performed in the territory of Poland (ZUS interpretation number WPI/200000/43/451/2021 dated 29 June 2021).

➔ **Loans to be verified when benchmark analysis updated**

If an update is being performed of a benchmark analysis with respect to controlled loan transactions concluded in prior years with related parties, then a corresponding change should be made to the interest rate on the loans to related parties – indicates an interpretation issued on 24 March 2021 (number 0111-KDIB2-1.4010.395.2020.2.AR).

➔ **Taxable person decides if rental is part of business operations**

Income from rentals, sublets, leases, subleases and other similar agreements is without limits included in the source of income listed in Article 10 par. 1 of the PIT Act, unless it is a component of a natural person’s assets, which the natural person contributed to the assets associated with the performance of business operations. And so it is the taxable person who should decide whether a rented property is a component of personal or company assets – states a resolution adopted by

the Supreme Administrative Court on 24 May 2021 (case file – II FPS 1/21).

➔ **Online cash registers only in individual medical practices**

The requirement to replace a cash register with an online cash register applies only to medical services provided by doctors and dentists as part of an individual practice, and not by medical entities. For this reason, the medical care services, both basic and expanded, provided by the taxable person and performed by doctors and dentists employed by the taxable person should be recorded using cash registers with electronic or paper records. The taxable person is therefore not required to replace its current cash registers with online cash registers – explains a tax interpretation issued on 1 July 2021 (number 0113-KDIPT1-3.4012.297.2021.2.ALN).



CALENDAR (most important deadlines)

- ✓ Payment for June 2021 of monthly PIT and CIT advances
- ✓ Payment for June 2021 of advances collected on employment income
- ✓ Payment of PIT and CIT advance for 2nd quarter of 2021
- ✓ Payment by a holding company representing a tax group of the tax advance collected for June 2021
- ✓ Payment of lump-sum CIT-5
- ✓ Payment of tax advance for June 2021 by real estate company/real estate company tax representative on income from sale of real estate company rights (PIT-ISN and CIT-ISN)
- ✓ Payment of advances collected in December 2020 (applies to remitters who incurred
- ✓ Payment for June 2021 to PFRON



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- ✓ Payment of VAT for June 2021 and 2nd quarter of 2021
 - ✓ Filing of VAT-8, VAT-9M, VAT-12 for June 2021
 - ✓ Filing of SAF_V7M for June 2021
 - ✓ Filing of SAF_V7K for June 2021 (record section) and for April, May and June 2021 (declaration section)
 - ✓ Filing of VAT-13 by tax representative for June 2021
 - ✓ Submission to PFRON of documents relating to additional financing of the wages of disabled employees for June 2021
 - ✓ Reporting of sugar tax due for June 2021
 - ✓ Reporting of retail sales tax for June 2021



CALENDAR

JULY 2021						
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22	23	24	25	26	27	28
29	30	31				

- ✓ Submission of 2020 financial statements to the Head of KAS by PIT taxable persons (deadline moved from 30 April 2021)
- ✓ Submission to PFRON by disabled persons who conduct business operations of application for a refund of retirement and disability premiums paid for June 2021



- ✓ Payment of lump-sum income tax collected in July 2021 on amounts paid to foreign legal entities
- ✓ Payment of lump-sum income tax collected in July 2021 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 July 2021
- ✓ Filing of declaration on amount of income from unrealized profits PIT-NZ and PIT-NZS for July 2021 and payment of tax arising out of that declaration
- ✓ Filing of declaration on the amount of income from unrealized profits CIT-NZ for July 2021 and payment of tax due as indicated in that declaration



- ✓ Payment of ZUS premiums for July 2021 - individuals who pay only their own premiums
- ✓ Filing of INTRASTAT for July 2021



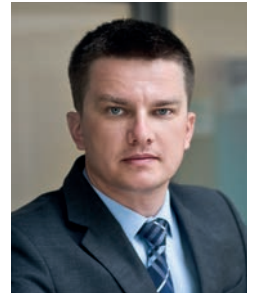
- ✓ Payment of ZUS premiums for July 2021 – other remitters of premiums (excluding individuals who pay only their own premiums and state and local budget entities)
- ✓ Payment to PPK for July 2021



CALENDAR



AUGUST 2021						
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				



PIOTR GRACZ
Head of Business
Services & outsourcing
department

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- ▶ tax services (tax compliance),
- ▶ day-to-day advisory services and hotline consultations in HR and payroll, accounting and tax areas,
- ▶ labor law advisory services,
- ▶ tax, legal and financial advisory services,
- ▶ management advisory services and accounting,
- ▶ audit,
- ▶ reporting and IT solutions.

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We will be happy to meet your needs and offer support.