

## PERSONAL INCOME TAX in Poland – basic information for Employee

Personal Income Tax must be paid by every Employee (Taxpayer), who obtains income in Poland, e.g. receives remuneration (based on employment contract).

### Manner of calculation :

In general, the tax is calculated on the basis of tax rate bands. In Poland, there are two tax thresholds, depending on Taxpayer income:

- less than **PLN 120,000** during the fiscal year\* - 1<sup>st</sup> tax band
- more than **PLN 120,000** – 2<sup>nd</sup> tax band

Tax rate bands apply mainly to individuals, who perform work in Poland, receiving remuneration in return.

The principles of calculation for each tax rate band are different.

For 2024 they present as below:

Taxable income PLN		Tax	
Up to	<b>120,000</b>	12%	
More than	<b>120,000</b>	PLN 10,800 + 32% of the surplus over PLN 120,000	minus the amount reducing the tax (PLN 3,600)

\*Fiscal year in Poland equals to calendar year

### Deductible costs:

If you live in the city where you perform work, you have 250 PLN of deductible costs. However, if you live outside of the city, where your workplace is, then you are entitled to 300 PLN of costs of revenue which decreases your tax base.

In **PIT-2** form by selecting box no. 12 in Section F you confirm that you meet the requirements to use the higher lump sum deductible costs and your employer may take them into account when calculating your tax advance.

<b>F. OŚWIADCZENIE PODATNIKA SKŁADANE ZAKŁADOWI PRACY W SPRAWIE KORZYSTANIA Z PODWYŻSZONYCH PRACOWNICZYCH KOSZTÓW UZYSKANIA PRZYCHODÓW<sup>9)</sup></b>	
<b>12. Niniejszym oświadczam, że:</b>	<input type="checkbox"/> spełniam warunki do korzystania z podwyższonych kosztów uzyskania przychodów, gdyż moje miejsce zamieszkania (stałego lub czasowego) znajduje się poza miejscowością, w której znajduje się zakład pracy i nie otrzymuję dodatku za rozłąkę
<b>13. Niniejszym oświadczam, że:</b>	<input type="checkbox"/> wycofuję uprzednio złożone oświadczenie

The position “Koszty uzyskania” or “Costs of revenue” on your payslip - will be 300 PLN instead of 250 PLN.

### Tax settlement document:

Taxpayers must file their tax settlement using special documents (forms) called PIT.

Note: In Poland there are a few PIT forms – the choosing of the proper PIT for tax settlement depends on many factors. The earned income (or losses sustained) statement for a fiscal year can be filed using PIT 36, 36-L, 37, 38 and 39 tax annual forms. Before filling the PIT, everyone should make sure which of the various PIT documents is applicable for her/his specific situation. In case incomes are received by the Taxpayer only under contract of employment, then the statement for a fiscal year can be filed using PIT-37 form.

The completed and signed PIT form should be delivered to the competent local tax office, assigned to Taxpayer's place of residence. Taxpayers can send it also via post or use [e-Deklaracje \(podatki.gov.pl\)](https://e-deklaracje.podatki.gov.pl) (available in Polish, English, Ukrainian)

Employees who use PIT-37 and PIT-38 tax forms for the annual tax statement have also a possibility to use **PITs completing for them automatically by the tax authorities**. Such tax return forms are created in the e-form (**e-PIT**) and require from the Taxpayer only a revision and change (if require) of the inputted data. If the Taxpayer does not perform verification of the annual tax statement prepared by the tax authorities, it will be considered as your final PIT declaration filed within the statutory deadline.

E-PITs prepared by the tax authorities are available effectively from 15<sup>th</sup> February of calendar year on the [tax portal](#) ( available in Polish, English, Ukrainian).

### How to pay income tax :

The advance income tax payment is deducted every month by the employer from the remuneration paid to the Taxpayer. By the end of February of each year the Employee receives a **PIT-11** form from the employer, that contains information about Employee's incomes, tax-deductible expenses and advance social and health insurance contributions paid to ZUS. This form is the basis for settlement with the tax office on a separate annual PIT form. Based on polish tax regulation Employees are obligated to storage PIT-11 form for the period of 5 years after finalizing taxation procedure.

**Important:** losing the PIT-11 form, failure to collect it from the post office, in other words not having the form, does not exempt the Taxpayer from paying the tax. The Employees who do not receive the PIT11 form their employers (principals) by the end of February should contact them as soon as possible and ask to provide the document or a copy of it.

When advance income tax payments are made regularly, it may turn out, that the taxes shown in the PIT form has already been paid in total to Tax Office. However, sometimes it can happen, that **Employees need to make up the difference when the advance payments have not covered the whole tax due**. Such situation usually takes place if Employee's income exceeds 120 000 PLN. On the other hand, it may also turn out that the tax office is obliged to refund any excess payments to them.

Individuals who conduct their own business activity must pay advanced income tax payments on their own on a monthly or quarterly basis.

## Deadline for settlement :

**Important: Every Taxpayer must review and submit a proper annual PIT form by 30th of April.** This is the deadline for transferring tax liabilities the tax payment to Tax Office (in case advance tax payments made by the Employer have not covered the whole tax due) as well.

Taxpayer should transfer all of Polish tax liabilities to the **individual tax account (so called “micro account”)** The micro account number remains the same even if one changes their residency address, surname or tax office. All Taxpayers will need to obtain the relevant number of the “micro account” on their own, by generating it online on an official Ministry of Finance webpage <https://www.podatki.gov.pl/generator-mikrorachunku-podatkowego> after providing the tax identification number – PESEL or NIP. It is also possible to check your “micro account” in local tax office, assigned to the Taxpayer registered place of residence.

If the PIT form shows an excess payment of tax, the tax office must refund it to the Taxpayer’s bank account. If the Taxpayer uses electronic way for the annual tax statement (e-PIT, e-deklaracje), then tax office makes a refund within 45 calendar days from a PIT settlement deadline (30<sup>th</sup> April). For the annual tax statements delivered to the Tax Office in a paper form this period is 3 months.

## Tax deductible costs - the new Polish Deal 2.0 (click here to read more):

### **Relief 4+ vacation for large families**

The relief is applicable for taxpayers - parents and guardians with four or more children to raise. The income of each parent will be exempted from PIT up to the revenue (gross) not exceeding PLN 85,528 in the tax year. The relief is individual for each taxpayer, hence parents bringing up together at least 4 children may both benefit from the relief (each parent up to the limit of PLN 85,528). The limit not used entirely by one parent (because of income lower than limit) cannot be transferred to other parent.

### **Relief for return for the transfer of tax residence to Poland**

The relief is only available for such taxpayers who have transferred their residence to the territory of the Republic of Poland from 2022 till 2025. If the transfer of residence took place earlier, the taxpayer cannot benefit from the tax exemption. The tax exemption can only be applied in the event of a change of tax residence, so returning to Poland only from a short-term employment trip will not entitle you to tax preferences.

The tax exemption covers the income (the amount of gross remuneration) of the taxpayer who has transferred his place of residence to the territory of the Republic of Poland, and the tax exemption does not exceed the amount of PLN 85,528 in the tax year. Repatriation relief is allowed for 4 consecutive tax years, counting from the beginning of the year in which the taxpayer moved his/her place of residence, or from the beginning of the next year.

<b>G. OŚWIADCZENIE PODATNIKA SKŁADANE PŁATNIKOWI<sup>10)</sup> W SPRAWIE ZWOLNIEŃ, O KTÓRYCH MOWA W ART. 21 UST. 1 PKT 152-154 USTAWY</b> (w poz. 14 należy zaznaczyć właściwy(-e) kwadrat(-y))	
<b>14. Niniejszym oświadczam, że spełniam warunki do stosowania zwolnienia, o którym mowa:</b>	
<input type="checkbox"/>	w art. 21 ust. 1 pkt 152 ustawy (ulga na powrót); zwolnienie proszę stosować w latach od _____ do _____
<input type="checkbox"/>	w art. 21 ust. 1 pkt 153 ustawy (ulga dla rodzin 4+)
<input type="checkbox"/>	w art. 21 ust. 1 pkt 154 ustawy (ulga dla pracujących seniorów)
i jestem świadomy/świadoma odpowiedzialności karnej za złożenie fałszywego oświadczenia	
<b>15. Niniejszym oświadczam, że:</b>	
<input type="checkbox"/>	wycofuję uprzednio złożone oświadczenie

To apply, fill PIT-2 in Section G (box no. 14) by confirming if you are entitled to one of the reliefs listed below:

- **Repatriation relief** (you need to indicate in which tax years the relief should be applied);
- **Relief for large families (4+);**
- **Relief for working pensioners.**

### Joint taxation :

In Poland there is possibility for employee to joint taxation with his/her spouse or children.\*\*

Joint taxation with a spouse is cost-effective if the spouses fall into different tax rate bands, e.g. Your income is up to PLN 120 000, but your spouse's income falls into first tax rate. It is also worthwhile if one of the spouses doesn't receive income or if their income is lower than the amount exempt from tax - lower than PLN 120 000.

\*\* Single parents settle their tax returns together with a child. According to the Polish tax law single parent is: single parent who is a maiden, bachelor, widow, widower, divorcee, a person with respect to whom a separation has been pronounced within the meaning of separate regulations, or a person whose spouse has been deprived of parental rights or is serving a sentence of imprisonment, if this parent or guardian is raising children alone during the tax year.

Employee's income	Spouse's income
<b>EXAMPLE 1:</b>	
<b>PLN 171 056</b>	<b>PLN 0</b>
Settling the Tax separately: <b>PLN 30 737,92</b> Tax in total	
1st threshold: 12% * 120 000 PLN = <b>14 400,00 PLN</b>	Spouse is not paying the income taxes.
Income above 2nd threshold limit: 32% * 51 056 PLN = <b>16 337,92 PLN</b>	
<b>EXAMPLE 2:</b>	
<b>PLN 171 056</b>	<b>PLN 0</b>
Settling the Tax jointly: <b>PLN 20 526,72</b> tax in total	
171 056 PLN / 2 = 85 528 PLN, so both Employee and Spouse do not cross 2nd threshold	

85 528 PLN \* 12% = 10 263,36 per person, so jointly they have to pay **20 526,72 PLN** tax.

Employee's income	Spouse's income
<b>EXAMPLE 3:</b>	
<b>PLN 171 056</b>	<b>PLN 50 000</b>
Settling the Tax separately: <b>PLN 36 737,92</b> Tax in total	
1st threshold: 12% * 120 000 PLN = <b>14 400,00 PLN</b>	1st threshold: 12% * 50 000 PLN = 6 000
Income above 2nd threshold limit: 32% * 51 056 PLN = <b>16 337,92 PLN</b>	
<b>EXAMPLE 4:</b>	
<b>PLN 171 056</b>	<b>50 000 PLN</b>
Settling the Tax jointly: <b>PLN 26 526,72 tax</b> in total	
221 056 PLN / 2 = 110 528 PLN, so both Employee and Spouse do not cross 2nd threshold	
110 528 PLN * 12% = 13 263,36 per person, so jointly they have to pay <b>26 526,72 PLN</b> tax.	

Please note that the examples do not include tax free-amount which equals 0 PLN – 30 000 PLN (yearly) depending on the income.

In case when your income will be exceed the common tax threshold (PLN 240 000), the difference between your income and the tax threshold will be taxed at 32%.

**Important:** Please remember that the income includes not only your base salary but also bonuses, awards. It is really important because your situation can change significantly during the year.

In order to settle tax jointly **with a spouse**, the following conditions have to be fulfilled:

- both spouses must reside in Poland for at least 183 days in the given year;
- they must have a common marital estate;
- The taxpayers are entitled to annual joint married tax return **even if they got married in the given tax year**;
- they must file a statement on the fulfilment of the conditions listed above – by placing their signatures on the PIT form.

In order to settle tax jointly **with a child**, the following conditions have to be fulfilled:

- one has to be single (unmarried, widow(er), divorced);
- and have custody of a child (as parent or legal guardian).

Joint taxation applies to children:

- under 18 years of age;
- children who received nursing allowance under separate provision of law (regardless of their age)
- children over 18 and under 25 years of age attending schools (provided that in a given tax year child did not receive income subject to taxation on a general basis or from capital assets, the total amount of which does not exceed twelve times the social pension (currently PLN 1588,44). This means that parents or guardians may jointly account for children who earned no more than PLN 19 061.28 in a given tax year.).

Along with the reintroduction of joint settlement with a child, the provisions include:

- extension of tax reliefs - the relief for families of 4+, the relief for the young, the return relief, and the relief for working seniors will also cover maternity benefits granted to parents and guardians bringing up children,
- preference - a child with a tax-free amount - family allowances of minor children will not be added to parents' income, a child treated as a separate taxpayer will benefit from a tax-free amount.

**To apply, fill PIT-2 form Section E, where you declare the intention of joint taxation (provided you meet the conditions for joint filing) i.e.**

- filing the annual tax return **jointly with spouse** (box no. 10 Option 1)
- filing the annual tax return **jointly with child** - applicable for a parent bringing up a child **alone** (box no. 10 Option 2)

**In addition, you should mark the expected scenario (by crossing off the less probable one) on your and your spouse's or child's income:**

**Option 1** - your income will not exceed PLN 120,000 in a given tax (calendar) year and your spouse/child will have no income

**Option 2** - your income will exceed PLN 120,000 in a given tax (calendar) year and expected income of your spouse/child will not exceed PLN 120,000

Box no. 11 allows you to withdraw the statement submitted previously.

**PLEASE NOTE - Joint taxation is applied for the whole year that the form was submitted. Request for joint taxation should be submitted annually.**

<b>E. OŚWIADCZENIE PODATNIKA SKŁADANE PŁATNIKOWI<sup>6)</sup> O ZAMIARZE PREFERENCYJNEGO OPODATKOWANIA DOCHODÓW (Z MAŁŻONKIEM / JAKO OSOBA SAMOTNIE WYCHOWUJĄCA DZIECKO)<sup>7)</sup></b>	
10. Niniejszym oświadczam, że zamierzam opodatkować dochody za rok podatkowy w sposób przewidziany dla:	
<input type="checkbox"/> małżonków albo	<input type="checkbox"/> osób samotnie wychowujących dzieci, a:
1) moje dochody nie przekroczą kwoty 120 000 zł, a małżonek lub dziecko nie uzyskują żadnych dochodów, które łączą się z moimi dochodami <sup>8)</sup> ,	
2) moje dochody przekroczą kwotę 120 000 zł, a przewidziane roczne dochody małżonka lub dziecka, które łączą się z moimi dochodami, nie przekroczą tej kwoty <sup>8)</sup>	
11. Niniejszym oświadczam, że:	
<input type="checkbox"/> wycofuję uprzednio złożone oświadczenie	

### PIT “0 “- right to tax exemption for Taxpayer under 26 years old:

Employee under the age of 26 are exempt from paying the standard personal income tax (12%) automatically, if their revenue (gross) does not exceed **85.528 PLN per year**.

Tax is calculated only on income exceeding this limit. This exception does not apply to social security (social security and health insurance is payable on the revenue subject to relief). This exemption **is applied automatically by employer**. If the Employee under the age of 26 decides to not use the tax exemption at all then submitting a proper written request to the Employer is required.

H. WNIOSEK PODATNIKA SKŁADANY PŁATNIKOWI <sup>11)</sup> O NIESTOSOWANIE ULGI DLA MŁODYCH <sup>12)</sup> LUB PRACOWNICZYCH KOSZTÓW UZYSKANIA PRZYCHODÓW <sup>13)</sup> (w poz. 16 i 17 należy zaznaczyć właściwy(-e) kwadrat(-y)) <sup>11)</sup>	
16. Niniejszym wnioskuję o obliczanie zaliczek na podatek dochodowy bez stosowania:	
<input type="checkbox"/> ulgi dla młodych	<input type="checkbox"/> pracowniczych kosztów uzyskania przychodów
17. Niniejszym oświadczam, że wycofuję uprzednio złożony wniosek w zakresie:	
<input type="checkbox"/> ulgi dla młodych	<input type="checkbox"/> pracowniczych kosztów uzyskania przychodów

**To resign from the exemption, fill PIT-2 section H (box no. 16).** In box no. 17 you withdraw the statement submitted in box no. 16.

Such kind of a request is justified if you have additional sources of income subject to progressive taxation and other employers are using the same deductions/relief which may lead to annual tax payable in substantial amount.

### PIT- 2 :

PIT 2 is a **declaration**, that Employee may submit to the employer for the purpose of calculating monthly advances for personal income tax. Declaration can be submitted by Employees affected by 1<sup>st</sup> and 2<sup>nd</sup> tax threshold. If Employee has multiple employers PIT 2 should be submitted to one of them.

Declaration can be submitted during the tax year. It will be effective no later than the month following the month in which the payer received the PIT-2 declaration. The declaration does not have to be repeated in subsequent years if the facts have not changed.

In Section C PIT 2 (box no. 6) Employee decides if employer should deduct the monthly tax-free amount when calculating their tax advance. An employer who received a declaration from an Employee on time is obliged to **reduce the calculated advance payment for the income tax** of a given employee by 1/12 of the tax-reducing amount specified in the first tax scale (i.e. currently 1/12 x12% x PLN 30,000 = PLN 300) or 1/24 (of the tax-reducing amount specified in the first tax scale (i.e. currently 1/24 x12% x PLN 30,000 = PLN 150) or 1/36 (of the tax-reducing amount specified in the first tax scale (i.e. currently 1/36 x12% x PLN 30,000 = PLN 100)

<b>C. OŚWIADCZENIE PODATNIKA SKŁADANE PŁATNIKOWI<sup>2)</sup> W SPRAWIE POMNIEJSZENIA O KWOTĘ ZMNIEJSZAJĄCĄ PODATEK<sup>3)</sup></b>	
6. Niniejszym wnoszę o pomniejszenie miesięcznej zaliczki na podatek o kwotę stanowiącą:	
<input type="checkbox"/> 1/12 kwoty zmniejszającej podatek (300 zł)	albo <input type="checkbox"/> 1/24 kwoty zmniejszającej podatek (150 zł), albo <input type="checkbox"/> 1/36 kwoty zmniejszającej podatek (100 zł)
7. Niniejszym oświadczam, że:	
<input type="checkbox"/> wycofuję uprzednio złożone oświadczenie	

PIT 2 can be found there: [PIT-2](#)

## Tax allowances :

While preparing tax returns, it is possible to deduct tax allowances. It gives the Taxpayer the possibility to pay lower tax.

Allowances may be deducted from income and from tax.

- Allowances deducted from income: e.g. social and health contributions;
- Allowances deducted from tax: e.g. child benefit, health, Internet allowance.

In order to deduct the allowances, it is needed to fill in the relevant PIT forms. All information and allowances` details are available in every tax office.

### **1.5% tax for public benefit organizations**

Every Taxpayer has the right to transfer 1.5% of their tax to a public benefit or social organization. The list of public benefit organizations is available [here](#).

It is really worth and easy to transfer 1.5% of our tax. We only have to put the amount to be transferred (which cannot exceed 1.5% of tax) the organizations` register number (called KRS number) in the correct field of the tax return form.

### **Relief for the Internet**

The taxpayer in the annual tax settlement may take advantage of the deduction related to the use of the Internet up to PLN 760 per year. The deduction applies to taxpayers using access to the network privately, and therefore both in the case of economic activity in which the Internet will be a tax cost, and in the case of obtaining an equivalent for teleworking, the relief will not be entitled.

The relief applies only to taxpayers who benefit from the deduction for 2 immediately consecutive tax years. If the taxpayer used the deduction for the first time in the return for 2023 (submitted at the beginning of 2024), the deduction may be used for the last time in the return for 2024 (submitted at the beginning of 2025). In subsequent years (and therefore also in 2025 from the testimony for 2024) he will not be entitled to relief.

Please be aware that you need collect documentation confirming that you have agreement related to Internet on your name and you paid this expense by yourself.

## GENERAL RULES IN POLAND

- Each Employee is offered with gross salary;
- Employment contract indicates only base salary gross (without bonuses, allowances, KPI etc.);
- Bonuses, KPIs, allowances are calculated separately and are not indicated in contract;
- Employer, on behalf of the Employee, pays all mandatory contribution, each month; Salary reduced of those mandatory contributions (and benefits, if the Employee decided so) is net salary and it is transferred each month to the Employee's bank account;
- At Luxoft Poland, salary is paid on the last day of the month.
- NOTE: employee should open bank account themselves in any bank and provide info about bank account number to HR.

### Contributions for social insurances:

#### **Health Insurance (NFZ- National Health Fund)**

- The contribution is 9% of the base.
- The basis of assessment is the Employee's salary net of social insurance, financed by the Employee.

**In 2024, the amount of the limitation of the annual basis for the assessment of pension and disability insurance contributions will be PLN 234 ,720** and the amount of the projected average remuneration adopted for its determination is PLN 7,824. This follows from the announcement of the Minister of the Family and Social Policy on the amount of the limitation of the annual contribution assessment basis for pension and disability insurance in 2024 and the amount of the projected average remuneration adopted for its determination (Mon. Pol. of 2022, item 1014).

**NOTE:** Each contribution, with their exact cost, may be seen on payslips (in Luxoft Poland – via Asistar).

Here you can find a calculator shared by the Ministry of Finance (in Polish only): <https://niskiepodatki-kalkulator.mf.gov.pl/> . As we understand, the calculator will be updated successively, as currently has no possibility to add calculations with 50% costs of earning revenue.

### Additional materials:

1. Description of payslip (PL and ENG) is available [here](#).
2. More information about income tax in Poland:
  - <https://www.podatki.gov.pl/>

- <https://www.e-pity.pl/polski-lad/>

**Attachments:**

<b>PIT-2 form 2024</b>	<a href="#">PIT-2</a>
<b>Statement about current bank account</b>	<a href="#">Oświadczenie o koncie bankowym.pdf</a>
<b>Statement of joint taxation with a spouse</b>	<a href="#">Oświadczenie o wspólnym opodatkowaniu 2024.pdf</a>
<b>Joint taxation with child (single parent) 2024</b>	<a href="#">Oświadczenie wspólne opodatkowanie z dzieckiem (samotny rodzic).pdf</a>
<b>Resignation from joint taxation 2024</b>	<a href="#">Wycofanie oświadczenia o wspólnym opodatkowaniu 2024.pdf</a>
<b>Statement about increased deductible costs</b>	<a href="#">Oświadczenie o zwiększonych kosztach uzyskania przychodu.pdf</a>
<b>Statement of resigning from tax degressive amount</b>	<a href="#">Oświadczenie - rezygnacja z ulgi z ulgi podatkowej.pdf</a>
<b>Relief for return</b>	<a href="#">Oświadczenie ulga na powrót.pdf</a>
<b>Relief for working pensioner</b>	<a href="#">Oświadczenie ulga dla pracujących emerytów.pdf</a>
<b>Relief 4+ vacation for large families</b>	<a href="#">Oświadczenia rodzinca 4+.pdf</a>
<b>Application for the collection of advance payments without applying the income tax exemption (for employees who are under 26 years of age)</b>	<a href="#">Wniosek o pobór zaliczek na podatek dochodowy bez stosowania zwolnienia (poniżej 26 r.ż.)</a>
<b>Application for 12% tax</b>	<a href="#">Oświadczenia pracownika - tax 12% .pdf</a>
<b>Application for 32% tax</b>	<a href="#">Oświadczenia pracownika - tax 32%.pdf</a>
<b>Request not to apply deductible costs</b>	<a href="#">Wniosek o niestosowanie KUP.pdf</a>

<b>Request not to apply deductible costs - concerns the use of deductible costs for the exploitation of copyright by creators</b>	<a href="#">Wniosek o niestosowanie KUP.pdf</a>
<b>Application for cancellation of the tax advantage on the contract of mandate</b>	<a href="#">Wniosek o zaprzestanie poboru zaliczki od umowy zlecenia.pdf</a> -