

An aerial view of a city at sunset, featuring a prominent church spire and numerous buildings with red-tiled roofs. A white network overlay of interconnected nodes and lines is superimposed on the scene. The sky is a mix of orange, purple, and blue.

DOING BUSINESS IN POLAND

ABL

LEGAL SOLUTIONS
ACROSS BORDERS

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Foreword

This publication was prepared by Szmyrka Nawrat & Wspólnicy, an independent member of ABL. It has been designed as a guide to assist foreign businesses and entrepreneurs by answering questions they may have when planning their first venture into the Polish market.

Szmyrka Nawrat & Wspólnicy is an independent business law firm located in Wrocław. Its practice focuses on providing comprehensive assistance to local and international entrepreneurs. We take pride in providing high quality legal advice and reliable, creative, and efficient solutions to facilitate our clients' businesses.

This guide is one of a series of "Doing Business" publications compiled by ABL and its member firms. The ABL network links lawyers around the world. With nearly 1,000 lawyers and 53 offices in 31 countries, ABL allows businesses access to global creative and entrepreneurial legal advice encompassing tax, labor, intellectual property, securities, and mergers and acquisitions.

Up-to-date advice and general assistance on Polish legal matters can be obtained from:



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1. Poland – Country Profile

Poland is a central European unitary state divided into 16 voivodeships, or provinces, covering a total surface area of 312,679 km² and is the ninth largest country in Europe. The Baltic Sea runs along its northern coastline, stretching for approximately 770 km. Poland is bordered by Germany, the Czech Republic, Slovakia, Ukraine, Belarus, Lithuania, and Russia.

Poland is a member of many international cooperative economic, developmental, and security organizations including the European Union (EU), the North Atlantic Treaty Organization (NATO), the Organization for Security and Co-operation in Europe (OSCE), and the Visegrad Group, to mention but a few.

1.1. Population

The current population of Poland is approximately 38.5 million with a population density of around 123 people per km². The capital, Warsaw, is the most populated city in the country with 1.75 million inhabitants.

1.2. Language

Polish, the official language, belongs to the Slavic group of languages and is one of the recognized official languages of the EU.

1.3. Currency

The Polish unit of currency, introduced in 1919, is the złoty (zł or PLN).

1.4. Legal System

Ostensibly, Poland favors the continental or civil law legal system. The German and French legal systems, as well as the consistency of EU-applied legal oversight, have each had a profound impact on Poland's present legal system.

The Polish Constitution of 1997 defines Poland as a parliamentary republic; its political system is based on the principle of separation of powers between the legislative, executive, and judiciary branches of government. Poland is bicameral, having 2 chambers of parliament, the Sejm and Senate. Executive power is exercised by the President, while elected government officials, led by the Prime Minister, oversee the country's legislative tasks. The judiciary branch exercises its power through the courts and tribunals.



2. Economy and Investment

2.1. Economic Climate

A strong economy, a well-educated and competent labor force, and low cost of living make Poland an ideal country in which to invest and develop businesses. With one of the largest potential consumer goods markets in the EU (38 million), a central location at the crossroads of European communication and trade routes, and proximity to the Baltic Sea, Poland is ideally situated to participate profitably in business and trade throughout Europe.

According to a recent report by Ernst & Young, in 2015 Poland ranked first in Central-Eastern Europe investment attractiveness charts based on the number of direct foreign investments and workplaces established. Additionally, data published by Poland's National Office for Statistics (in Polish: Główny Urząd Statystyczny [GUS]) and the Ministry of Development show that Polish exports increased by 7.8% in 2015 and continues to grow; in the first quarter of 2016, this percentage increased by 6.7% compared to the same period in the previous year. Also, by 2015, Poland's gross domestic product (GDP) increased by 3.6%, making the country's economy one of the fastest growing in Europe.

Further, many international reports highlight Poland's economic and political stability as evidenced by its large internal market. Even during the global financial crisis of 2008, Poland was one of the only EU countries to avoid recession in 2009, maintaining positive GDP growth and proving itself as a crisis-resistant European economy. For this reason, Poland has been dubbed "the green island." Poland's stable macroeconomic situation, especially during turbulent market periods, and its well-planned economic policy are acknowledged and appreciated by foreign investors who have decided to invest their capital in the country.

2.2. Investment Opportunities

Poland has developed a broad range of incentives for foreign investors, and many opportunities have been identified to raise additional funds for new investments.

Investing in Poland is aided by Special Economic Zones (SEZs). These are separate administrative areas specifically designated to encourage economic and business development. SEZs offer special conditions such as tax relief, a readily available and competent domestic workforce, and availability of attractively located facilities with the necessary infrastructure as well as those connected with the real property that may be exempt from property taxes.

Additionally, Poland's EU membership guarantees free movement of Polish goods, services, workers, and capital within other member states. For the period of 2014 to 2020, EU membership also entitles Poland to grants co-financed with European funds. Moreover, cash grants are available from the "Program to Support Investments of Major Importance to the Polish Economy (2011-2020)" for selected investment areas created by the Polish government.

Key Polish business sectors with the greatest future investment potential include:

- **Automotive:** Poland is already home to one of the largest automotive industry sectors in Europe, encompassing motor vehicle assembly, a well-established engine manufacturing base, and components/ancillary automotive parts manufacturing
- **Aviation:** All aspects of the industry are encompassed, particularly the production of aircrafts and parts
- **Electronics:** A highly skilled labor force, excellent technical training offered at the country's universities, and its strategic geographical location make Poland one of the most competitive in the European-based electronics industry





3. Conducting Business in Poland

This section provides general information about conducting business in Poland, with particular emphasis on business information for non-Polish nationals. In certain cases, it may be possible to choose the means of conducting business within the Polish legal framework that is best suited to the individual entrepreneur's specific requirements.

3.1. Business Structures

Polish law, following the principle of laissez-faire, offers a broad range of legal structures for conducting business with both Polish and overseas investors. The different types of structures offered by Polish law are similar to those available in other EU member states and include:

- a. Individual business activity, sole trader, or proprietorship (self-employment)
- b. Activity carried out in the form of an "ordinary" business partnership
- c. Partnerships
- d. Companies or corporations

An individual business activity, sole proprietorship, or sole trader, also known as self-employment, is the simplest structure with regard to the legal formalities, completion of paperwork, and the cost and time required to set up the business. This type of structure is available only to individual business people and can be set up via an electronic or written application and entered into Poland's Central Registration and Information on Business register (In Polish: Centralna Informacja i Ewidencja o Działalności Gospodarczej [CEIDG]). Registration is free of charge, and a decision regarding the business' acceptance into the registry can be obtained within 24 hours.

"Ordinary" business partnerships, limited partnerships, and limited joint-stock partnerships may be established by individuals, partnerships, or corporations. Conversely, a "limited liability partnership" can only be created by individuals and is generally used by the so-called "professions" such as attorneys at law, architects, and accountants.

Similarly to most other European jurisdictions, Polish companies can be divided into 2 types. The first type is the "limited liability" (also known as "private limited") company. The second type, the "corporation," is also known as a "public limited company" or "joint-stock company" and can be distinguished from the first type by its ability to offer shares to the public.

It is important to note that a joint-stock company is not a recognized legal structure in Anglo-American jurisdictions, and the term is not commonly used in these jurisdictions. However, in many European countries, "joint-stock company" is the preferred and common term used to describe a company that is able to sell shares or stock, but that does not necessarily trade on the stock market.

EU companies, as well as some other entities with special status, can conduct business in Poland using all the legal structures available to naturalized Polish citizens. However, companies set up outside the EU, the European Economic Area (EEA), and other states which are not parties to the EEA agreement but can benefit from trading freely through agreements made with the EU and its member states. Such countries are then able to run their business as a limited partnership, limited joint-stock partnership, limited liability company, or joint-stock company.

In addition to the business structures mentioned above, foreign entrepreneurs can also create branches and representative offices of their businesses in Poland.

The choice of the appropriate legal structure and the final decision on how to run a business in Poland are guided by the amount of initial capital, the scope of the partners' liability, the ability to comply with required legal formalities, and the amount of time and cost of setting up the business.

3.2. Setting Up a Business

This subsection discusses the previously mentioned limited partnership, limited joint-stock partnership, limited liability company, and joint-stock company in terms of the most attractive business structures for overseas entrepreneurs wishing to set up a business in Poland.

Of all of these business structures, the limited liability company may offer the most benefit to foreign entrepreneurs, with the most significant advantage being its separate legal personality from its shareholders. Consequently, a shareholder's liability is limited only to the amount of share capital they have contributed.

Another major advantage offered by a limited liability company may be the relatively low cost of its establishment, which can be even further reduced by founding the company using "modal articles of association," the template of articles of association which may be used to establish a limited liability company and is easily accessible from via the Polish Ministry of Justice website. . An additional benefit may be that a limited liability company can be established by a single shareholder--an attractive option for some entrepreneurs.

In establishing a limited liability company, shareholders must contribute toward the share capital and set up a management board and/or supervisory board or an audit committee; the latter may be the case if required by Polish law or by the articles of association. The limited liability company takes on legal personality once it has been entered into the National Court Register (in Polish: Krajowy Rejestr Sądowy [KRS]); however, the company may be able to start trading earlier as a limited liability company "in process" once the articles of association have been executed.

The joint-stock company (or corporation) is the most complex of the Polish legal business structures, as it can potentially conduct business on a large scale and generate substantial profit. For these reasons, it is the structure most often chosen by large businesses or organizations. As is the case with limited liability companies, the shareholders of a joint-stock company are obliged to make contributions towards the share capital, and a management board must be appointed. Furthermore, the company's constitution, or by-laws, must be executed in the form of a deed. Unlike a limited liability company, however, the appointment of a supervisory board is always compulsory for a joint-stock company. As with a limited liability company, a joint-stock company's legal personality is established once it has been entered into the KRS and is entitled to begin trading earlier as a joint-stock company "in process" once the constitution has been executed. An advantage of this form of business is, among other things, the lack of shareholder liability for the company's debts.



In a limited partnership, the partnership agreement that establishes the company should be concluded by deed or by using a template available on the platform accessible via the Polish Ministry of Justice website; this may provide greater convenience for applicant entrepreneurs. It should be stressed, however, that there is no requirement to contribute toward any initial capital for this type of structure. A limited partnership is established once it has been entered into the KRS.

A limited joint-stock partnership, also referred to as a “partnership limited by shares,” must also be established by deed. This partnership is established once it has been entered into the KRS. The advantage of this type of partnership is that, in addition to shareholders not being liable for the partnership’s debts, it may raise capital by issuing shares.

3.3. Capital Requirements

Initial share capital is not required to set up a sole proprietorship, an “ordinary” business partnership, or any of the other type of partnership. There are certain exceptions: a limited joint-stock partnership requires 50,000 PLN initial capital; a limited liability company, 5,000 PLN; and a joint-stock company, at least 100,000 PLN.

3.4. Overseas Company Branches

A foreign (overseas) company can set up a branch and conduct business in Poland to the same extent it carries out business in the country where the company was originally established or registered. Unless ratified international agreements dictate otherwise, setting up an overseas company branch is based on reciprocity. Branches operate without legal separation from the overseas entrepreneur and begin trading after being entered into the entrepreneurs’ register of the KRS. As of 2016, stamp duty for such an entry amounts to 500 PLN. Furthermore, foreign entrepreneurs are obliged to appoint a person authorized to represent them at the overseas branch. Overseas company branches are subject to limited tax liability in Poland, meaning that the company pays corporate income tax (CIT) only on the income earned in Poland. Foreign entities, as a general rule, do not pay taxes in Poland on income sourced from abroad.

Overseas entrepreneurs can also conduct business in Poland through a representative office; however, the activity of such an office is limited only to advertising and promotion. As is the case with an overseas company branch, the representative office operates without legal separation from the entrepreneur and the country in which the business was originally set up or registered. A representative office can commence operations as soon as it has been entered in a register of representative offices for non-national entrepreneurs maintained by the economy minister.



4. Taxation

Whether an individual or legal entity is subject to tax in Poland is determined by the location of the individual's place of residence, or company seat. If it is in Poland, the individual or company will be classified as "resident" and subject to unlimited tax liability on all income earned, regardless of the country from which the income was obtained. An individual or legal entity that is not "resident" in Poland is classed as "non-resident" and will therefore be subject to limited tax liability on only the income obtained in Poland.

Polish taxes are classified as either "direct" or "indirect." Direct taxes concern the taxpayer's income, specifically on the effects of his business activity, and include:

- Personal income tax (PIT)
- Corporate income tax (CIT)
- Inheritance and donation tax
- Transaction tax
- Tax on means of transport
- Agricultural, forest, and property taxes
- Tonnage tax
- Tax on mineral extraction

Indirect taxes apply to the purchase of certain goods and services and include the value added tax (VAT), excise tax, and games tax.

4.1. Corporate Income Tax (CIT)

CIT is paid mainly by legal entities such as limited liability companies, joint-stock companies, and limited joint-stock partnerships. CIT taxpayers can be within a tax capital group, an economic structure of 2 or more capital companies. The amount of the tax is calculated based on a flat tax rate which pertains to the company's tax base. The tax base is the company's income after mandatory deductions. In most cases, the tax rate is 19%. Non-resident taxpayers are subject to limited tax liability only on income obtained in Poland. Furthermore, overseas company branches that are not separate tax entities in relation to the parent company are also subject to limited tax liability. As a general rule, all income obtained in Poland by the overseas branch belongs to the overseas company, which is only liable for tax on income obtained in Poland.



4.2. Personal Income Tax (PIT)

PIT is payable by individuals, including those employed by a company, sole proprietors, partners trading within a partnership (including “ordinary” business partnerships, limited liability partnerships, and limited partnerships). In this case, the individual’s share in the partners’ profit is taxed, not the income of the partnership as a whole. The tax base is the income after any mandatory deductions, such as for social security. That said, the vast majority of PIT payments come from employees and pensioners. The PIT personal allowance threshold is 3,091 PLN per year. Furthermore, PIT has a 2-level progressive scale of 18% for incomes up to 85,528 PLN per tax year, and 32% for incomes over 85,528 PLN per tax year. Over and above this amount, the taxpayer needs to pay 14,838.02 PLN plus 32% on any amount over 85,528 PLN (see table). However, entrepreneurs may choose a 19% proportional tax rate instead of the progressive rate.

PIT Rates

Tax Calculation Base (PLN)		Tax Rate
Over	To	
	85,528 PLN	18% minus a personal allowance of 556.02 PLN
85,528 PLN		14,839.02 PLN plus 32% of amount over 85,528 PLN

Taxpayers classified as “non-resident” in Poland are subject to limited tax liability only on income generated in Poland.

4.3. Withholding Tax (WHT)

WHT is a levy on certain taxable payments made by a Polish taxpayer to

a non-resident, which can be deducted from such payments as a lump-sum income tax. Similarly to CIT, WHT is applied to dividends at a tax rate of 19%; license dues at a rate of 20%; interest at a rate of 20%; and intangible services at a rate of 20%. Conversely, with PIT, revenues from professional services have a tax rate of 20%; interest at a rate of 19%; license dues at a rate of 20%; dividends at a rate of 19%; and other revenues from company profits at a rate of 19%. Regulation concerning WHT is applied with regard to agreements on the avoidance of double taxation ratified by Poland. However, the application of a tax rate under the relevant agreement or a non-collection of tax agreement is possible, provided the taxpayer can produce a certificate of residence.

4.4. Value Added Tax (VAT)

VAT, in principle, is the difference between the VAT from the sale of goods to customers (output tax) and the VAT paid on the purchase of goods (input tax). VAT is generally chargeable on goods and services supplied by companies or corporations, partnerships, and sole proprietorships above a certain income threshold (or if chooses to be registered for VAT purposes). In Poland, VAT is applicable to the supply of goods and services for payment, the export and import of goods, the intra-community acquisition of goods for payment (specifically, within the EU), and the intra-community supply of goods; the current VAT rates in Poland are 23%, 8%, 5%, and 0%, respectively.

4.5. Other Taxes and Incentives

Other taxes payable within Poland are described below.

Excise duties: Indirect taxes on the sale or use of specific products, they are usually applied as an amount per quantity of the product. Goods that are subject to excise duties include energy materials (for example, coal as an energy product), alcoholic beverages, and passenger cars. Tax rates vary and depend on the product.

Games tax: Relates to the organization of games of chance (gambling) and the participation in poker played as tournament poker. The tax rates differ depending on the type of game and vary between 2.5% and 50%.

Transaction tax: Tax levied on specific transactions such as certain types of contracts; for example, sale agreements, loan agreements, gifts, mortgages, and any other transactions designated by Polish Act on Transaction Tax. These transactions relate to goods purchased or property rights exercised in Poland. Tax rates vary and depend on the type of good purchased or the property right exercised. For example, the rate for the sale of real estate is 2%.

Inheritance and donation tax: Payable by anyone who has received property via inheritance or as a gift from a friend or family member. As a general rule, the closer the degree of relationship between the bequeathor (giver) and the beneficiary (receiver), the lower the tax burden. Tax relief may be possible for close relatives provided the relevant Revenue Office is notified of the bequest within 6 months. Tax rates vary depending on the degree of consanguinity or relationship between the bequeathor and beneficiary.

Tax on means of transport: A local tax paid by individuals using any means of transport designated in Poland's Local Taxes and Charges Act; for example, trucks over a certain weight. As a general rule, this tax is connected with ownership, but in some exceptional cases applies to possession and exploitation of the means of transport.

Financial incentives offered by Poland to attract foreign businesses are described below.

Special Economic Zones (SEZs): Poland has set up several SEZs as an incentive to foreign companies. Currently, there are 14 SEZs specifically designated in which businesses can trade and benefit from preferential terms. Overseas companies who have been authorized to operate within an SEZ are entitled to tax relief and certain business exemptions. As a result, foreign entrepreneurs can receive support in the form of income tax returns ranging from 50% to 70%. Furthermore, entrepreneurs may also be exempt from property tax or can receive support for employee training. Companies can also receive help with the investment process from the SEZ management; for example, through facilitating local government contracts.

Agreements on the avoidance of double taxation: Poland is a signatory to over 90 agreements on the avoidance of double taxation. These agreements are in place to help resolve this problem for foreign companies who may, in the absence of any agreement, be taxed in Poland as well as in their country of origin for the same taxable item.



5. Employment and Social Security

5.1. Work and Residence Permits

A work permit is a document that entitles a foreign national to work legally in Poland. It is issued by the voivodship or provincial office that oversees the employer's seat or place of residence.

Generally speaking, nationals from EU member states do not require work permits to work in Poland, and there may be other situations for which a work permit is unnecessary. For example, a foreign national who holds a permanent residence permit issued in Poland or an EU long-term residence permit, or who benefits from temporary protection in Poland, generally does not require a work permit.

Non-EU nationals from countries to which no other exemptions from obtaining a work permit apply are entitled to work in Poland under an employment contract or a contract under civil law. A work permit will generally be granted if the foreign national legally resides in Poland on the following conditions:

- a. A Polish visa has been granted to the foreign national
- b. A Schengen visa or other residence document issued by another Schengen area member state has been granted to the foreign national
- c. The foreign national holds a temporary residence permit
- d. The foreign national is able to travel without a visa, if the provisions of an agreement concerning visa-free travel stipulate such an option

Non-Polish nationals who intend to stay in Poland for more than 3 months may apply for temporary residence, which is granted by the local voivodship or provincial office for a maximum period of 3 years. A non-Polish national may, under certain conditions, apply for permanent residence, which may be valid for up to 10 years.

Any remuneration received by a non-Polish national must not be lower than that of Polish employees performing comparable work for the same period of time.





5.2. Hiring Local Employees

The primary legal basis for employment in Poland is the employment contract, perhaps the most advantageous with respect to employee entitlements. Other forms of employment include appointment, nomination, and election. Apart from this area, governed by the Polish Labour Code, there are also a few other employment options; however, these are regulated by the Polish Civil Code and include service contracts and contracts for specific tasks.

The Polish Labour Code stipulates several types of employment contracts:

- a. Employment contract for a trial period
- b. Fixed-term employment contract: Utilized when there is a restriction stipulated by the Polish Labour Code on the number of the subsequent employment contracts with the same employer concluded for a fixed-term period
- c. Employment contract for an indefinite period of time
- d. Temporary work: In this case, an employee concludes a contract with a temporary employment agency with a so-called “user employer.” This type of contract may be an attractive option when hiring for seasonal, periodic, and/or short-term work.

Weekly working hours cannot exceed 8 hours a day and 40 hours a week; the average working week is 5 days. The weekly working period, including overtime, cannot exceed 48 hours a week on average. Working on Sundays and holidays is allowed in situations specified by the Polish Labour Code.

Additionally, the Polish Labour Code provides a guaranteed minimum salary for full-time employment which, as of 2016, amounts to 1,850 PLN gross.

5.3. Termination of Employment

With regard to employment contracts, the Polish Labour Code stipulates the ways in which employment can be terminated. Contracts may be terminated:

- a. Upon the agreement of both parties
- b. By one of the parties (employer or employee) with notice period
- c. By one of the parties (employer or employee) without notice period

Also, a contract concluded for a fixed term also terminates at the end of the agreed term. If the contract is terminated upon the agreement but on the employer's initiative and the grounds for termination are attributable to the employer, the employer might be required to pay the employee severance pay. The amount of severance pay depends on the employee's period of employment for that specific employer.

The conditions which must be fulfilled in order to terminate an employment contract with notice depends on the time period for which the contract has been concluded; specifically:

- a. For a trial period, the notice period varies from 3 working days to 2 weeks, depending on the length of time for which the contract has been concluded
- b. Replacement contract: 3 working days
- c. Fixed-term contract and a contract for an indefinite term: The notice period varies from 2 weeks to 3 months, depending on the period of employment; however, for contracts concluded for an indefinite term, there is a second condition: the employer must give the employee a specific and genuine reason for notice.

Termination of employment by the employer without notice is conditional on an employee's specific actions, making the termination the employee's fault (for example, a serious breach of basic employee duties or culpable loss of the rights required to work in the position held). However, employment may also be terminated even if the employee is not at fault but is unable to work due to disability caused by an illness or a long-term, justified absence from work.

Another form of employment termination can apply when, generally speaking, the employer, under the rules stipulated by the Polish Labour Code, intends to revise the conditions of engagement currently in force to conditions less favorable to the employee regarding work conditions or salary. The employment contract notice provisions fully apply to notice of changes, meaning a specific and genuine reason for the change must be given. If the employee does not accept the new conditions, the contract is terminated.

At the same time, Polish Labour Law constitutes a specific employee protection system under which employers are prohibited from giving notice to certain employees and, in some cases, are also prohibited from terminating an employment contract without notice. This protection covers employees who find themselves in a particular situation or who belong to a specific protected group, such employees who are on vacation, maternity, or paternity leave; employees approaching retirement age (for example, employees who have less than 4 years before being entitled to a pension if the allowed by the employment period); employees who are pregnant; and union activists.

5.4. Social Security System

The Polish social security system includes:

- a. Retirement pension insurance
- b. Disability and bereavement pension insurance
- c. Sickness insurance, intended to provide a remuneration substitute in case of employee absence due to illness, pregnancy, or child care need
- d. Work accident insurance, covering sickness allowances for employee incapacity due to a work accident or occupational disease
- e. Health insurance intended to finance medical care.

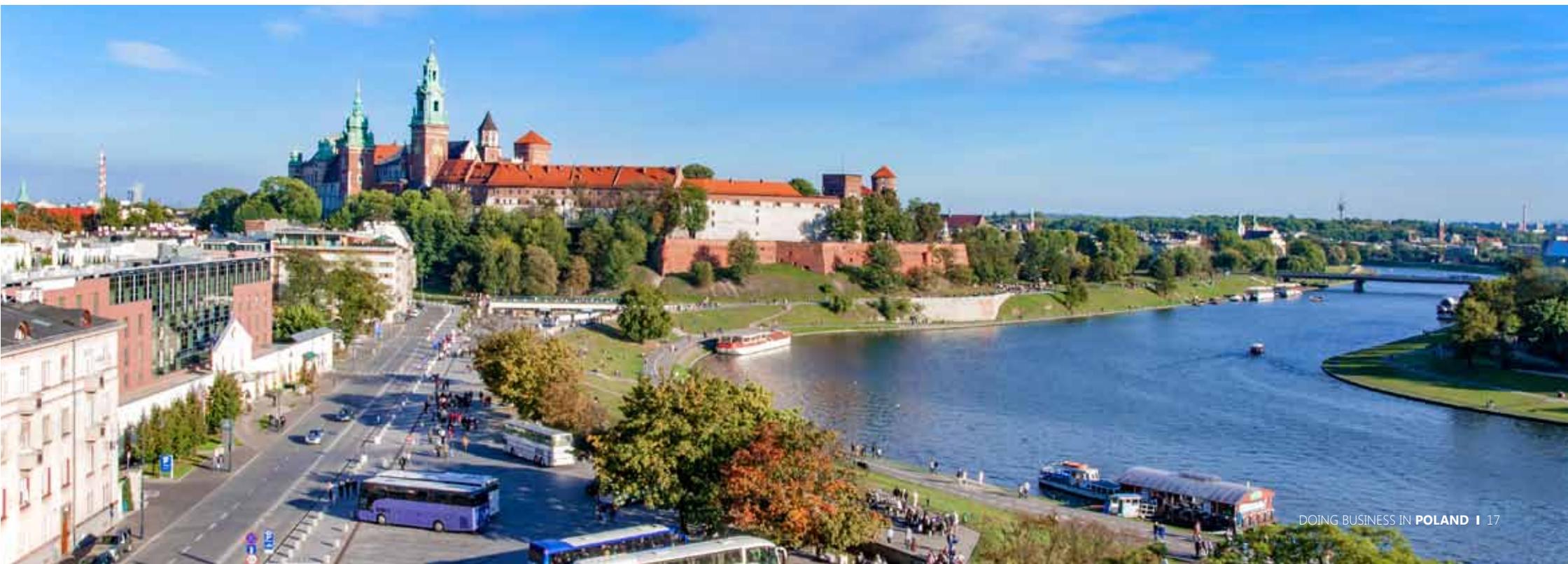
The social security system in Poland is based on compulsory insurance, which relates to employees, freelancers, contractors, and the self-employed; and voluntary insurance for those who do not fulfill the conditions for compulsory insurance.

Revenue for the Social Insurance Fund (in Polish: Fundusz Ubezpieczeń Społecznych [FUS]), which is governed by the Social Insurance Institution (in Polish: Zakład Ubezpieczeń Społecznych [ZUS]) comes from social insurance contributions. The contribution rates depend on the type of insurance, which are as follows as of 2016:

Type of Insurance	Contributions in General (%)	Insurance Payer (%)	Insured Party (%)
Retirement pension insurance	19.52	9.76	9.76
Disability and bereavement pension insurance	8.00	6.50	1.50
Sickness insurance	2.45	--	2.45
Work accident insurance	0.40-3.60	0.40-3.60	--
Health insurance	9.00	--	9.00

The proportion of the insurance payer's or insured party's contribution depends on factors such as whether the insured party is an employee or contractor under a service contract. A self-employed person will pay the contribution in full as he or she operates as both the insured party and the insurance payer. Individuals insured under an employment contract or service contract or who are self-employed must pay for each type of insurance with the exception of sickness insurance, which is voluntary for contractors and the self-employed. However, declining sickness insurance coverage may result in loss of entitlement to the benefits it covers for illness and maternity.

The contribution assessment criteria vary and depend on the form of employment. In most cases, criteria can be based either on personal income (in relation to employees and contractors under a service contract) or on the amount declared by the insured party, but not less than that stipulated by the social insurance system act in the case of those who are self-employed. For example, as of 2016, the lowest contribution for an individual running a business as a sole trader amounts to 1,121.52 PLN including health insurance and other compulsory contributions. The system also provides a generous incentive to anyone starting a business for the first time; the insured person will pay less than half of the above amount, or 465.28 PLN. Finally, regardless of the way contributions are made, taxpayers are entitled to deduct any contributions in their annual income tax returns.





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