

Legal Alert

New holiday and new minimum wage

November 2010

In late September 2010 the Polish Parliament adopted amendments to the Labour Code and other acts that were covered extensively by the media. The act has already been signed into law by the President, which means that starting in the New Year, there will be a new public holiday in Poland. But will it necessarily mean more time off for employees?

In addition, as happens every year, a new minimum wage was adopted. Will it affect all employers, or just those who pay their workers the minimum?

How many statutory days off?

The new holiday is on 6 January (Epiphany), and it is a day off work. Thus, starting in 2011, there will be **13 days off work in Poland**.

Meanwhile, the Parliament **eliminated the rule** (under Labour Code Art. 130 §2) that every **holiday** that falls on another **day off** in accordance with the work schedule in place for a given employee based on the 5-day workweek (typically a Saturday) **reduced the working time** of the employee. In practice this meant that in exchange for a holiday falling on a Saturday, the employer was required to give staff another day off work during the week, prior to the end of the settlement period.

This situation will arise once more in 2010 in connection with Christmas Day, because this year 25 December falls on a Saturday. Employers will give their workers another day off, before or after that date, but no later than by the end of the settlement period. If the worker is not given a day off, then the employee's record will show the work as overtime.

Will an extra holiday truly mean more days off for employees?

Even though introduction of a new day off may appear favourable to employees, experts quickly determined that it only appears to be so.

In successive years the effects will be balanced by elimination of the rule under Labour Code Art. 130 §2. For example, in 2011 there will not be any difference, because a holiday will fall on a Saturday only once (New Year's Day).

New minimum wage

From 1 January 2011 the new minimum monthly wage in Poland will be **PLN 1,386 gross**. This represents a 5.2% increase over the figure for 2010. Employers who pay workers the minimum will have to make relevant changes to their employment contracts. However, all employers will have to reflect the new amount of the minimum wage when calculating the extra pay for work during night-time hours.

The change will also mean an increase in the statutory ceiling for severance under the group layoffs act. If the severance calculated according to the rules provided by the act would be greater than 15 times the minimum wage, i.e. from 2011 higher than PLN 20,790 gross, then the employer may limit the amount of the severance payment to the statutory ceiling.

Employees found to be victims of mobbing will also be entitled to higher compensation, because the minimum compensation is equal to the statutory minimum wage.

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