

Poland: 'Crisis Shield' is definitively adopted

Planet Labor, 2 April 2020, n°11798 - www.planetlabor.com

On 31 March 2020, Poland's emergency 'Crisis Shield' law was published in the Official Journal. The law provides for a series of economic and social measures to deal with the consequences of the Covid-19 pandemic.

Poland's Parliament took under 15 days to adopt a series of measures aimed at limiting the impact on the economy and employment of the coronavirus pandemic. On 18 March (c.f. article [No. 11735](#)), the government announced the 'fast-track' adoption of this special law, however the legislative process was lengthened by consultations with the social partners and by the consideration of more than 100 amendments by the Senate (some of which were highly controversial and concerned electoral provisions).

The definitive version of 'Crisis Shield' comprises 5 pillars:

- Health protection
- Job security
- A public investment program
- Support to strengthen the financial system
- Business financing.

The main provisions concerning companies and employment are as follows:

- A three-month exemption from social and tax contributions for SMEs with fewer than 10 employees and for self-employed workers (March, April, May 2020).
- A three-month suspension of social and tax contributions for other companies, after which contributions due may be spread over time.
- One-off financial support for self-employed persons of up to PLN 2,000 (€437), i.e. the equivalent of 80% of the Polish minimum salary, if their income is less than 3 times the average wage, i.e. PLN 16,101 (€3,520). Some 2.2 million self-employed persons will be eligible.
- An SME-specific loan for companies with fewer than 10 employees: amounting to PLN 5,000 (€1,093) to be financed from the Labor Fund (Fundusz Pracy). Employers won't have to repay the loan if they refrain from laying off their employees within the next three months. The scheme will benefit up to 500,000 SMEs.
- State co-financing of salaries to prevent job layoffs. The State will subsidise salaries up to 40% average monthly salary (PLN 2,146 – €469). The scheme is aimed at companies; experiencing a fall of at least 15% in turnover for two consecutive months, compared to the same period in 2019, or, experiencing a decrease of at least 25% in turnover in a single month (that can be identified without reference to specific criteria) compared to the same period in 2019.

- A specific benefit for companies that are forced to stop production whereby the State will cover all salaries up to 50% of the minimum salary (PLN 1,300 – € 284), as well as the social security contributions.
- Relaxation in working hours for companies in difficulty. Companies undergoing reduced activity and turnover due to the coronavirus pandemic may lower their employees' working hours by between 20% and 50%, provided that the salary received by workers in these circumstances is not below the minimum salary (PLN 2 600 – EUR 568).
- The payment of a specific childcare allowance for parents of children up to the age of 8. Initially set to cover a period of 14 days, this allowance will be extended if school closures continue.

The Government has launched a [website](#) summarising all the new schemes. The site seeks to explain and educate entrepreneurs, employers and employees as to the new measures.

The 'crisis shield' legislation came into force the day after its publication, i.e. on 01 April 2020. Its total cost is estimated at PLN 212 billion (€ 46.3 billion), of which PLN 30 billion (€ 6.56 billion) is earmarked for safeguarding jobs and PLN 74.2 billion (€ 16.22 billion) will come in the form of aid for businesses.

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