

If you want to establish a presence in the European Union (EU), Poland is an excellent place to do so. The country uses its own currency — the Polish zloty (PLN) — but has a hiring and onboarding process similar to other EU countries. However, certain nuances make setting up Poland payroll and hiring employees difficult. Globalization Partners can help you set up and manage payroll with our Employer of Record services.

Taxation Laws to Know

Employers have multiple taxation laws to follow in Poland. You'll need to register all your employees with the Social Security Bureau within seven days of their first day of work. Employers may contribute as much as 18% of the employee's monthly gross remuneration to social security, while employees contribute around 14%.

Employers also have to pay 2.45% of the employee's monthly gross pay to Poland's Labor Fund as well as 0.1% to the Guaranteed Benefits Fund. Both relate to unemployment benefits and are separate contributions from social security. There is an annual cap on pension and disability contributions collectively for employers and employees. The 2018 total amount was 133,290 PLN.

Poland Payroll Options

Since every company differs based on what they do and how they operate, you can choose the Poland payroll option that works best for you. The choices include:

- **Remote:** In a remote payroll setup, a company will add their Poland employees to its parent company's payroll. However, you'll need to be mindful of the different regulations among the two groups.
- **Internal:** If you run a larger company with more resources, you may choose to establish Poland payroll at your office. This option requires more money and time to hire a separate staff that handles payroll.
- **Poland payroll processing company:** Businesses with limited time to set up and run Poland payroll can outsource with a local company in Poland. However, you'll remain responsible for all matters of liability.
- **Globalization Partners:** For the easiest payroll option, you can choose Poland payroll outsourcing through Globalization Partners. We'll handle your entire payroll and put all liability on our shoulders instead of yours.

Set up Poland Payroll

Employers need some required information from employees to set up their Poland payroll. Make sure you get an employee's pension details, qualifications, NIP number, and postal address before adding them to your payroll.

Employers must complete separate tax registration requirements to start running payroll. Register your employees with the National Court Register (KRS) or Central Register and Information on Business Activity (CEIDG). These organizations are responsible for sending application forms to Poland's tax office, Social Security Institution (ZUS), and Statistical Office (GUS).

Necessary Entitlement and Termination Terms

It is best practice to draft an employment contract that includes specific entitlement and termination terms before choosing a Poland payroll option. In Poland, employers can terminate employment contracts at any time without penalty as long as the employer and employee mutually consent. The notice periods for termination depend on how long the employee has worked for the company.

Poland Payroll Processing Company

Choose a Poland payroll outsourcing solution that will save you time and worry over compliance — Globalization Partners. Contact us today to learn more.