Employee payments

Basic contributions financed by the employee are calculated and collected by the employer on the date of payment of wages. Every month, the employee will allocate 2% of his salary to his PPK account. However, in the case of people with the lowest income, the basic payment may be lower. This applies to employees whose total remuneration obtained from various sources in a given month does not exceed the amount corresponding to 120% of the currently applicable minimum remuneration. The basic payment for such persons may be from 0.5% to 2% of the salary.

In addition, the employee may declare financing of additional payments - up to 2% of remuneration. **Basic and additional payments financed by the employee can therefore top up the PPK account up to a maximum of 4% of the monthly salary.**

Employer contributions

The basic contribution financed by the employing entity amounts to 1.5% of the employee's remuneration. The employer cannot resign from making this contribution - it will be statutory obligation. It is also not allowed to deduct this amount from the employee's salary.
Moreover, the employer may declare financing additional payments - up to 2.5% of remuneration. Basic and additional payments financed by the employer may therefore be credited to the PPK account up to a maximum of 4% of remuneration per month.

Welcome payment and annual surcharges from the state

Savers, after meeting the conditions set out in the Act, will also receive funds from a third source - from the state. Once a year, they will receive an annual payment of PLN 240, and they can also count on a one-time welcome payment of PLN 250.

The welcome payment will be given to employees who will be PPK participants for at least 3 full months and make the basic payments for at least 3 months.

On the other hand, the annual payment will be granted to PPK participants, whose basic and additional payments, together with payments from the employer in a given year, will amount to at least 3.5% 6 times the minimum remuneration applicable in the year for which the payment is due. Participants with basic deposits lower than 2% must accumulate at least 25% of the above amount.

However, the annual surcharge is not due if:

- the employer does not pay contributions to the PPK for the employee due to participation in the PPE (Article 13 (2) of the PPK Act);
- a PPK participant in any month in which the amount of basic contributions him less than 2% of his remuneration, achieved the total monthly remuneration from all sources exceeding the amount corresponding to 120% of the minimum remuneration (Article 32 (5) of the PPK Act);

- a PPK participant, after turning 60, started making withdrawals of funds accumulated on PPK account (Article 97 (3) of the PPK Act).

Money management

A financial institution selected by the employer in consultation with employees allocates funds accumulated on PPK accounts in investment funds, which differentiate the level of risk depending on the age of the participant - these are the so-called defined date funds.

Each participant is automatically assigned to a specific defined date fund depending on his date of birth. The PPK participant will invest with the fund, which, as the participant approaches the age of 60, will automatically change the investment policy - in such a way as to ensure the appropriate level of security of the entrusted funds.

Institutions that have been admitted to participate in the system - i.e. to manage funds deposited on the PPK account - must meet a number of restrictive statutory conditions. This is to ensure the safety of savings made by employees. Such an institution must meet the following conditions:

- have at least 3 years of experience in managing open-ended investment funds, pension funds or open-ended pension funds, and in the case of insurance companies - at least 3 years of experience in offering insurance with an insurance capital fund;
- have equity, and in the case of insurance companies - admitted own funds in the amount of at least PLN 25 million, including at least PLN 10 million in liquid funds;
- manage the appropriate number of funds or sub-funds of a defined date.