

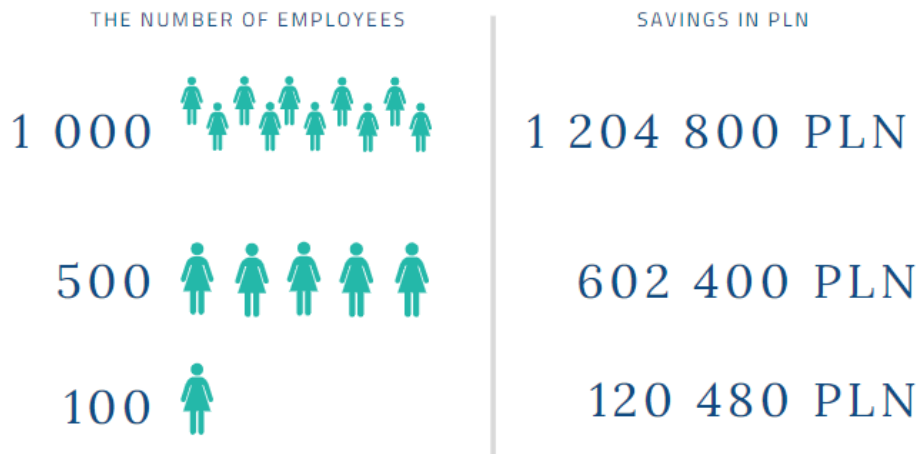


## Restructuring without redundancies – flexibility and savings as a chance to compete the crisis

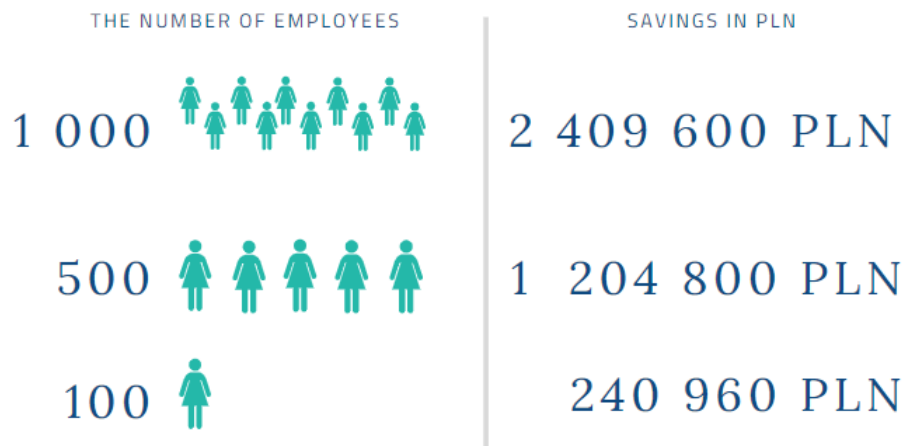
Many employers are currently considering restructuring, including reduction of employment and collective dismissals. Before you taking such decision, there are many other options to be taken into account. This time our *HR Perspectives* are fully dedicated to the solutions which allow to reduce costs and compete the crisis. We focus on effective resource management and search for savings.

### 1. Reduction of working time by more than 20%

Working time (and salaries) can be reduced by any amount on basis of an agreement with trade unions or employees' representatives (it applies to employers not covered by collective labour agreement). It does not require individual agreements with employees and amending their contracts. It must be justified by difficult financial situation of an employer. Restrictions may last up to 3 years. The limitations of the 'anti-crisis shield' do not apply. (i.e. reducing working time up to 20% and no more than half-time). However, the authorities may refuse to grant subsidies.



\*THE CALCULATION CONCERNS A REDUCTION OF 20% FOR REMUNERATION IN THE GROSS AMOUNT OF PLN 5000



\*THE CALCULATION CONCERNS A REDUCTION OF 40% FOR REMUNERATION IN THE GROSS AMOUNT OF PLN 5000

## 2. Reduction of employees' salaries

It is also possible to reduce only salaries of employees, without reducing their working time. The actual salary paid to an employee must not be lower than the statutory minimum salary which is about EUR 600. The procedure described in Sec. 1 above applies.

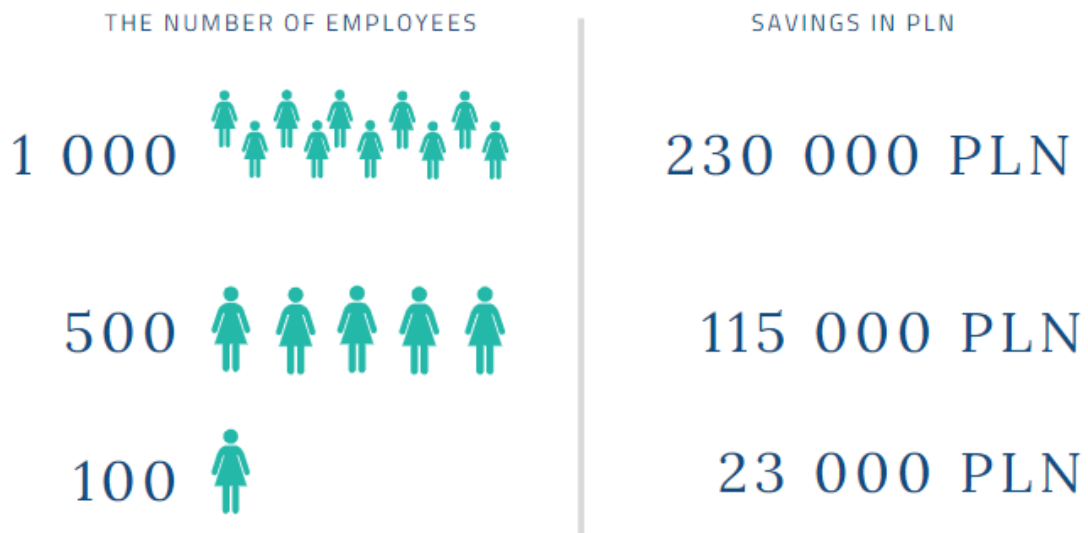
### 3. Temporary suspension/reduction of bonuses, allowances and other benefits



It is possible to suspend or reduce particular employment benefits, incl. bonuses or other allowances (e.g. co-financing for Multisport cards). The procedure described in Sec. 1 above applies.

### 4. Resignation from annual salaries rise / discretionary bonuses

Collective agreements or other internal policies provide sometimes for an annual review of salaries. However, it does not necessarily create the right to salary rise on the side of employees. In most cases, an employer will be able to opt out of salaries rise without agreeing that with unions or employees. It also applies to discretionary bonuses.



\*THE CALCULATION CONCERNS ANNUAL SALARIES RISE OF 4,6% FOR REMUNERATION IN THE GROSS AMOUNT OF PLN 5000

## 5. Suspension or termination of collective labour agreement. Termination of other collective agreements

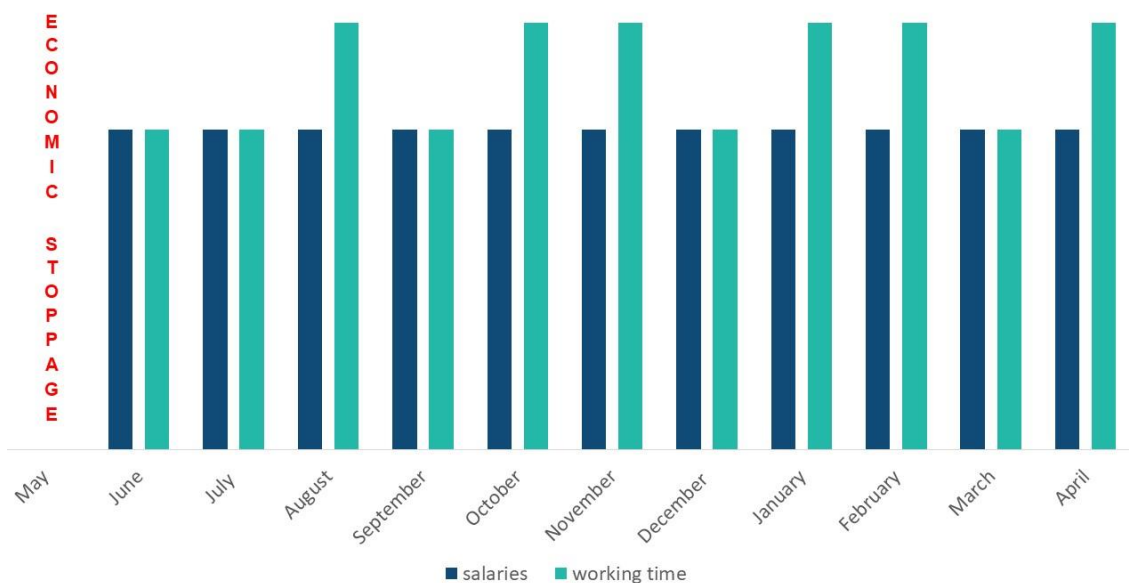
The parties of a collective labour agreement are able to decide about its suspension. Suspension may concern whole collective labour agreement or a part of it. It can be agreed for maximum period of three years. Suspension results in no obligation to pay benefits provided by the collective labour agreement. There is no need to make individual agreements with employees and to amend their contracts.

Employer may also decide to terminate collective labour agreement upon notice. Other collective agreements may also be terminated – in this case without individual agreements with employees or amendments to employment contracts.

## 6. Savings in working time management

Working time regulations, including the 'anti-crisis shield', provide for at least several solutions allowing for effective management of employees' working time. Extending settlement periods up to 12 months gives an opportunity to schedule work in such a way that employees work much shorter or have time off in given weeks/months, while they work longer in following weeks/months. It can be combined with an equivalent working time system, allowing to extend working hours up to 12 hours per day.

In addition, daily and weekly rests can be shortened, which allows for additional extension of working hours. On the other hand, flexible working time and appropriate working schedules allow for a greater flexibility.



## 7. Suspension or cancelation of social fund

Employer may decide not to create social fund (even during a given year). It means that an employer is not obliged to transfer money to a social fund account in a given year. Employer may also decide to "temporarily" suspend social fund. It must be justified by difficult financial situation of an employer. In such a situation, the amount of allowances paid to social fund account by an employer can be freely determined. On the other hand, employers who decide to create social fund anyway may benefit from higher amounts of PIT exemptions for 2020 and 2021.



\*THE CALCULATION CONCERNS THE BASIC DEDUCTION IN 2020 FOR AN EMPLOYEE EMPLOYED IN NORMAL CONDITIONS

## 8. Non-financing of contributions to Employee Capital Plans (ECP)/ Employee Pension Programs (EPP)

In the period of economic stoppage or reduced working time introduced on the basis of the "anti-crisis shield", employer and the participant of ECP are not obliged to finance their ECP contributions. It applies only to employees covered by stoppage or reduced working time. If a participant wish their contributions (financed by themselves) to be paid anyway, they may submit a relevant declaration and then an employer shall continue to calculate, deduct and pay contributions financed by a participant.

It is similar in case of EPP. Employer may unilaterally decide not to finance basic contributions to EPP during economic stoppage or reduced working time. However, it does not apply to additional contributions (i.e. voluntary or financed by participant).

## ECP



\*THE CALCULATION CONCERNS THE BASIC PREMIUM OF 1.5% FOR REMUNERATION IN THE GROSS AMOUNT OF PLN 5000

## EPP



\*THE CALCULATION CONCERNS THE BASIC PREMIUM OF 3.5% FOR REMUNERATION IN THE GROSS AMOUNT OF PLN 5000

## ON-LINE MEETING: Restructuring without redundancies

May 14th, 2020, at 11:00-12:30

Speaker:

Robert Stępień,  
attorney at law, partner

- practical tips
- as part of participation, companies have the possibility of 1 hour consultation on the subject of the meeting

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## CONTACT



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