

## **1. What are Employee Capital Plans (ECP)?**

Employee Capital Plans are a voluntary retirement savings plan that came into force on 1 July 2019. Participation in the plan is not compulsory and employees can opt out of it by giving relevant notice to the employer.

## **2. ECP – who are they for?**

The system is designed for all employees with an employment contract, but also for those who work on the basis of a contract of mandate.

## **3. Are ECPs compulsory?**

Employees are free to opt out. In principle, however, employers are obliged to select the financial institution managing the ECP and enable employees to participate in the savings plan.

## **4. Is the money accumulated in ECP owned by the employee?**

Yes. The money accumulated under ECP is deposited in the individual account of the employee, who has total and exclusive right to it.

## **5. How to opt out of ECP?**

Employees can opt out of the plan by filing an appropriate declaration form with the employer. Please note that after four years the employee will be again enrolled in the ECP and then, the opt-out declaration form should be filed again.

## **6. How do ECPs work?**

To implement ECP in the company, first, employee representatives must be selected who will be consulted on the choice of the investment fund out of the received proposals. The next step is selecting the appropriate fund which will manage the funds of employees enrolled in ECP. As a final step, the employer should enrol all employees who have not opted out of the ECP into a previously selected investment fund.

## **7. What are EPP?**

EPP, or Employee Pension Plans (Polish abbreviation: PPE), is a different system of saving for retirement that has existed in Poland for many years, but has so far not been very popular. Nonetheless, employers who have already previously implemented EPP may be exempt from the obligation to implement ECP.

## **8. When should an employee be enrolled in ECP?**

The employing entity should conclude an ECP maintenance agreement for and on behalf of the employee no later than the 10th day of the month following the month in which 90 days of employment passed.

## **9. Which financial institutions operate ECP?**

Among the institutions that serve companies enrolled in ECPs are investment funds into which the funds collected under the scheme are deposited.

## **10. What are the amounts of ECP contributions?**

ECP contributions are proportional to the employee's monthly salary. The employer is required to deduct 2% of the employee's monthly (net) salary towards the contribution, and to pay an additional amount of 1.5% of the employee's monthly (gross) salary.