

Social Security

Program Operations Manual System (POMS)

BASIC (06-09)

GN 01751.010 Overview of the Polish Social Security System

A. Overview of Polish Social Security benefits

Poland provides a wide range of benefits including retirement, survivors and disability benefits; one-time indemnity payments and benefits awarded as a result of work accidents and occupational diseases, and funeral grants through two major Social Security systems.

- The Social Insurance Institution (Zakład Ubezpieczeń Społecznych-**ZUS**) is a two-tier system that administers the social security provisions under the old and new laws in Poland for non-agricultural workers, and
- The Agricultural Social Insurance Fund (Kasa Rolniczego Ubezpieczenia Społecznego-**KRUS**) administers the social security provisions under the laws governing farmers in Poland.

B. Description – KRUS and system under ZUS prior to January 1, 1999

1. The Polish system under KRUS covers:

- men age 65 and women age 60 are eligible for old-age pensions if their old-age and disability pension insurance period is 25 years long.
- funding and benefits are based on contributions and general revenue subsidies
- all categories of KRUS benefits require worker contributions paid by quarter

2. The Polish system under ZUS prior to January 1, 1999:

- retirement age is 65 for males and 60 for females.
- all non-agricultural workers are covered, and date of birth determines whether pre-1999 or post-1998 rules apply in calculating retirement benefits.
- regular retirement pension for insured persons who meet the length of coverage requirements: 25 years of coverage for males and 20 years of coverage for females at normal retirement age.

- prior to 1999 employers made all Social Security contributions; from 1999, both employers and employees contribute to the Social Security system
- mandatory employer and employee contributions are reported monthly

C. Description – New retirement system rules under ZUS effective January 1, 1999

The retirement benefits program under ZUS has two-tiers.

- first tier – pay-as-you-go (PAYG), is based on theoretical defined contributions.
- second tier is based on fully-funded, privately-managed individual account-defined contributions.

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