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Gateway Policy Explorer: Retirement Series

Poland

Survivor Old-Age Benefit Plan Details

1992-2021

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Preface

This document is intended for researchers who want to understand the evolution of policy or the policy in place at a particular point in time. This document is not intended for financial advice or to aid in decision-making. The authors have made significant effort to identify and collect historical information pertaining to these policies, to accurately represent these policies, and to communicate how policies may interact to determine legal requirements, eligibility for benefits, and/or benefits levels. The policies presented in this document focus on rules applicable to most individuals aged 50 and older from 1992. Many systems include special policies or alternative eligibility rules for specific groups. We encourage all users to complete their own review of literature in this area depending on the research questions they have in mind.

If you have feedback or questions or identify an error, please contact policy@g2aging.org.

Background — Gateway Policy Explorer: Retirement Series

The *Gateway Policy Explorer* (<http://g2aging.org/policy-explorer>) is part of the Gateway to Global Aging Data (<http://g2aging.org>) project. The *Retirement Series* captures historical policy that affects the birth cohorts of respondents in the surveys covered by the Gateway. It was motivated by the rapid evolution of policies affecting older people across the world. As the Health and Retirement Study (HRS) began in 1992 and many of the international network of studies (HRS-INS) cover more than a decade, understanding the policies in place at the time of the survey has become more demanding for researchers.

Why are we tracking past policy? Individuals make choices based on current policies and the outcomes we see today may reflect responses to past policies. When interpreting the survey responses of individuals, an understanding of the policy environment under which those individuals operate is critical. The collection of contextual information in the *Gateway Policy Explorer* aims to support researchers who want to understand or use policy changes in their research and provide context for longitudinal or cross-country differences. Over the period 2023–2026 the *Gateway Policy Explorer* will be expanded to include information on retirement, long-term care, education, and other policies affecting the life cycle.

The key dimensions to the *Gateway Policy Explorer: Retirement Series* are country and time. We prioritize data collection for each country based on its first interview wave and are continuing to expand our data collection back in time to 1992, the earliest survey date in the HRS-INS.

A separate document, like this one, is developed for each country and each broad category of policies covered in the *Gateway Policy Explorer: Retirement Series*.

Author and Contributor Disclaimers

† The opinions expressed here are those of authors and do not necessarily reflect the views of the OECD or of its member countries.

Poland

Survivor Old-Age Benefits
Plan details 1992-2021 * †

Survivors' pension benefits (*Renta Rodzinna*) are administered by the Polish Social Insurance Institution (ZUS), and are granted to eligible family members of the deceased who, at the time of their death, held the established entitlement to an old-age or disability pension, or who met the requirements for awarding one of these benefits. Eligible family members include surviving spouses, previous spouses, children and both dependent and non-dependent family members, provided they meet certain requirements. Survivors are entitled to a percentage of the deceased's old-age or disability benefit entitlement, which is based on the deceased's birth year, and their contribution and earnings history. Survivor benefits may be reduced or eliminated based on the beneficiary's income, including labor earnings and income from other pension payments.

Key Dates

First law: 1927

Major changes since 1992: None

The main benefit we review in this document is the widow's benefit, which is a benefit paid on a permanent or temporary basis to surviving spouses (widows and widowers). From 1992-2021, despite the introduction of a notional defined-contribution system in 1999, survivor's benefits' calculation formula and eligibility rules remained largely unchanged. A funeral allowance (*Zasiłek Pogrzebowy*) is also available as a one-off payment for the person who bears the cost of the deceased individual's funeral.

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* If you have questions or suggestions, please contact policy@g2aging.org.

† Detailed information and definitions are provided in tables, formulas and a glossary at the end of this document. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: "Alt" + "←"; In Adobe Acrobat on a MAC: "command" + "←"; In Preview on a MAC: "command" + "[".

Chapter 1: Policy enacted 1992-2021

Overview

Survivors' pension benefits are granted to family members of the deceased. These benefits are part of the Polish public pension system, which is administered by the Social Insurance Institution (Zakład Ubezpieczeń Społecznych, ZUS). All family members of a deceased individual insured by ZUS - including all workers and specific occupational groups (such as soldiers, members of the clergy, Members of Parliament, members of agricultural production cooperatives, among others) - can be eligible for survivor's pension benefits. In the event of the death of a working family member, or of one receiving a retirement old-age or disability pension, an individual may be entitled to two different kinds of benefits:

- **Survivor's Pension (*Renta Rodzinna*):** The survivors' pension is awarded to eligible family members of a person who, on the day of death, held the established entitlement to an old-age pension or a disability pension, or who met the requirements for awarding one of these benefits. Benefits paid are equal to a fixed percentage of the old-age or disability benefits that the deceased spouse was receiving, or would have been eligible to receive, at their time of death.
- **Funeral Allowance (*Zasiłek Pogrzebowy*):** A funeral allowance in the form of a one-off payment is provided to a person who has covered the costs of a funeral, including the family members or different kinds of institutions (i.e., the employer, a social welfare home, a municipality, a district, etc.). The amount of the funeral allowance is fixed and established by law.

This document provides an overview of survivor's pension rules for surviving family members of a deceased individual covered by ZUS, which includes the majority of the population, with a focus on surviving spouses.

Minor reforms during the current policy period:

- Act of August 28, 1997 ([Journal of Laws, 1997](#)) in Organization and Operation of Pension Funds - effective from January 1, 1999 - introduced the following reforms to the survivor's pension system:
 - Inheritance of **OFE** funds in the new funded **DC** system: Introduced provisions on inheritability of funds accrued in **OFE** accounts of the deceased individual who had not reached the **SRA** at the time of their death.
- Act of December 17, 1998 ([Journal of Laws, 1998](#)) on Old-Age and Disability Pensions from Social Security Fund - effective from January 1, 1999 - introduced the following reforms to the survivor's benefit system:
 - Established benefits in the new **NDC** system: Extended survivor's benefits to include cohorts covered by the new **NDC** system, following the same rules established for the old **DB** system.
 - Annual adjustment of pension benefits: Introduced annual adjustments to survivor's pension benefit based on a combination of changes in prices and wages, and extended the adjustment to minimum pension payments.
- Act of March 25, 2011 ([Journal of Laws, 2011](#)) - effective from May 1, 2011 - introduced the following reforms to the survivor's benefit system:
 - Inheritance of notional capital accrued in **ZUS-SUB** in the new **NDC** system: Established provisions on inheritability of contributions and returns accrued in **ZUS-SUB** accounts of deceased individuals who had not reached the **SRA** at the time of their death. Rules regarding the inheritability of the notional capital accrued in **ZUS-SUB** follow the same inheritance rules as those applied to **OFE** financial assets previously.

Eligibility

Are divorced widows or widowers entitled to benefits based on their ex-spouses contribution or earnings history? Answer: Yes

Age requirements to start benefits without penalty

- **Full eligibility age (FEA)**
Age 50, although exceptions with no age requirements exist
- **Does FEA vary by sex?** Answer: No
- **Does FEA vary by birth year?** Answer: No

Requirements to be eligible to receive benefit

- **Widows and widowers married at time of spouse's death**

Lifetime survivor's pension for widows and widowers

A lifetime survivor's pension is awarded to the widow(er) if they satisfy the following conditions:

Conditions concerning the deceased:

- The deceased received, or was entitled to receive, an old-age or disability pension at the time of death.

Conditions concerning the surviving spouse:

Eligibility Track A:

- Age requirements: 50 years

Eligibility Track B:

- Age requirements: No minimum
- Other requirements: Deemed incapable to work¹

Eligibility Track C:

- Age requirements: No minimum
- Other requirements: Caring to at least one of the children, grandchildren or siblings who are entitled to the survivors' pension after the death of the person and who are deemed unable to work¹.

Eligibility Track D:

- Age requirements: No minimum
- Other requirements: Became incapacitated to work² within 5 years after the death of their spouse, or since they stopped raising their own child with the deceased or the adopted child of the deceased

Limited-duration survivor's pension for widows and widowers

A limited-duration survivor's pension is awarded to the widow(er) if they do not satisfy the conditions for a lifetime survivor's pension and/or if they do not have the necessary means of subsistence. A survivor's pension benefit can be granted for a maximum duration of:

- One year after the death of the spouse
- Two years after the death of the spouse if the widow(er) attends a training course after which they are going to obtain a qualification for gainful employment
- Until the surviving spouse's children, grandchildren or siblings who are entitled to the survivor's pension reach a certain age, provided that the surviving spouse provides care to them. Benefits are paid until the children, grandchildren or siblings have reached:
 - * 16 years of age
 - * 25 years of age, if still in education

Funeral allowance

A funeral allowance is payable to any individual or organization that incurred the cost of the funeral in the event of the death of:

- The insured person
- A person receiving a retirement or other pension
- A family member of the insured person, old-age pensioner or people on other pensions

Notes:

- ¹ An individual is considered to be completely incapable of work if they are affected by a moderate or significant degree of disability that is deemed to impede their ability to work
- ² An individual is considered to have become incapacitated to work if they stopped being capable of working once affected by a moderate or significant degree of disability that is deemed to impede their ability to work

• **Divorced widows/widowers**

Lifetime and Limited-duration survivor's pension for widows and widowers

The spouse or widow(er) whose marriage with the deceased terminated before their death can be granted survivor's pension benefits if they meet the conditions aforementioned for eligibility to survivor's benefits and are entitled to maintenance/alimony at the time of the death of the insured person, as determined by the court. If previously granted, benefits are still paid after remarriage.

Funeral grant

A funeral grant can be awarded to a spouse or widow(er) whose marriage with the deceased terminated before their death if they borne the funeral costs of the deceased individual.

Alternative eligibility requirements that permit starting benefits early, but with a penalty

- **Can an individual start benefits before FEA with penalty?** Answer: Early claiming not available

Benefits

- To receive a benefit, **does an individual have to claim it?** Answer: Yes
- To continue to receive a benefit, **does an individual have to remain qualified?** Answer: Yes

Payment type

- **Payment options (i.e., Annuity, cash balance, or lump sum):**
Lifetime and Limited-duration survivor's pension for widows and widowers
Annuitable
- **Funeral Grant**
Lump sum

Factors effecting computation of benefit entitlement

- **Does the formula for computing benefit entitlement differ by birth year?** Answer: Birth year of the deceased
- **Is the formula for computing benefit entitlement progressive?** Answer:
Survivor's benefits are calculated as a percentage of the deceased individual's old-age pension benefits entitlements, which depend on the birth year of the deceased (*See Poland Public Own Old-Age Benefit Plan Details for further details on different calculation methods by birth year and policy period in order to calculate old-age pension benefits*)

Class 1: Individuals born before 1949:

Yes

The **base amount** component of the **DB** benefit formula is established by law and it is equal for all retirees.

Class 2 and Class 3: Individuals born after 1949:

No

- **Does the benefit entitlement depend on the individual's own contribution/work history?** Answer: No
- **Does the benefit entitlement depend on the contribution/work history of the individual's spouse?** Answer: Yes
- **Are future benefit entitlements adjusted for cost of living?** Answer: Yes
- **If so, what measure is used for adjustment?**
Automatic adjustment based on the annual consumer price index and annual national average wage index. Pensions must be increased by at least any rise in the consumer price index plus a certain percentage of the real increase in the national average monthly wage in the preceding calendar year.
 - 1992-1998:
 - * For individuals starting benefits before 1991:
Benefits are not adjusted for cost of living
 - * For individuals starting benefits in 1991 and after:
Adjustment of pension benefits takes place quarterly as established by law, in cases where the growth of the **national average wage** in any 3-months period during the preceding calendar year exceeded 10%. In such case, the adjustment is based on the growth of the **national average wage** in the previous calendar year.
 - 1999-2000: Adjustment based at least on the aggregate growth of the consumer price index for goods and services during the preceding calendar year, increased by 15% of the real increase in the **national average wage** during the preceding calendar year
 - 2001-2021: Adjustment based at least on the aggregate growth of the consumer price index for goods and services during the preceding calendar year, increased by 20% of the real increase in the **national average wage** during the preceding calendar year

Benefit formula for claiming at FEA

Survivor's pension:

Survivor's pension benefits are equal to a fixed percentage of the old-age or disability benefits that the deceased spouse was receiving, or would have been eligible to receive, at their time of death. The calculation of old-age pension benefits depends on the birth year of the deceased¹ (*See Poland Public Own Old-Age Benefit Plan Details for further details on different calculation methods by birth year and policy period in order to calculate old-age pension benefits*). The fixed percentage depends on the total amount of survivors that are entitled to receive survivor's pension benefits. Conditional on satisfying certain requirements, eligible survivors include children, nieces and nephews, siblings and other children taken in and raised until they reach the age of majority, divorced spouses and parents of the deceased, along with the widow(er). The applied percentages are:

- 85% for one eligible survivor

- 90% for two eligible survivors
- 95% for three or more eligible survivors

The total amount calculated is then divided equally among all recipients. See [Formula 1](#) for calculation details. If the surviving spouse claims own old-age pension benefits, the payment of survivor's pension benefits is interrupted

Funeral allowance:

The funeral allowance is a one-off payment. See [Table 1](#) for yearly values set by law.

Notes:

- ¹ For deceased individuals eligible to claim old-age benefits at the time of their death but whose death resulted before they claimed benefits, the monthly old-age pension benefit for survivor's pension benefits' purposes is calculated as if the deceased individual claimed their benefits at the time of their death.
- Minimum survivor's pension is same as the minimum benefit for old-age pension. See [Table 2](#) for yearly values of minimum pension provisions (See *Poland Public Own Old-Age Benefit Plan Details* for further details on Minimum Pension rights).

Adjustments for starting benefits before FEA (Early claiming or retirement)

- **Are benefits reduced for starting benefits before FEA?** Answer: Early claiming not available

Adjustments for starting benefits after FEA (Delayed claiming or retirement)

- **Are benefits increased for starting benefits after FEA?** Answer: No

Adjustments for starting benefits and continuing to work (Earnings Test)

- **Are benefits reduced or eliminated while working?** Answer: Yes
- **Adjustment formula**

The benefit reduction can be applied yearly after starting benefits and depends on a beneficiary's average monthly income, including labor earnings and income from other pension payments, relative to the [national average wage](#) of the preceding calendar year:

- If less than 70%: The survivor's benefit is not reduced
- If 70% to 130%: The survivor's benefit is reduced by the [base amount](#) (i.e., a fixed amount - See *Poland Public Own Old-Age Benefit Plan Details* for further details on the definition and calculation of the [base sum](#))
- If greater than 130%: The survivor's benefit is not paid

See [Table 3](#) for values of the [national average wage](#) by year, and [Table 4](#) for values of the [base amount](#) by year.

- **If benefits are reduced while working, does it effect future benefits?** Answer: No

Tables and Formulas

Formula 1: Survivor Benefits

$$B_{SU,i,j,t,t_c} = \frac{c \times B_{OA,j,t}}{N_i}$$

- B_{SU,i,j,t,t_c} = Monthly survivor's pension benefit paid to individual i , previously married with deceased spouse j , at time t if claimed at time $t_c \leq t$:
 - If $B_{SU,i,j,t,t_c} < MIN_i$, then $B_{SU,i,j,t,t_c} = MIN_i$
Where: MIN_i = Minimum pension benefit as specified in [Table 2](#)
- N_i = Number of eligible survivors for benefits granted to individual i
- c = Fixed percentage depending on number of survivor's pension recipients:
 - 85% for one eligible survivor ($N_i = 1$)
 - 90% for two eligible survivors ($N_i = 2$)
 - 95% for three or more eligible survivors ($N_i > 2$)
- B_{OA,j,t_d} = Monthly old-age pension benefit paid at time of death, or expected to be paid if eligible at time of death but not yet claimed, to deceased individual j at time of death t_d :
 - $B_{OA,j,t} = B_{OA,j,t,t_c(j)}$ in Formula1, if the deceased spouse was born before January 1, 1949
 - $B_{OA,j,t} = B_{OA,j,t,t_c(j)}$ in Formula31 for benefits before 2011 and Formula32 for benefits after 2011, if the deceased spouse was born on or after January 1, 1949

See *Poland Public Own Old-Age Benefit Plan Details* for further details on public old-age pension benefits' calculation.

Source: ZUS (2019b).

Table 1: Funeral Allowance by Year

Year	Funeral allowance
1999 - 2001	3,197.04 PLN
2002 - 2003	4,305.98
2004 - 2005	4,664.34
2006 - 2007	Unknown ¹
2008 - 2009	5,799.66
2010 - 2011	6,632.76
2012 - 2021	4,000.00

Note:

- PLN represents the ISO code for Polish złoty, the official currency of Poland

¹ Values not yet identified

Source: Authors' collection of data deriving from publications of [Announcements of the President of the Social Insurance Institution](#), published yearly in Monitor Polski by ZUS [Zakład Ubezpieczeń Społecznych - Social Insurance Institution], 1992-2022.

Table 2: Monthly Minimum Pension

Period	Value
April 1, 1992 - August 30, 1992	84.91 PLN
September 1, 1992 - November 30, 1992	92.75
December 1, 1992 - February 29, 1992	108.15
March 1, 1993 - November 30, 1993	123.13
December 1, 1993 - May 31, 1994	140.00
June 1, 1994 - November 30, 1994	176.01
December 1, 1994 - February 28, 1995	213.96
March 1, 1995 - November 30, 1995	243.40
December 1, 1995 - August 30, 1996	279.69
September 1, 1996 - February 28, 1997	322.20
March 1, 1997 - August 30, 1997	346.41
September 1, 1997 - February 28, 1998	374.63
March 1, 1998 - August 30, 1998	394.30
September 1, 1998 - May 31, 1999	415.00
June 1, 1999 - May 31, 2000	451.11
June 1, 2000 - May 31, 2001	470.51
June 1, 2001 - May 31, 2002	530.26
June 1, 2002 - February 28, 2003	532.91
March 1, 2003 - February 29, 2004	552.63
March 1, 2004 - February 28, 2005	562.58
March 1, 2005 - February 28, 2006	562.58
March 1, 2006 - February 28, 2007	597.46
March 1, 2007 - February 29, 2008	597.46
March 1, 2008 - February 28, 2009	636.29
March 1, 2009 - February 28, 2010	675.10
March 1, 2010 - February 28, 2011	706.29
March 1, 2011 - February 29, 2012	728.18
March 1, 2012 - February 28, 2013	799.18
March 1, 2013 - February 28, 2014	831.15
March 1, 2014 - February 28, 2015	844.45
March 1, 2015 - February 29, 2016	880.45
March 1, 2016 - February 28, 2017	882.56
March 1, 2017 - February 28, 2018	1,000.00
March 1, 2018 - February 28, 2019	1,029.80
March 1, 2019 - February 29, 2020	1,100.00
March 1, 2020 - February 28, 2021	1,200.00
March 1, 2021 - February 28, 2022	1,250.88

Notes:

- PLN represents the ISO code for Polish złoty, the official currency of Poland

Source: Authors' collection of data deriving from publications of [Announcements of the President of the Social Insurance Institution](#), published yearly in Monitor Polski by [ZUS](#) [Zakład Ubezpieczeń Społecznych - Social Insurance Institution], 1992-2022.

Table 3: National Average Wage

Year	National Average Wage
1992	293 PLN
1993	399
1994	533
1995	703
1996	873
1997	1,062
1998	1,239
1999	1,707
2000	1,924
2001	2,062
2002	2,133
2003	2,201
2004	2,290
2005	2,380
2006	2,477
2007	2,691
2008	2,944
2009	3,103
2010	3,225
2011	3,400
2012	3,522
2013	3,650
2014	3,783
2015	3,900
2016	4,047
2017	4,272
2018	4,585
2019	4,918
2020	5,167
2021	5,662

Note:

- PLN represents the ISO code for Polish złoty, the official currency of Poland
- Values for the National Average Wage are expressed in monthly values

Source: [ZUS \(2020\)](#).

Table 4: Base Amount by Year

Year	Base Amount
1992	293.00 PLN ¹
1993	363.09 ¹
1994	495.69 ¹
1995	660.82 ¹
1996	829.35 ¹
1997	1,030.14 ¹
1998	1,214.22 ¹
1999	1,327.44
2000	1,540.20
2001	1,683.27
2002	1,775.89
2003	1,862.62
2004	1,829.24
2005	1,903.03
2006	1,997.20
2007	2,059.92
2008	2,275.37
2009	2,578.26
2010	2,716.71
2011	2,822.66
2012	2,974.69
2013	3,084.84
2014	3,191.93
2015	3,308.33
2016	3,408.62
2017	3,536.87
2018	3,731.13
2019	4,033.88
2020	4,294.67
2021	4,512.41
2022	4,944.79

Notes:

- PLN represents the ISO code for Polish złoty, the official currency of Poland

¹ Values imputed as a fixed percentage of average national wage for the policy period 1992-1998. Fixed percentages applied: 100% in 1992, 91% in 1993, 93% in 1994, 94% in 1995, 95% in 1996, 97% in 1997, and 98% in 1998.

Source: [ZUS \(2020\)](#), for values of average national wage between 1992 and 1998; [ZUS \(2019a\)](#), for official values of the base amount by year from 1999.

Sources

This section records key sources consulted when we collected the institutional details reported in this document. Archived versions of these sources are available at the Gateway Policy Explorer website (<http://g2aging.org/policy-explorer>).

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Note: Readers can find relevant announcements by filtering search results by year and publishing organ, in this case Prezes ZUS [President of ZUS, the Social Insurance Institution]. [\[Link\]](#)

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Social Security Administration (1993 - 1999). Social Security Programs Throughout the World. [\[Link\]](#)

Social Security Administration (2002 - 2018). Social Security Programs Throughout the World. [\[Link\]](#)

Glossary of terms

This section summarizes key definitions from the main text. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: "Alt" + "←"; In Adobe Acrobat on a MAC: "command" + "←"; In Preview on a MAC: "command" + "[".

Annuitable System: A pension system that provides a periodic payment for life after the benefit begins.

Base Amount: National average wage from the preceding calendar year, reduced by the compulsory social insurance contributions deducted from earnings of the persons insured. Its value is fixed and is established by law every year.

Cash Balance System: A pension system that provides each individual an account that is drawn down over time.

Claimable Benefit: A benefit where the beneficiary must actively file a claim for benefits with the government's administering authority.

Class 1: Workers born before January 1, 1949. These workers have their old-age benefit determined by the DB system.

Class 2: Workers born between January 1, 1949 and December 31, 1968. These workers have their old-age benefit determined by the combined NDC system. However, their participation to OFE funds was voluntary: these workers had until December 31, 1999 to choose whether to allocate part of their contributions to OFE funds, or to contribute only to their main ZUS account in the NDC system.

Class 3: Workers born on or after January 1, 1968. These workers have their old-age benefit determined by the NDC system. Their contributions to OFE funds were mandatory until 2014. From 2014 onwards, these workers are automatically opted out of these funds; however, they can decide to opt in and contribute to them at any moment.

Cost-of-Living Adjustments (COLA): Adjustments after an individual begins receiving benefits that increase benefit payments, typically in line with consumer prices or average earnings.

Defined Benefit system (DB): An old-age benefit system where a worker's benefits paid at retirement are based on a defined formula typically consisting of contribution years, a measure of final average earnings and a multiplier (sometimes known as an accrual factor).

Defined Contribution system (DC): An old-age benefit system where a worker's contributions earn a rate of return determined by the market returns, which includes investment gains or losses, minus any investment and administrative fees. At retirement, the accumulated contributions and returns are converted into a lifetime monthly benefit.

Earliest eligibility: Earliest age and/or years of contributions required to be eligible to start receipt of a particular type of benefit. Earliest eligibility is the same as statutory eligibility in countries where there is no benefit penalty for claiming before the statutory retirement age.

Full Eligibility Age: The age at which individuals are eligible to receive their full benefit. For dependent benefits or social assistance, the full eligibility age may differ from the statutory retirement age for own old-age pension benefits.

Latest claiming age: Latest age where a benefit may be claimed such that benefit payments are increased as an incentive for delaying the start of benefits past the statutory retirement age. Latest claiming age is the same as statutory retirement age in countries where there is no benefit to delayed claiming. Not applicable for non-claimable benefits.

Lump Sum Benefit: A pension system that provides an individual with a one-time or limited number of payments. Lump sum benefits are distinct from annuitable or cash balance benefits because they do not continue past a specified time frame. Lump sum benefits use varies by country, but they are sometimes used as death benefits, incentives to delay claiming, or payments to individuals with an insufficient contribution history to be eligible for annuitable benefits.

National Average Wage: Average wage in the national economy, expressed in pre-tax (gross) terms

National Income Measure: In some pension systems, the benefit is dependent on a national income measure, such as average wages. We indicate a pension system depends on the national income measure if the benefit paid is determined by a national income measure (as opposed to an individual's earnings history). For example, the benefit level for the United Kingdom Basic State Pension depends on a level set by the government and does not depend on an individual's earnings. This distinction does not include systems that adjust annual benefits based on a national income measure or index past earnings using a national income measure.

Notional Defined Contribution system (NDC): An old-age benefit system where a worker's contributions earn a rate of return determined by the government. At retirement, the accumulated contributions and returns are converted into a lifetime monthly benefit. The system is notional in that a worker does not have an individual account accruing returns, just a commitment from the government to provide the benefits as designed.

Open Pension Funds (Otwarty Fundusz Emerytalny - OFE): Open Pension Funds are privately-managed pension funds introduced by the 1999 NDC reform. Workers have discretion in choosing an OFE fund of their choice depending on their risk profile, and they can open an account that accrues their mandatory discretionary contributions. Returns on contributions depend on financial market returns on the assets held by each individual fund. Contributions to these funds was mandatory until 2014. After 2014, workers can choose voluntarily to direct part of their mandatory discretionary contributions to one of these funds.

Progressive Benefit: A benefit is progressive if people with lower earnings have a greater replacement rate for their contributions.

Qualified Benefit: A benefit is qualified if an individual must continue to meet certain standards, such as a means test, to continue receipt of benefits.

Social Insurance Institution (Zakład Ubezpieczeń Społecznych - ZUS): Polish state social insurance agency

Statutory Retirement Age (SRA): The age at which individuals are eligible to receive their full benefit. In the United States, this is known as the normal retirement age. In the United Kingdom, this is known as the state pension age.

ZUS Sub-Account (ZUS-SUB): Special purpose accounts within the NDC system different from the individual's main ZUS account. They were created in 2011 to accrue a fraction of mandatory non-discretionary contributions to the NDC system.

Version information

Current Version: 2.1 (August 2023)

Version History

- 1.0 (March 2021): First version
- 2.0 (July 2022): Substantial revision of all content
- 2.1 (August 2023): Updated formatting and terminology

Additional resources

The following resources provide additional details for the interested reader:

ZUS (Zakład Ubezpieczeń Społecznych) Official Website - Survivor's Pension. Available at: <https://www.zus.pl/en/swiadczenia/renty/renta-rodzinna>

Features: Official webpage of ZUS, Poland's Social Security System, including further information on survivor's pension benefits.

ZUS (Zakład Ubezpieczeń Społecznych) Official Website - Funeral Grant. Available at: <https://www.zus.pl/en/swiadczenia/zasilki/zasilek-pogrzebowy>

Features: Official webpage of ZUS, Poland's Social Security System, including further information on funeral grant benefits.