



Employee Capital Plans





Employee
Capital
Plans

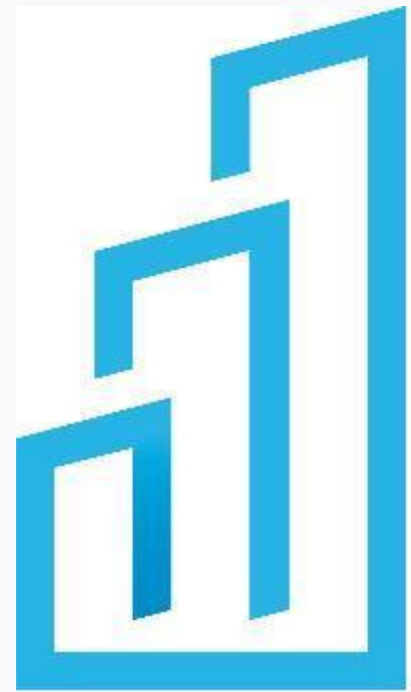
MAIN ASSUMPTIONS





WHAT IS PPK?

EMPLOYEE CAPITAL PLANS (PPK)



Employee Capital Plans

PPK is a new private, common and voluntary system of long-term savings designated for **12,3 mln employees**, based on the co-operation between employers, employees and the state.

The system is an opportunity to improve the standards of the Polish labour market. It will also increase the **financial security of Polish citizens after retirement** and strengthen the capital market.



PPK'S MAIN AIMS

EMPLOYEE CAPITAL PLANS (PPK)

PPK has been established for the employee to regularly gather savings with the aim to withdraw them after reaching the age of 60

- ◆ ◆ ◆ Increasing employee's financial security
- ◆ ◆ ◆ Improving the quality of life of Polish citizens after retirement
- ◆ ◆ ◆ Improving the structure of savings accumulated by households
- ◆ ◆ ◆ Raising the level of national savings and reducing foreign debt of the economy
- ◆ ◆ ◆ Enhancing the economy's long-term development potential



PROGRAMME STRUCTURE

EMPLOYEE CAPITAL PLANS (PPK)



FINANCIAL INSTITUTION SELECTION
IN AGREEMENT WITH THE EMPLOYEES



Supervision over the
financial institutions



**Funds withdrawal after reaching the age
of 60**
Possibility of earlier savings withdrawal before
exceeding the age of 60 on the conditions specified in
the PPK Act

Target Date Fund
2025

Target Date Fund
2030

Target Date Fund
2035

Target Date Fund
...



CONTRIBUTIONS AND SAVING SYSTEM

EMPLOYEE CAPITAL PLANS (PPK)



THE EMPLOYER

1,5%

Basic contribution

+

2,5%

Additional voluntary contribution



THE STATE

250 zł

One off welcome contribution

+

240 zł

Annual surcharge



THE EMPLOYEE

2,0%

Basic contribution
Can be decreased to 0,5% for employees earning less

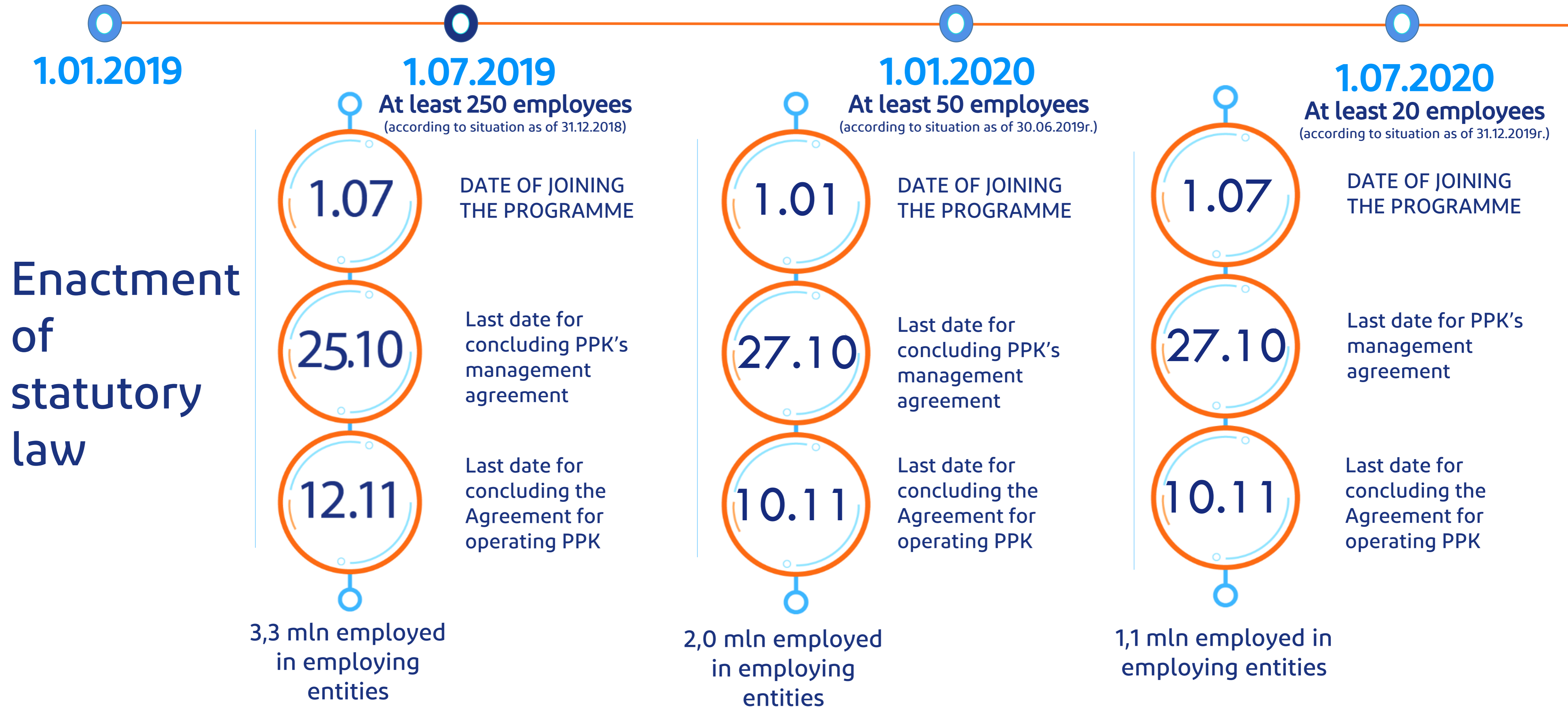
+

2,0%

Additional voluntary contribution

SCHEDULE

EMPLOYEE CAPITAL PLANS (PPK)





Employee
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Plans





THE EMPLOYEE



PPK PARTICIPANT

THE EMPLOYEE



18 - 55 YEARS OLD

**AUTO -
ENROLMENT**

The employee can resign from participating in PPK through submitting a written resignation declaration to the employer

**55+ - 70 YEARS
OLD**

BY APPLICATION

You can join by submitting the declaration of accession to your employer

70+ YEARS OLD

UNABLE TO JOIN



PPK PARTICIPANT

THE EMPLOYEE



+



Employee
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=

**PERSONAL PPK
ACCOUNT
MANAGED BY
THE FINANCIAL
INSTITUTION**



THE EMPLOYER

1,5%

Basic contribution

+

2,5%

Additional voluntary contribution



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Can be decreased to **0,5%** for employees earning less

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Additional voluntary contribution



BENEFITS

THE EMPLOYEE

**While saving
the participant
can:**

- ◆◆◆ Withdraw the funds in exceptional situations
- ◆◆◆ Withdraw funds at any time (refund)
- ◆◆◆ Transfer the funds to a different PPK account



BENEFITS

THE EMPLOYEE

WITHDRAW FUNDS IN EXCEPTIONAL SITUATIONS

Up to
25%

Your, your co-spouse or your child's serious illness

Up to 100%

For those below the age of 45, if they are willing to cover their own contribution by taking credit for a flat or house building

RETURN OF FUNDS AT ANY MOMENT

Capital gains tax

Surcharges from the state – the annual and welcome payments

30% of the value of your employer payments

Before reaching
the age of 60,
the participant
can:



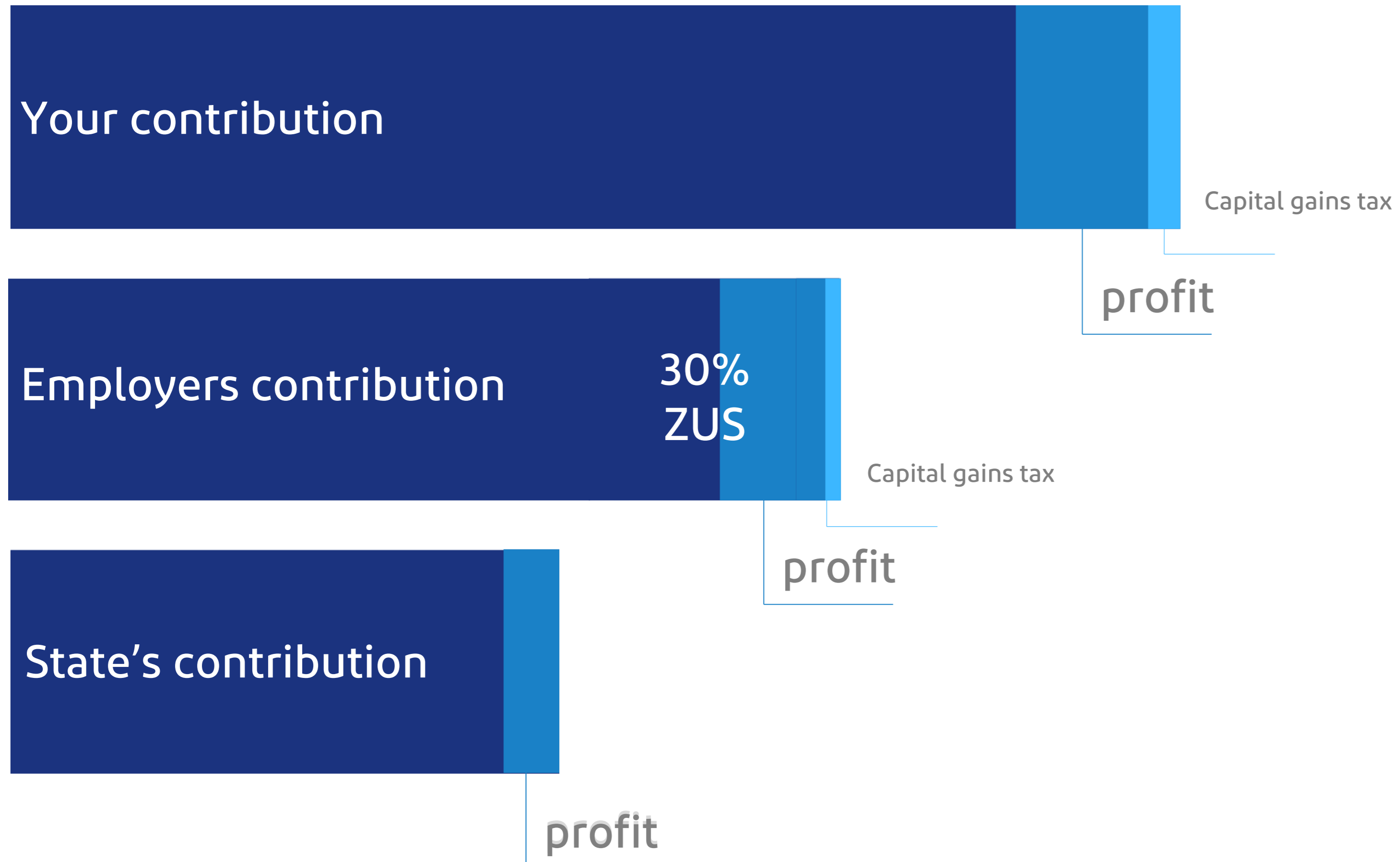
REFUND
THE EMPLOYEE

**A PPK account
managed by
a chosen financial
institution**

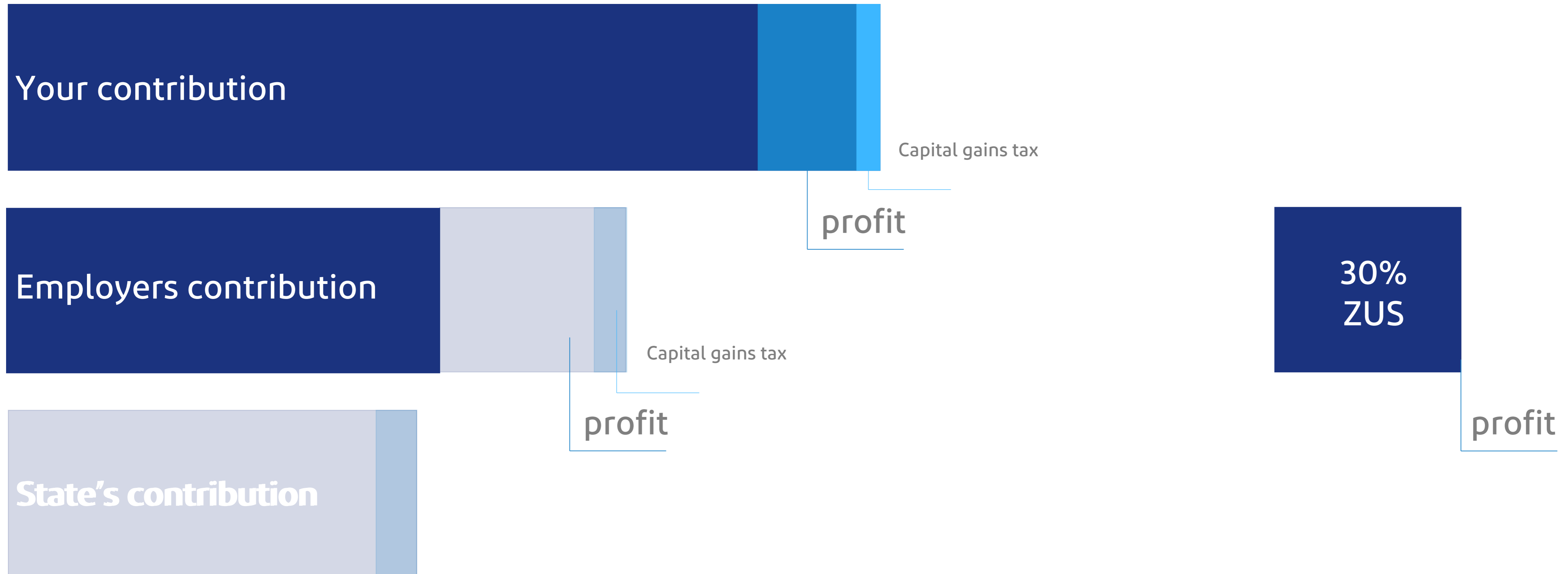
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**Your
assets**

Your assets



Your assets





BENEFITS

THE EMPLOYEE

After exceeding
the age of 60
the participant
can:

Withdraw the funds in the most convenient way

100%

Funds will be withdrawn in 120 monthly installments, as recommended in the legislation

25%

Of the accumulated funds at once

75%

Remaining funds will be withdrawn in monthly installments over the course of 120 months (10 years)



DIVISION OF FUNDS IN EXCEPTIONAL SITUATIONS

DIVISION OF FUNDS



THE EMPLOYEE

Division of funds in case of participant's death

*if married before passing away

If you were married, half of the funds gathered by you (in scope in which those funds constituted the subject of joint marital property ownership), will be:

- ▶ **Transferred to PPK, IKE or PPE**
- ▶ **Returned in cash**
(at the application of one's spouse)

The funds gathered by you that will not be provided to your spouse will be provided to the beneficiary (authorised persons specified by you)



DIVISION OF FUNDS

THE EMPLOYEE

Your
PPK savings

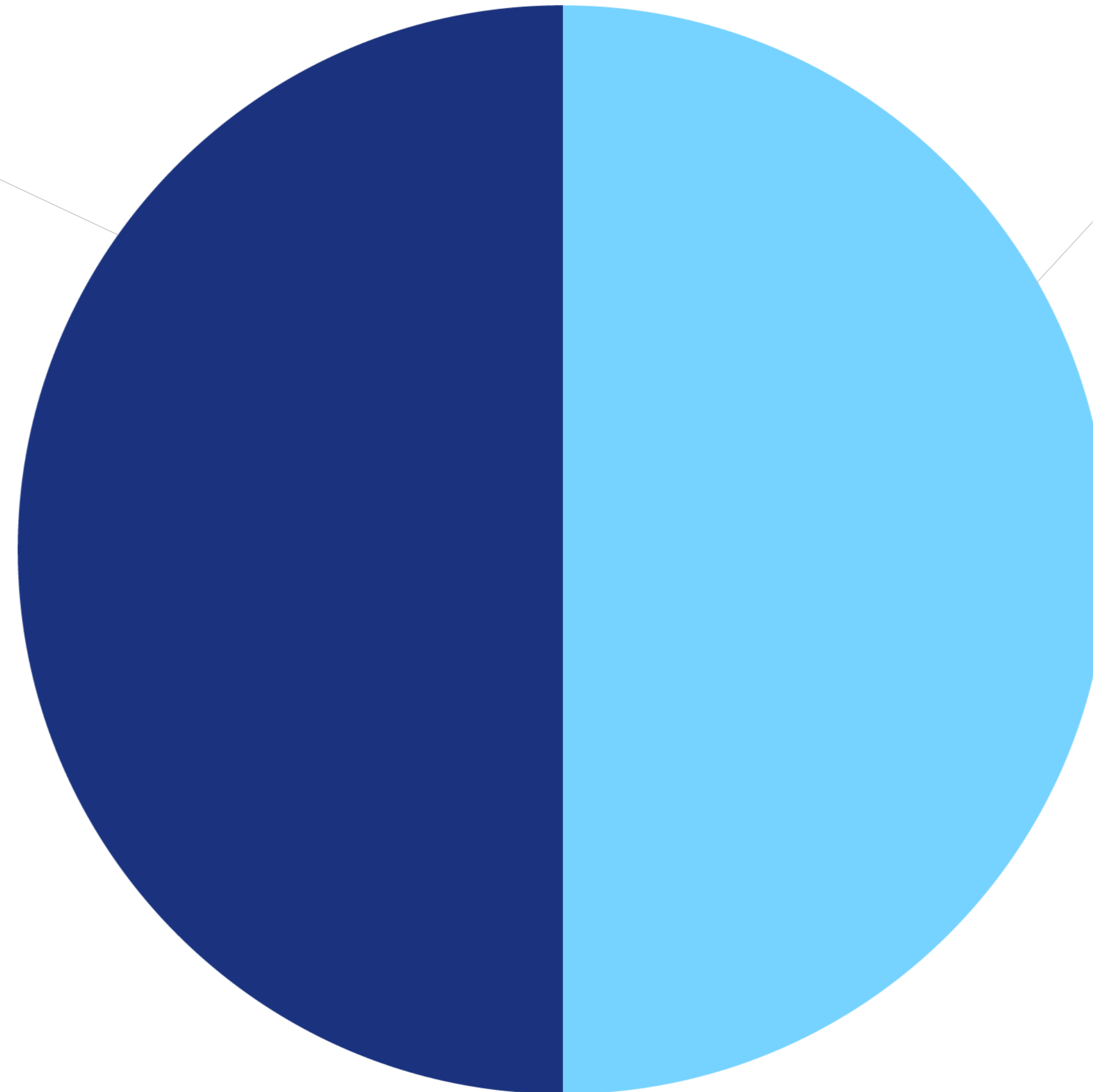
In case the PPK member was married
at the time of death.



DIVISION OF FUNDS

THE EMPLOYEE

The Financial Institution refunds half of the gathered funds to the account of the spouse of the deceased PPK member (to the extent of the joint property of spouses).



The rest of the funds are transferred to the designated entitled persons or to the statutory heirs of the PPK member

In case the PPK member was married at the time of death.

DIVISION OF FUNDS



THE EMPLOYEE

- ◆◆◆ Funds gathered within PPK that your spouse is entitled to as a result of common property division, will be provided in the form of transfer to its PPK account
- ◆◆◆ If the former spouse will have more than one PPK account, the payment will be transferred to the account specified by them in the application



Division of
funds in case
of divorce

DIVISION OF FUNDS

THE EMPLOYEE



PPK savings of
the wife

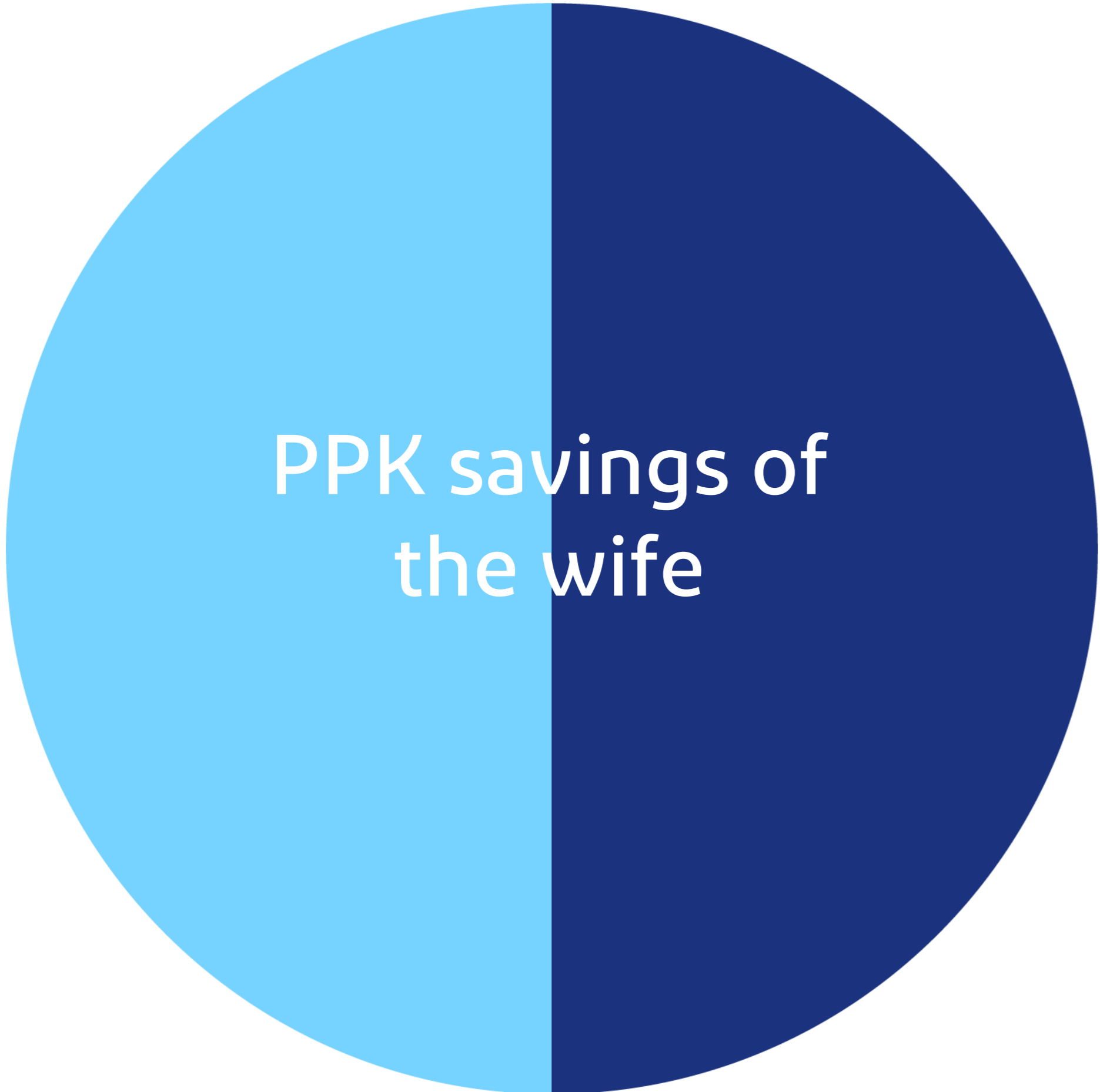
Transfer
withdrawal

PPK savings of
the husband

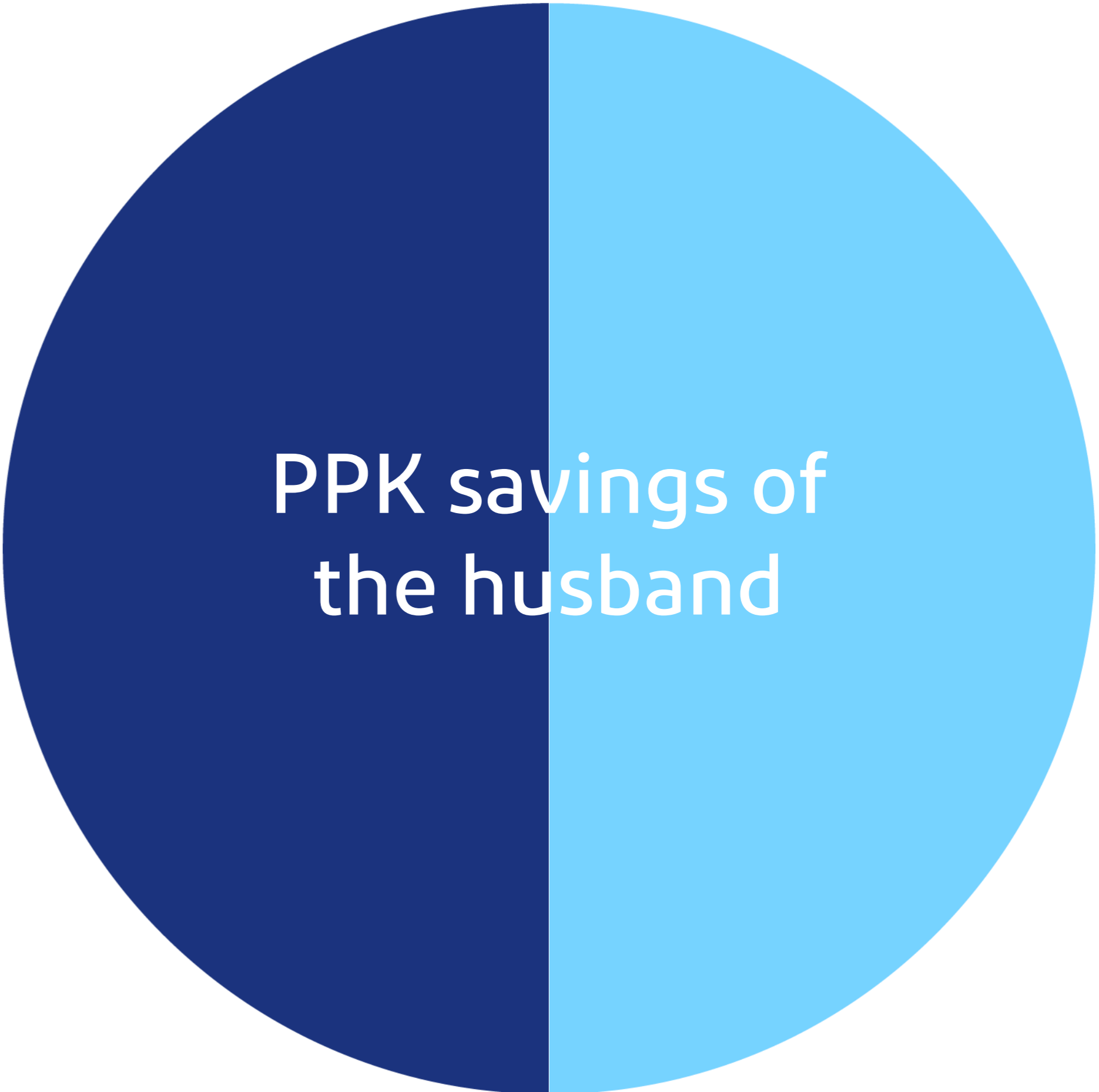
The funds of spouses before divorce.

DIVISION OF FUNDS

THE EMPLOYEE



Transfer withdrawal



The funds of spouses after divorce.

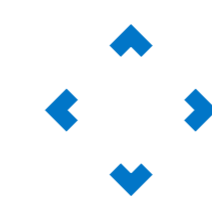
DIVISION OF FUNDS



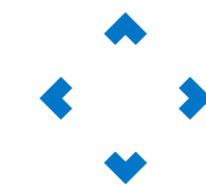
THE EMPLOYEE

If the former spouse does not have a PPK account

The funds that the former spouse is entitled to as a result of property division would be provided in the form of:



cash
(with deductions)



a transfer to the account of the fixed-term deposit (on certain conditions)



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THE EMPLOYER





THE EMPLOYER

1,5%

+

2,5%

Basic contribution

Additional voluntary contribution



THE STATE

250 zł

+

240 zł

One off welcome contribution

Annual surcharge



THE EMPLOYEE

2,0%

+

2,0%

Basic contribution
Can be decreased to
0,5% for employees
earning less

Additional voluntary contribution



STEP 5: Obligation of Information

AT THE START



Before concluding the agreement for operating the PPK the employer can inform all his employees about the conditions regarding participation in PPK and the benefits that come from contributing.

OBLIGATIONS

THE EMPLOYER



Employees between 55 and 70 years old

Informing employees over 55, but below 70, about the possibility of concluding the Agreement for operating PPK in their name

Transfers

The duty to submit an application for the transfer on behalf of the employee

Auto-enrolment

Every 4 years the employer has the duty to inform his employees **who resigned** from saving with PPK about renewing the process of paying contributions into their account.

Additional contributions

Informing PPK participants about the possibility of decreasing their basic contribution or increasing their voluntary contribution.



◀ **THE EMPLOYER
HAS THE DUTY
TO INFORM THE
EMPLOYEES**



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THE STATE





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OBLIGATIONS

THE STATE

WELCOMING CONTRIBUTION

CONDITIONS OF OBTAINING

- Three full months of saving in PPK;
- Performing three basic payments to the PPK account

CONDITIONS OF THE TRANSFER

- The welcome contribution is transferred in 30 days after the end of the quarter by the Work Minister via the Polish Development Fund (PFR)



OBLIGATIONS

THE STATE

CONDITIONS OF OBTAINING

The basic and additional contributions in a given year amount to at least 3,5% counting from the 6 times the amount of the minimum remuneration in the year for which the surcharge is due.

CONDITIONS OF THE TRANSFER

The annual contribution is handed over in order to register it on the account until the 31st of March every year (registered until the 15th of April following the calendar year, in which it is due)

**ANNUAL
CONTRIBUTION**



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THE FINANCIAL INSTITUTION



THE FINANCIAL INSTITUTION

- ◆ **PPK funds will only be managed by financial institutions meeting these strict criteria:**

EXPERIENCE

Has at least 3 years of experience in managing open-end investment funds, pension funds and open pension funds.

In the case of insurance companies – at least 3 years of experience in offering unit-linked insurance policies

NUMBER OF FUNDS

Manages the correct number of funds and sub funds of defined date.

OWN EQUITY

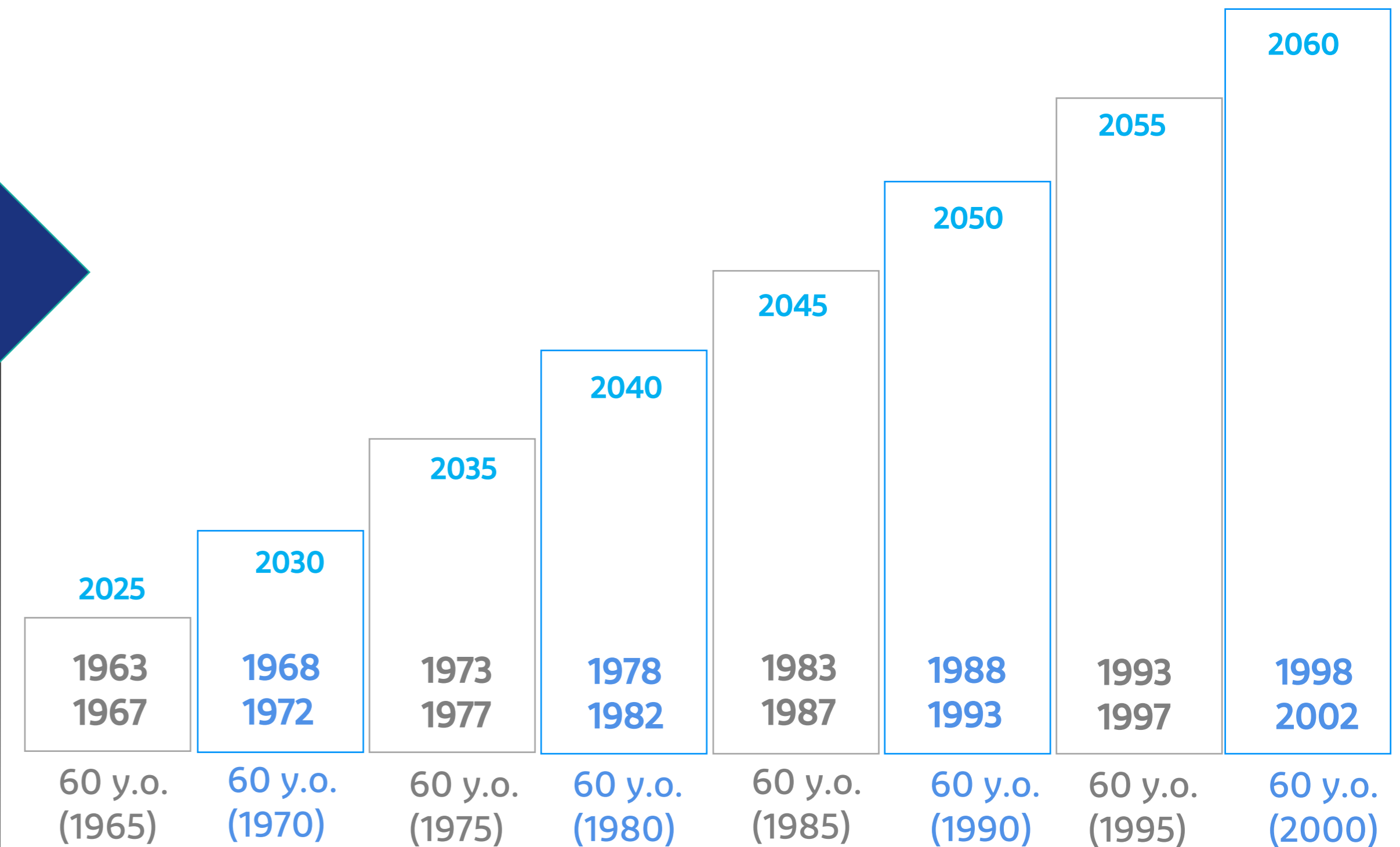
The company is in possession of its own capital worth at least 25 MLN PLN (with at least 10 MLN ZLOTY in liquid assets)



THE FINANCIAL INSTITUTION

1

Managing entity of the financial institutions allocate PPK funds with the best interest of the participants. The aim is to provide the highest possible security and effectiveness of the funds and to abide by the rules of investment risk mitigation.





TARGET DATE FUND

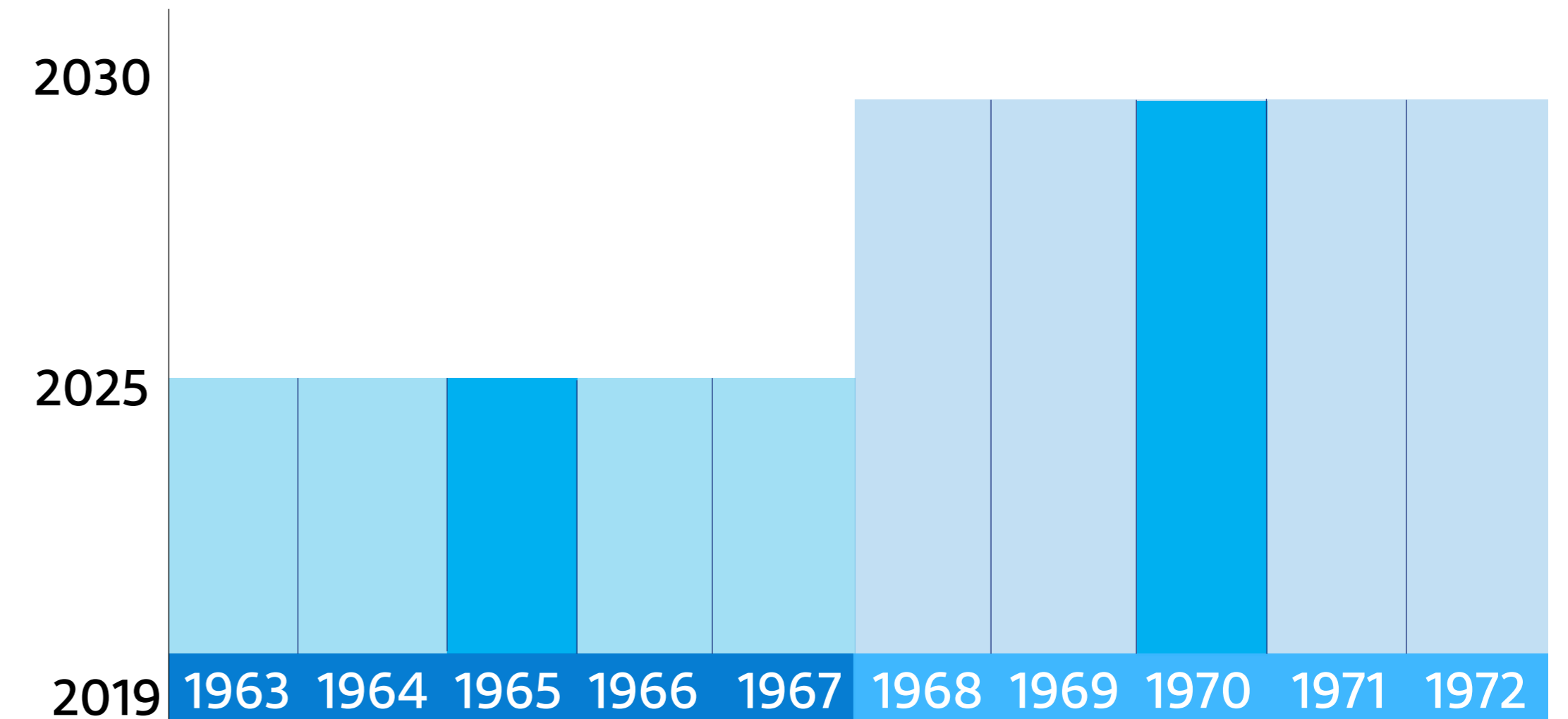
THE FINANCIAL INSTITUTION

2

Target date funds are established for 5 year intervals.

3

Target date of the fund – the year in which the age of 60 is reached by participants born in the year in the middle of the age group (as illustrated).





TARGET DATE FUND

THE FINANCIAL INSTITUTION

SHARES

shares,
investment certificates,
units in investment funds

DEBT

bonds,
treasury bills,
covered bonds,
certificates of deposit
or other transferable securities

▶ The total amount of investment in denominated assets in foreign currencies cannot exceed the 30% of the fund's asset value.



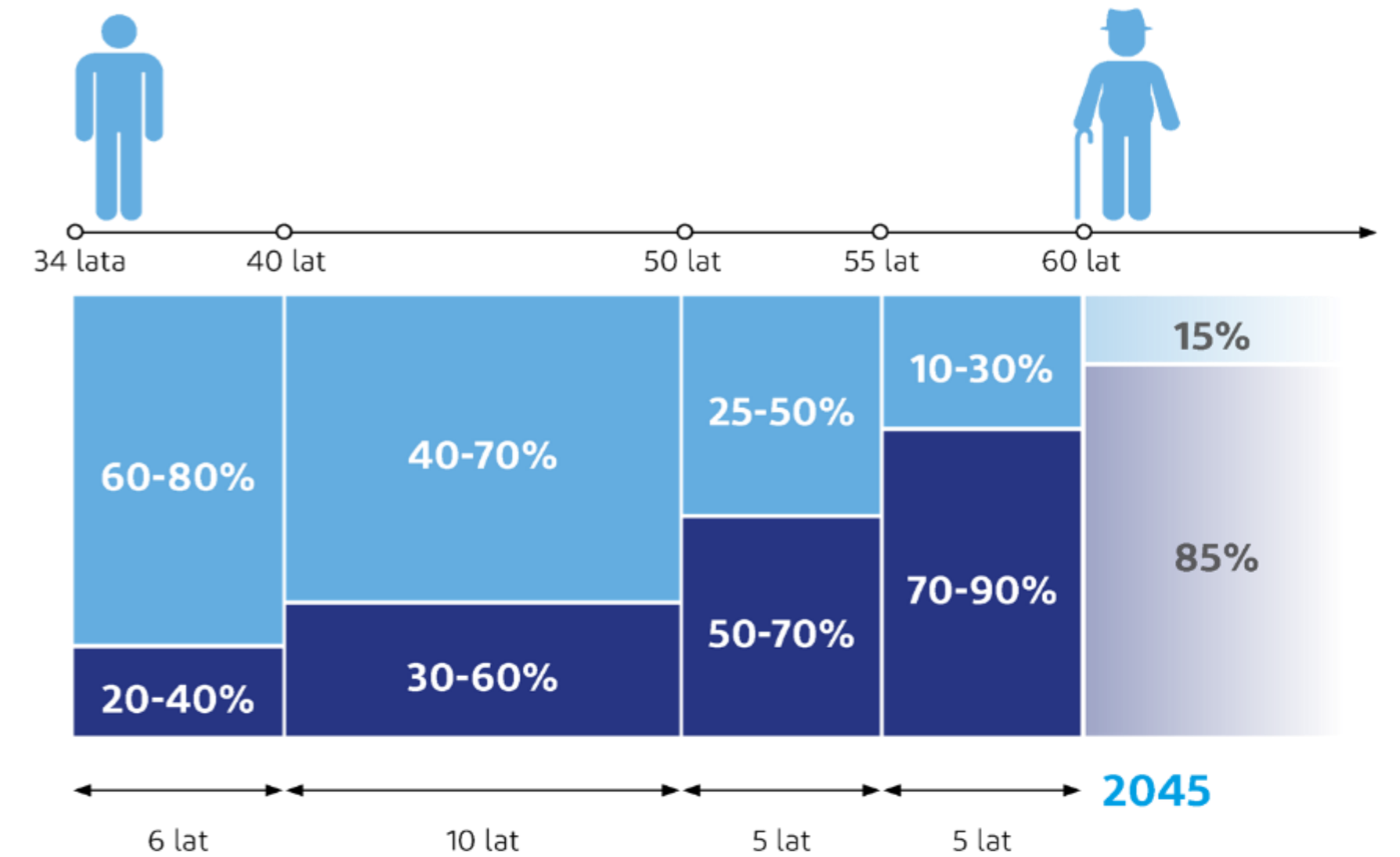
DEFINITION

TARGET DATE FUND

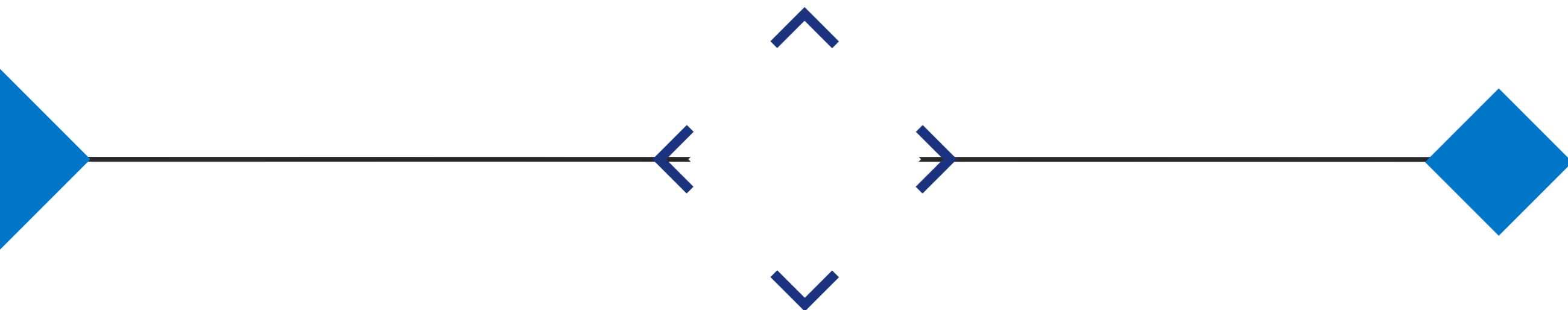
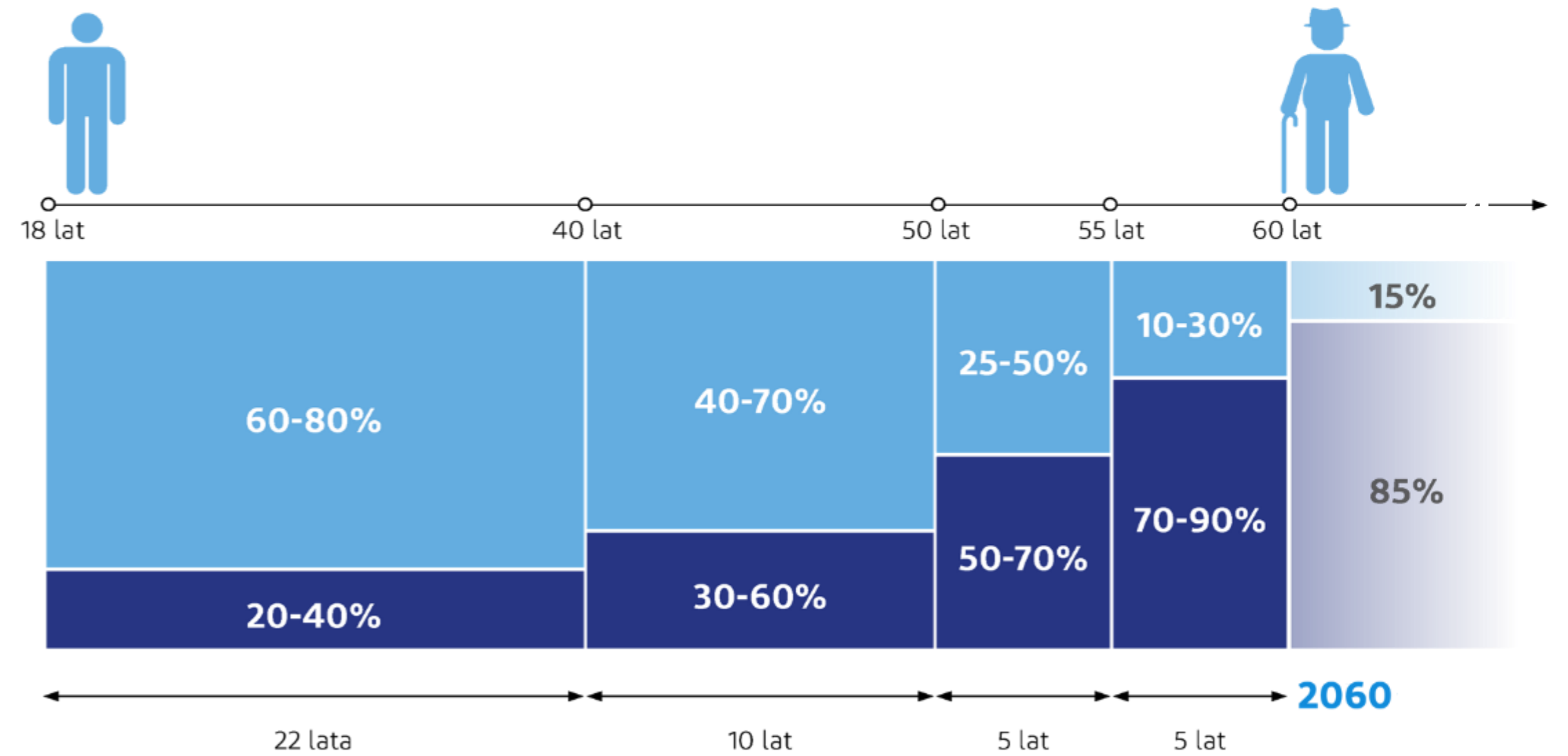
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The investment policy of the target date fund includes the necessity to limit the investment risk in accordance to the age of the participant and changes depending on the participants age.

Moment of joining the programme



Moment of joining the programme





INVESTMENT POLICY

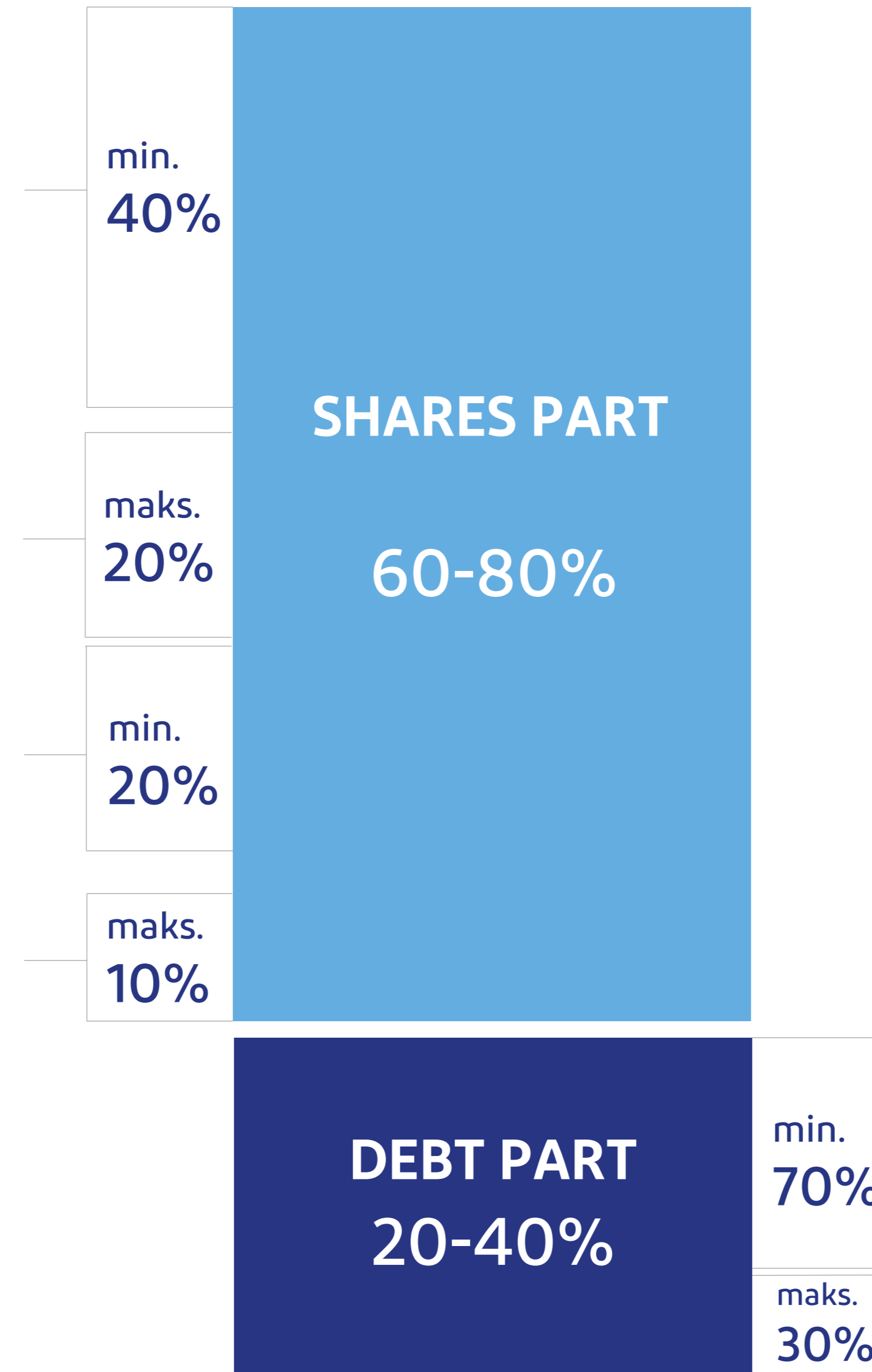
TARGET-DATE FUND

Shares, rights to shares, WIG 20 pre-emptive rights

Shares, rights to shares, WIG 40 pre-emptive rights

Shares, rights to shares, pre-emptive rights in an organized market in an OECD country

Shares, rights to shares, pre-emptive rights issued by publicly traded companies listed on GPW



Bonds and other securities issued, endorsed or guaranteed by the State Treasury or the NBP, local government units or central governments and central banks of EU countries or international organizations as well as deposits with domestic banks or credit institutions

In instruments other than those outlined above, including max 10% without a rating issued by a credit rating agency recognized by the ECB.



OPERATING COSTS

THE FINANCIAL INSTITUTION

0,5%

net asset value
during the year

0,1%

success fee

0,1% is charged only if:

- the investment fund, pension fund or sub fund has a positive return rate for the given year
- the investment fund, pension fund or sub fund has a positive return rate higher than the reference rate of 5 year treasury bonds



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The Financial Supervision Authority (KNF)



DUTIES

Financial Supervision Authority (KNF)

ROLE

Supervision over PPK in regard to the activities conducted by the financial institutions.

Supervision will be exercised in relations to legal compliance and the interest of the PPK participants.

Supervision over PPK in regard to the activity of financial institutions:

- Investment Fund Companies
- General Pension Societies
- Labour Pension Societies
- Insurance Companies
- Investment Funds
- Pension Funds



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POLISH DEVELOPMENT FUND (PFR)



PFR'S ROLE IN IMPLEMENTING PPK

POLISH DEVELOPMENT FUND (PFR)



PPK Register

PFR is responsible for managing the PPK Register – the register system for participants and financial institutions authorized to offer PPK.



The Designated Financial Institution

PFR TFI (as the designated financial institution) will guarantee employers and employees access to PPK, as it cannot decline to establish a PPK for any employer.



PPK Portal

The PPK Act states that PFR Portal PPK is statutorily appointed to operate the PPK Portal. The Portal will present the key assumptions of PPK, both from the employer's and employee's perspective.

The official source of
information regarding PPK:

www.mojeppk.pl

Dowiedz się więcej



5 kroków do PPK



Kalkulator kosztów PPK



Szkolenia PPK



Materiały do pobrania



FILES TO DOWNLOAD

PORTAL PPK

UKRAIŃSKI

Ваші заощадження в РРК складаються з:



+



+



Працівник

Ви **2%** + добровільна доплата до **2%**

Роботодавець

Платіж **1,5%** + добровільно додатково до **2,5%**

Держава

250 PLN
Вітальний платіж + **240 PLN** щорічно



Плани Капіталовкладень Працівників

Загалом, справа того варта

Ви можете зняти заощадження на найбільш вигідних умовах, без будь-яких податків.

ENGLISH

Your savings in the Employee Capital Plans are composed of



+



+



Employee

Ty **2%**
+ voluntary additional contribution up to **2%**

Employer

1.5% contribution
+ up to **2.5%** voluntarily

State

PLN 250
welcome payment
+ **PLN 240 annually**



Employee Capital Plans

It actually pays off

You can withdraw these savings in the most beneficial variant, with no taxes

POLSKI

Na Twoje oszczędności w PPK składają się



+



+



Pracownik

Ty **2%**
+ dobrowolna dodatkowa wpłata do **2%**

Pracodawca

wpłata **1,5%**
+ dobrowolnie dodatkowo do **2,5%**

Państwo

250 zł
wpłata powitalna
+ **240 zł** rocznie



Pracownicze Plany Kapitałowe

W sumie się opłaca

Oszczędności możesz wypłacić w najbardziej korzystnym wariancie, bez żadnych podatków.



Employee Capital Plans



Thank you!