



## Information

### The new interest rates for accident insurance contributions are already known

The Ministry of Family, Labour and Social Policy has published a draft amendment to the regulation on the differentiation of the interest rate of social insurance contributions for accidents at work and occupational diseases depending on occupational hazards and their effects. The contribution rate for companies employing up to 9 people will continue to be 1.67%.

The Ministry of Family, Labour and Social Policy has published a draft amending the regulation on the differentiation of the percentage rate of social insurance contributions for accidents at work and occupational diseases depending on occupational hazards and their effects. The amended law is to enter into force on 1 April 2024.

The regulation defines new risk categories and the corresponding contribution rates. In relation to the effective law, 31 business groups retained the same risk category and the same contribution rate. The increase in the risk category and, thus, the increase in the contribution percentage rate applies to 1 group, while in the case of 32 groups, the effect of the change in the risk category is a decrease in the accident insurance contribution percentage rate.

The lowest and highest contribution percentage rates for activity groups have not changed in relation to the applicable regulation and will be: 0.67% - the lowest percentage rate, while the highest is 3.33%.

Since the contribution percentage rate for a payer registering no more than 9 insured persons for accident insurance and for contribution payers not subject to entry in the REGON register is 50% of the highest percentage rate established for the given contribution year for activity groups, in the proposed regulation the contribution percentage rate for these contribution pay-

ers will remain unchanged and will amount to 1.67%.

However, those contribution payers who did not submit ZUS IWA information due to the lack of obligation to submit it, pay accident insurance contributions at the percentage rate appropriate for their activity group.

In accordance with the currently applicable law, risk categories together with the corresponding percentage rates for accident insurance contributions for individual groups of activities are determined, by way of a regulation, by the minister responsible for social insurance, which currently is the Minister of Family, Labour and Social Policy. The risk category for an activity group is specified depending on the risk determined by the following frequency indicators: total victims of accidents at work; victims of fatal and serious accidents at work; diagnosed occupational diseases; persons employed in hazardous conditions if the highest permissible concentrations and intensities of factors harmful to health in the work environment are exceeded.



## The amounts of compensation for accidents at work for the next year are already known

**A**t the end of February, an announcement was published setting the amounts of compensation for accidents at work and occupational diseases, which will become effective for the next 12 months on 1 April 2024. The announcement of the Minister of Family, Labour and Social Policy of 21 February 2024 on the amount of one-off compensation for accidents at work or occupational diseases in the period from 1 April 2024 to 31 March 2025 was published in the Journal of Laws under item 162. The announcement states that in the period from 1 April 2024 to 31 March 2025, the amounts of one-off compensation for accidents at work or occupational diseases will be:

- ▶ **PLN 1 431** for each percent of permanent or long-term damage to health;
- ▶ **PLN 1 431** for each percent of permanent or long-term damage to health, for an increase in this damage by at least 10 percentage points;
- ▶ **PLN 25 044** for certification of full incapacity for work and the insured person's inability to live independently;
- ▶ **PLN 25 044** for certification of full incapacity for work and inability to live independently due to deterioration of the pensioner's health condition;

- ▶ **PLN 128 799** if the spouse or child of the deceased insured person or pensioner is entitled to one-off compensation;
- ▶ **PLN 64 399** if a family member of the deceased insured person or pensioner other than the spouse or child is entitled to one-off compensation;
- ▶ **PLN 128 799** if the spouse and one or more children of the deceased insured person or pensioner are concurrently entitled to one-off compensation, and PLN 25 044 for increasing the compensation due to each of these children;
- ▶ **PLN 128 799** if two or more children of the deceased insured person or pensioner are concurrently entitled to one-off compensation, and PLN 25 044 for increasing this compensation due to the second and each subsequent child;
- ▶ **PLN 25 044** if, apart from the spouse or children, other family members of the deceased insured person or pensioner are also concurrently entitled to one-off compensation, each of them regardless of the compensation due to the spouse or children;
- ▶ **PLN 64 399** if only family members other than the spouse or children of the deceased insured person or pensioner are entitled to one-off compensation, and PLN 25 044 for increasing this compensation for the second and each subsequent entitled person.



## New general tax ruling regarding labour costs included in the R&D tax credit

**E**ligible costs for the research and development (R&D) tax credit may also include remuneration for excused absence - according to the latest general tax ruling. The eligible costs for the research and development credit (R&D credit) include liabilities incurred in the given month under the titles referred to in Article 12(1) of the Act on Personal Income Tax and the contributions for these liabilities financed by the payer, specified in the Act on the Social Insurance System, to the extent that the time allocated to the implementation of research and development activities remains in the employee's total working time in the given month, including

liabilities due to the employee's excused absence, which the employer is obliged to cover under separate regulations, including: those regarding leave and sickness - explained the Minister of Finance in the general tax ruling of 13 February 2024 (no. DD8.8203.1.2021). The tax ruling was published in the Official Journal of the Minister of Finance of 21 February 2024 under item 16. In the tax ruling, the Minister confirms that Article 26e(2)(1) of the Act on PIT and Article 18d(2)(1) of the Act on CIT cannot be understood only grammatically. It is necessary to take into account both the systemic and functional interpretation of these provisions and



the results to which their application leads. Therefore, it is reasonable to clearly indicate that the catalogue of revenues specified in Article 12(1) of the Act on Personal Income Tax also includes the employee's income related to excused absence, i.e. remuneration for leave and sickness, not specifically mentioned in the acts. Consequently, individual components of an employee's remuneration, i.e. holiday and sick pay, must be treated as components of the cost of remuneration eligible for research and development tax credit, to the extent that the employer is obliged to bear them under separate regulations and while maintaining all other requirements imposed on the taxpayer by Article 26e of the Act on PIT and Article 18d of the Act on CIT - in particular: determining whether the cost in question is a tax-deductible expense for the relevant fiscal year and determining the employee's involvement in the implementation of research and development activities.

As emphasised in the tax ruling, neither the concept of "working time" nor "general working time" is defined in the income tax acts and, therefore, the concept used in Article 26e(2)(1) of the Act on PIT and Article 18d(2)(1) of the Act on CIT, the phrase: "the employee's general working time in the given month" must be referred to the Labour Code, which contains general labour law provisions, Article 128 § 1 of which stipulates that working time is the time during which the employee remains at the employer's disposal in the workplace or in another place designated for work. Therefore, "an essential element of the definition of working time is remaining at the employer's disposal. This means that working time is not the same as the time of effective (actual) performance of work specified in the contract, but also includes periods of not working during which the employee "remains at the employer's disposal".

One must agree with the position presented in the case law that both holiday leave



time and sick leave time, for which sick pay is due, are not direct work time, but are the employee's employment time, for which the employee is entitled to remuneration resulting from the employment, and the employer has obligations related to the payment of remuneration or the payment of employment-related contributions - as stated in the interpretation.

## Higher limits for persons earning income supplementary to their old-age pension or disability pension as of March

↓ The Central Statistical Office reported that the average salary in the fourth quarter of 2023 was PLN 7,540.36. Therefore, in March, April and May 2024, new, higher limits will apply for old-age and disability pensioners earning income supplementary to their pension. From March 1 to 31 May 2024, the amount of income corresponding to 70% of the average monthly salary announced for the fourth quarter of 2023 (income above this amount will reduce the pension) is PLN 5,278.30 (previously it was PLN 5,036.50). In turn, the amount of income corresponding to 130% of the average monthly salary announced for the fourth quarter of 2023 (income above this amount will mean suspension of the pension) is PLN 9,802.50 (previously it was PLN 9,107.50). It must be noted that these limits change quarterly.

## The tax authorities plan to increase the thresholds in the Accounting Act

↓ The thresholds resulting from the Accounting Act are to be increased by one quarter regarding, inter alia, the obligation to keep the books of accounts and the mandatory audit of financial statements. This is the result of

## In short

adapting Polish regulations to EU directives. These changes mean - firstly, an increase by 25% in the amount of net sales exceeding which results in the obligation to keep books of accounts and apply the Accounting Act. Secondly, increasing by 25% the criteria of net sales and the total assets of the balance sheet the meeting of which allows entities to apply simplifications. **For more on this subject, visit our website.**

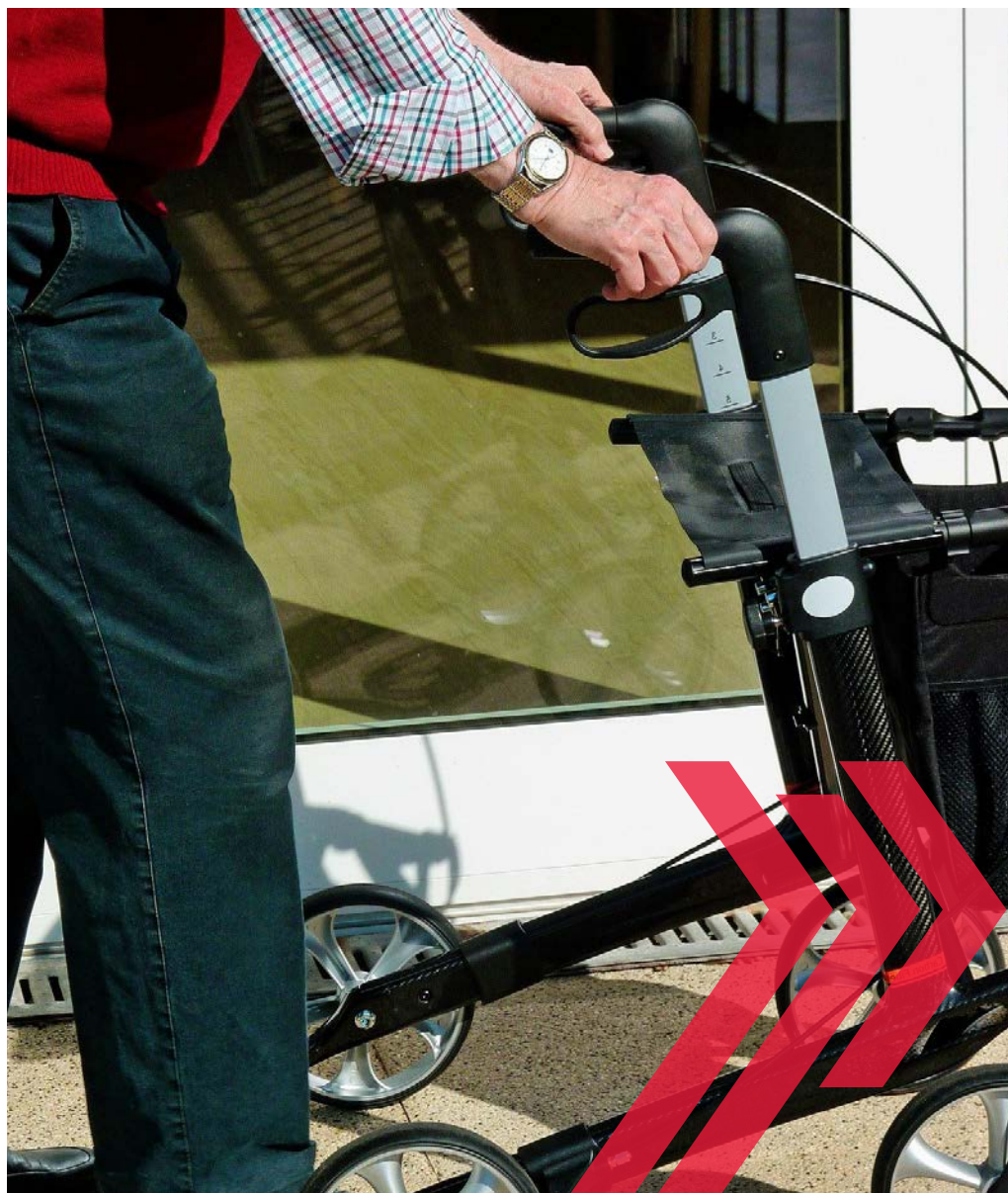
## New consolidated texts of important legal acts have been published

↓ New consolidated texts have been published in the Jour-

nal of Laws: Act on Personal Income Tax (item 226), Act on Tax on Civil Law Transactions (item 295), Act on the Solidarity Fund (item 296), Act on Corporate Social Benefits Fund (item 288), Act on Supplementary Benefits for Persons Unable to Live Independently (item 256).

## A bill introducing a global minimum tax will be released in autumn

↓ The Ministry of Finance announces the introduction of a global minimum tax system for entities belonging to international and domestic groups. By the end of the third quarter, the government



is scheduled to adopt a bill on equalisation taxation of entities belonging to international and domestic groups. The envisaged taxation system is to be based on three types of equalisation tax: global equalisation tax (IIR), national equalisation tax (QDMTT) and tax on under-taxed profits (UTPR). **For more on this subject, visit our website.**

#### **Social insurance benefits paid by the workplace are an expense**

↓ Cash benefits from social insurance paid by the workplace are tax-deductible expenses in the month for which they are due, provided that they were paid or made available on time. The workplace will also include due social insurance contributions in its tax expenses, in accordance with the accrual method. If the benefits are then deducted by the taxpayer from contributions paid to ZUS, this part of the contributions previously recognised in these expenses using the accrual method must be derecognised from the expenses - informed the Ministry of Finance in response to a question from journalists.

#### **Cash accounting PIT for the smallest businesses**

↓ The government published the assumptions for the act



introducing cash accounting PIT for the smallest entrepreneurs. Cash accounting PIT will be available to entrepreneurs who conduct business only individually, if their revenues from this activity in the previous tax year did not exceed PLN 500,000 and entrepreneurs who start running a business. Entrepreneurs who keep books of accounts will not be able to choose cash PIT. **For more on this subject, visit our website.**

#### **A new version of the bill on whistleblowers has been published**

↓ On 6 March, a new bill on whistleblower protection (form no. UC1) was published on the website of the Govern-

ment Legislation Centre. It has a new title. There is also a new catalogue of violations of the law, i.e. actions or inactions that are illegal or intended to circumvent the law, in new areas, compared to the original project. Another fundamental modification concerns the possibility of accepting anonymous reports. The provisions of the act will not apply to information covered by: regulations on the protection of classified information; secrecy related to the pursuit of medical and legal professions; secret of the judge's deliberations; criminal proceedings - regarding the secrecy of preparatory proceedings and secrecy of a court hearing conducted as closed for the public.

## Important interpretations and rulings

### If there is no certificate, the student must be registered with ZUS

➔ The contribution payer is obliged to register a person employed under a contract of mandate for the purpose of social insurance if it is not aware of circumstances excluding this obligation and only the insured person has such knowledge and has not communicated it to the payer. However, if the given person for whom contributions were paid presents a certificate that he/she was a student during this period and was under 26 years of age during the period of performance of the contract of mandate, the payer will, on this basis, deregister him/her from social insurance retroactively - according to an individual interpretation by ZUS of 1 February 2024 (no. DI/200 000/43/89/2024).

### The Supreme Court did not accept the argument that a shareholder may be "illusory" in nature

➔ A shareholder of a two-person limited liability company holding 99% of the shares is not subject to social insurance pursuant to Article 6(1)(5) in conjunction with Article 8(6) (4) of the Act of 13 October 1998 on the Social Insurance System - the Supreme Court ruled in its judgment of 21 February 2024 (case file reference number II UZP 8/23). Thus, the Supreme Court found that a person who holds 99% of the shares in a limited liability company cannot be insured as the sole shareholder. So far, ZUS has claimed that in such a case the second shareholder is an "illusory shareholder" and, therefore, the shareholder holding the 99% share is the only shareholder who has to pay ZUS contributions.

### Group life and health insurance without social insurance contributions

➔ Social insurance contributions cannot be charged on an employee's income from em-



ployment under an employment relationship constituting a financial benefit resulting from collective labour agreements, remuneration rules or remuneration regulations, and consisting in enabling the employee to use articles, items or services against only a partial payment. In this case, the partial payment consists in the employee's participation (even if only symbolically) in covering the costs of purchasing articles, items or services - stated the Social Insurance Institution in an individual interpretation of 5 March 2024 (no. DI/200000/43/209/2024). This answer was given in response to a question regarding the purchase of additional health insurance for employees (Group Life and Health Insurance Medical Care).

### A properly documented purchase of a watch can be charged to expenses

➔ Expense incurred in connection with the purchase of a mechanical wristwatch used to measure the time of providing a legal service may be included in tax-deductible expenses in accordance with Article 22(1) of the Act on Personal Income Tax. It must be noted that the legal counsel, as the entity benefiting from the fact that the expense indicated in the application is included in the tax-deductible expenses, is obliged to demonstrate the cause-and-effect relationship between the incurred expense and the business activity conducted and is obliged to properly document it - according to the individual tax ruling of the Director of the National Revenue Administration Information Center of 15 January 2024 (no. 0113-KDIPT2-1.4011.751.2023.3.RK).

## CALENDAR (most important deadlines)

- ✓ payment of ZUS contributions for February 2024 - other contribution payers
- ✓ payment of the monthly personal and corporate income tax advance for February 2024
- ✓ payment of collected contributions on revenues under employment relationships for February 2024
- ✓ payment by payers of collected income tax advances or lump-sum income tax for February 2024
- ✓ payment of the tax advance collected for February 2024 by the parent company representing the tax capital group
- ✓ payment of the due lump-sum tax if the income on dividend and other revenues due to share in profits of legal persons in February 2024 was expended in violation of the intended allocation specified in the declaration (CIT-5)
- ✓ payment of tax advance by a real estate company for February 2024 (PIT-ISN and CIT-ISN)
- ✓ payment of income tax on revenues on a fixed asset in the form of a building for February 2024
- ✓ PFRON (State Fund for Rehabilitation of Disabled Persons) payment for February 2024
- ✓ payment of the lump-sum on income due to: concealed profits and expenses unrelated to the business activity - if pay-out or expense was incurred or a consideration was provided in February 2024; change of value of assets - if acquisition, transformation was carried out or in-kind contribution was made in February 2024
- ✓ payment of tax on consideration or property the family foundation transferred or put at the disposal in February 2024



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- ✓ VAT payment for February 2024
  - ✓ filing the VAT-8, VAT-9M, VAT-12 declarations for February 2024
  - ✓ sending the JPK\_V7M file for February 2024
  - ✓ sending the JPK\_V7K file for February 2024 (record part)
  - ✓ sending summary information on intra-Community VAT-EU transactions for February 2024
  - ✓ filing the VAT-13 declaration by a tax representative for February 2024
  - ✓ settlement of sugar tax due for February 2024
  - ✓ settlement of tax on retail sale PSD-1 for February 2024
  - ✓ sending documents regarding co-financing of remuneration of disabled employees to PFRON for February 2024



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- ✓ preparation of the annual financial statements for 2023 in an entity whose financial year overlaps with the calendar year
  - ✓ payment of the fee for use of the environment for 2023
  - ✓ payment of the product fee for products for 2023







- ✓ providing the tax office and a corporate income tax taxpayer without a registered office or management board in the territory of the Republic of Poland with information on the amount of IFT-2R revenue (income) obtained for 2023
- ✓ filing CIT-RB and CIT-CSR information for 2023 with the tax office - if the taxpayer's fiscal year overlaps with the calendar year
- ✓ providing the competent head of tax office by the real estate company with CIT-N1 and PIT-N1 information and by the taxpayer being the shareholder of that company with CIT-N2 and PIT-N2 information, respectively, according to the status as at 31 December 2023 - if the fiscal year or financial year of the real estate company overlaps with the calendar year
- ✓ filing the tax return (CIT-8 with attachments or CIT-8AB with attachments) for 2023 with the tax office - if the fiscal year of the taxpayer overlaps with the calendar year, and payment of the amount resulting from the return
- ✓ filing the CIT-8E declaration for 2023 with the tax office and payment of the lump-sum - if the fiscal year of the taxpayer overlaps with the calendar year
- ✓ filing the CIT-8ST information according to the status as at 31 December 2023 with the tax office
- ✓ filing the CIT-8FR declaration by a family foundation
- ✓ reporting data on work in special conditions or of special nature to ZUS for 2023 (ZUS ZSWA)
- ✓ filing the application for refund of old-age and disability pension contributions paid for January 2024 with PFRON by disabled persons conducting a business activity



- ✓ filing the VAT-14 declaration on the amounts of VAT due in the case of intra-Community purchase of motor fuels for March 2024





**PIOTR GRACZ**  
Head of Business  
Services & outsourcing  
department

- ✓ payment of the lump-sum income tax collected in March 2024 on income from dividends and other revenues from share in the profits of legal persons, and providing taxpayers with CIT-7 information
- ✓ payment by the acquiring company of the lump-sum tax on income originating in March 2024
- ✓ filing the declaration of the amount of income from unrealised profits (PIT-NZ and PIT-NZS) for March 2024
- ✓ filing the declaration of the amount of income from unrealised profits (CIT-NZ) for March 2024 and payment of the tax due disclosed in the declaration



- ✓ filing the INTRASTAT declaration for March 2024



- ✓ payment of ZUS contributions for March 2024 - contributions payers having legal personality
- ✓ payment to PPK (Employee Capital Plans)
- ✓ payment of the recycling fee for plastic bags collected in Q1 2024



## CALENDAR



## O BDO

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