

Job retention schemes in Europe

Poland

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Note on ETUI classification of job retention schemes (JRSs): All job retention schemes (JRS) share the objective of preserving the ties between companies and their employees in times of temporary economic difficulties. They support incomes of workers who keep their employment contract even if the work is fully suspended. Depending on the primary objective and the nature of support, three different categories of JRS can be distinguished:

(1) Short-time Work Scheme (STW): The key objective of STW schemes is to provide support to companies to retain their employees in times of economic difficulties. The company receives financial support for the employees' wages paid for the time not worked. The extent of working time reduction can vary, including also a full work suspension.

(2) Furlough Scheme (FS): FSs can be best understood as temporary unemployment. The financial support is thus paid directly to the worker for the period of partial or full working time suspension. The aim of a FS is to enable companies to reduce their wage bill by temporarily laying off (parts of) their workforce. While retaining the ties with the employer, workers on the FS scheme are available to seek alternative employment. Integrated into the existing system of unemployment insurance, FSs can be seen as a tool to facilitate the transition towards a new job.

(3) Wage Subsidy (WS): The main objective of WS is to preserve employment through subsidizing companies' wage bills. For this purpose, a company in temporary financial difficulty receives financial support per employee, regardless of whether or not working time of specific employees is reduced. The employees keep receiving their wages. Permissible wage adjustments are not directly related to working time reductions.

Key characteristics of the job retention scheme

ETUI classification of the job retention scheme (JRS)	Wage subsidy (WS)
Name of the scheme	<i>Tarcza antykryzysowa: ochrona miejsc pracy i subsydiowanie płac</i> (Anti-crisis shield: protecting jobs and subsidising wages)
Start date of the implementation of the special Covid-19 JRS rules	The measures to protect jobs and the wage subsidies are part of a broader set of legislation known as the 'Anti-crisis shield' adopted on 2 March 2020 (<i>Ustawa z dnia 2 marca 2020 r. o szczególnych rozwiązaniach związanych z zapobieganiem, przeciwdziałaniem i zwalczaniem COVID-19, innych chorób zakaźnych oraz wywołanych nimi sytuacji kryzysowych</i>) and coming into force on 8 March 2020. This law covers a very wide range of issues (beyond employment). To date (5 March 2021), it has been amended over 40 times.
Eligibility	Companies can claim a wage subsidy if turnover decreases by a minimum of 15% (any two months of 2020 compared with the same period of 2019) or by a minimum of 25% (from January 2020 compared with the previous month).
Exceptions (category of workers or companies excluded from support)	Support cannot be claimed for employees who, in the month preceding the submission of the application, received a wage higher than 300% of the forecasted national average monthly gross wage. Furthermore, support cannot be claimed for domestic workers.
Duration of support (maximum duration for which JRS support is paid)	The wage subsidy is paid for 3 months.

1. NSZZ Solidarność.

Level of support for employees (percentage of gross or net wage, please also specify whether social security contributions are covered)	If the above conditions are met, the employer can choose between two options: (i) to suspend operations – in this case, employees receive 50% of their original wage, but at least the minimum wage, and the employer receives a wage subsidy of 50% of the statutory minimum wage; and (ii) to reduce working time by 20–50%. In this case, employees receive wages for time worked, but at least the minimum wage. The employer receives a wage subsidy from the Guaranteed Employee Benefits Fund (FGŚP) of up to 50% of the reduced wage paid to the employee, but not more than 40% of the national average wage.
Cap on support (maximum amount of JRS support payable)	The maximum amount of the wage subsidy payable to employers is 40% of the national average monthly wage from the previous quarter, as announced by Statistics Poland (GUS).
What share of the support is covered by the state and by the employer?	Employees' wages are co-financed up to half by the Guaranteed Employee Benefits Fund, but not more than 40% of the average monthly wage for the previous quarter. The amount of the wage subsidy and, with this, the share of the wage covered by the state varies with the original wage of the employee. In general, the share covered by the state is higher for employees on a lower wage and decreases for employees higher up the pay scale.
Dismissal protection	For the period the company receives state support it cannot dismiss employees. A longer period of protection is possible only on the basis of an agreement (with a trade union or ad hoc employee representatives).
Role of collective bargaining in the adoption and implementation of JRS support	Before submitting an application for state support, the employer must conclude an agreement with trade unions at the workplace; if there is no trade union the agreement must be concluded with employee representatives chosen ad hoc. The agreement with trade unions specifies at least: (i) the occupational groups subject to suspension of operations or reduced working hours; (ii) the reduction in working time; (iii) the period for which the solutions regarding suspended operations or reduced working time apply (which can be longer than three months; but public support in the form of a wage subsidy will be provided only for three months). Because of the highly decentralised collective bargaining structure, in practice, negotiations at workplace level vary considerably. From practice the following general conclusions can be drawn: – The number of workplaces in which, as a result of negotiations, the conditions of WS (for instance, the extension of protection against lay-offs) have been improved is very small. – Talks have taken place in a large number of unionised workplaces, but in most instances companies did not take up the possibility of financing provided for in the Anti-Crisis Shield. One reason was that the companies no longer met the criteria of the required drop in turnover/orders because at the end of 2020 demand improved again. – Use of fixed-term contracts and temporary agency workers is widespread, and many enterprises did not extend employment on these terms. This served as a kind of functional equivalent to collective redundancies.
Special conditions for support to avoid misuse of the system (for instance, ban on paying out dividends or bonuses; ban on share buybacks or operating from tax havens)	No such regulations.
Special provisions as regards training/ requalification/ reorientation of employees on JRS	No such regulations.

Quantitative data²

How many workers were on JRS each month? (Please indicate whether these are applications for JRS or the actual numbers of workers on JRS)		Suspension of operations	Reduction of working time	Total per month
March 2020	No data			
April 2020		125,238	276,421	401,659
May 2020		112,089	445,543	557,632
June 2020		70,507	447,723	518,230
July 2020		15,342	150,596	165,938
August 2020		5,923	36,953	42,876
September 2020		1,417	11,413	12,830
October 2020		314	6,003	6,317
November 2020		1,358	1,197	2,555
December 2020		818	972	1,790
Which sectors were most affected at the beginning of the pandemic in March/April and towards the end of the period studied in November/December? (as a percentage of overall number of workers on JRS)	No data.			
Is there any data on how many workers lost their jobs after JRS expired?	No data. Some conclusions can be drawn from the registered unemployment rate:			
	January			860,800
	February			856,700
	March			866,400
	April			955,800
	May			1,027,900
	June			1,067,500
	July			1,065,700
	August			1,062,000
	September			1,059,700
	October			1,056,200
	November			1,049,200
	December			1,042,300

2. All quantitative data on number of employees and funds are based on personal information from the Ministry of Development, Labor and Technology.

Is there any data on how much money the state spent on JRS and over time? (in absolute figures and as a percentage of GDP)

	Total amount		Support for suspension of operation		Support for reduction of working time	
	Per month	Cumulatively	Per month	Cumulatively	Per month	Cumulatively
March	no data		no data		no data	
April	1 837 912 383.96	1 837 912 383.96 (€408.135.000)	448 029 376.96	448 029 376.96	1 389 883 007.00	1 389 883 007.00
May	2 332 254 128.43	4 170 166 512.39	284 430 629.36	732 460 006.32	2 047 823 499.07	3 437 706 506.07
June	1 916 228 326.44	6 086 394 838.83	129 935 876.07	862 395 882.39	1 786 292 450.37	5 223 998 956.44
July	548 873 590.89	6 635 268 429.72	28 104 944.92	890 500 827.31	520 768 645.97	5 744 767 602.41
August	114 283 707.10	6 749 552 136.82	10 146 549.96	900 647 377.27	104 137 157.14	5 848 904 759.55
September	34 007 305.59	6 783 559 442.41	2 606 131.28	903 253 508.55	31 401 174.31	5 880 305 933.86
October	8 711 876.54	6 792 271 318.95	700 925.12	903 954 433.67	8 010 951.42	5 888 316 885.28
November	5 945 619.49	6 798 216 938.44	3 861 498.39	907 815 932.06	2 084 121.10	5 890 401 006.38
December	4 363 851.80	6 802 580 790.24	1 388 603.11	909 204 535.17	2 975 248.69	5 893 376 255.07

The PLN 6,802,580,790.24 (approximately €1,479,930,100) spent on JRS measures between April and December 2020 amounts to 0.3% of GDP, which, according to Eurostat, was €521.515 million at current prices in 2020.

Information on non-standard workers and JRS³

Do non-standard workers (NSW) have access to the regular JRS scheme or are there other support schemes, for instance for the self-employed?⁴

Support for the self-employed consisted of the right to suspend the payment of social insurance contributions, special benefits, non-returnable grants and low-interest loans.

What are the eligibility criteria?

Self-employed persons must prove that in the month preceding submission of the application, their income was at least 15% lower. Originally, the standstill allowance was paid only to self-employed persons whose previous month's income was not higher than PLN 15,595.74 (approximately €3,463). Later the income cap was abolished.

Following **the second regulation in autumn** the support for the self-employed was linked to activities in specific sectors. The provision of support was linked to the following conditions: (i) the income from this activity in October or November 2020 had to be at least 40% lower than in the same period the previous year; (ii) the self-employed person had to have suspended their business as a consequence of Covid-19; (iii) the self-employed person had received the standstill allowance previously.

The third regulation made support conditional on a documented decrease in turnover. In the event of a decrease in turnover of:

- at least 30%, co-financing may be awarded in the amount of 50% of the monthly minimum wage (PLN 1,300; approximately €289);
- at least 50%, co-financing may be granted in the amount of 70% of the monthly minimum wage (PLN 1,820; approximately €405);
- at least 80%, co-financing may be granted in the amount of 90% of the monthly minimum wage (PLN 2,340; approximately €520).

In any case, the support is available for a maximum of 3 months.

Data on funds allocated to the support of the self-employed come from the publication: ZUS activities in 2020. Special Report (Działania ZUS w 2020 r. Raport specjalny), p. 5. <https://www.zus.pl/documents/10182/0/Raport+specjalny+2020+ZUS.pdf/5a83b7b0-d5e9-d591-e65d-c627290b8749>

3. Non-standard workers include workers with a temporary work contract, platform workers, temporary agency workers, multiparty employment, disguised employment/dependent self-employment, freelance workers, etc.
4. The following questions refer to any existing schemes for non-standard workers.

How is the financial support for non-standard workers calculated?

Support for all self-employed is PLN 2,080 (approximately €453) (or PLN 1,300 – approximately €283 – if the self-employed person settles their taxes with a tax card and is exempt from paying VAT) per month.

Number of workers requesting support and amount of support paid:

	Number of requests	Support paid
Standstill benefits for self-employed persons	1,196,400	1,847,184.4
Standstill benefits for civil law contracts (mandate contract, agency contracts and contracts for specific work)	285,100	394,685
Standstill benefits for mandate contracts submitted by contractors	10,700	12,611.4
Continuation of standstill benefit for the self-employed	1,295,000	2,462,026.3
Continuation of standstill benefit for civil law contracts (mandate contracts, agency contracts and contracts for specific work)	338,900	545,121.3

Which sectors were most affected in terms of providing support to non-standard workers?

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Are there any measures for training/requalification/reorientation for non-standard workers?

No.