

EMPLOYEE PENSION SCHEME EPS



Questions And Answers



1 What is an EPS?

The Employee Pension Scheme is a form of collective saving for the future retirement pension, organized by the employer. Employees may join the EPS on a voluntary basis. Basic premiums to the EPS are paid by the employer from its own resources to a selected financial institution entrusted with managing them.

2. Can all employees join the EPS?

Any employee who meets the seniority conditions set out in the Company Agreement may join the EPS (the document is available for inspection by the employer).

3. How can I join the EPS?

If you want to join the program, you should report this by completing the declaration and submitting the document to the HR department of your employer.

4. Does the basic premium paid by the employer constitute the employee's revenue?

Yes, the basic premium is treated as additional revenue of the employee from which the employer, being the payer, is obliged to calculate and withhold a personal income tax advance. The basic premium is not part of the remuneration which provides the basis for assessment of mandatory social premiums.

5. What is the amount of the basic premium paid by the employer?

The basic contribution is determined by the employer in the Company Agreement and is calculated on each gross salary paid, which is the basis for calculating the Social Security contribution (including: bonuses, premiums, etc.). In accordance with the EPS Act, it cannot be more than 7%.

6. How often does the employer pay the basic premium?

In respect of the elements of remuneration paid in periods not longer than a month, the basic premium is paid once a month within the time limit set by the employer. In case of the elements of remuneration payable for periods exceeding one month – on the date of payment of such elements.

7. Can an employee declare an additional premium?

Yes, each employee eligible to join the EPS can declare an additional premium. The premium is deducted by the employer from the employee's remuneration. The amount of the premium decreases the monthly net remuneration.

8. Can an employee change the amount of the additional premium?

Yes, the amount of the additional premium can be changed at any time.

9. What is the minimum and maximum amount of the basic premium?

The amount of the minimum premium is determined in the Company Agreement. The maximum annual payment limit is set every year by the Minister of Family, Labor and Social Policy. You can check it at <https://www.gov.pl/web/rodzina/ppe-pracownicze-programy-emerytalne>.

10. What can I do with the resources collected in the EPS if I change the employer?

If you change the employer, there are three options:

1

Transfer Disbursement to the IRA (Individual Retirement Account) – you can transfer the resources to your IRA.

2

Transfer Disbursement to the EPS – you can transfer the resources to another EPS, if your new employer runs the EPS.

3

You can leave the resources in the current EPS – they will not be increased by new payments.

11. Can I make changes?

According to the EPS Act, any changes in the EPS must be reported to the employer, e.g. updating personal data, changing the amount of additional contribution etc. Generali Investments TFI provides online systems (Transaction Service).

Our Transaction Service allows you to:

- change your personal data
- designation/change of the beneficiary in case of your death
- withdrawal of funds upon your reaching retirement age
- change your withdrawal parameters
- change of investment allocation
- transfer withdrawal other to EPS in case of change of employer or to an IKE account.

12. What saving variants are available within the EPS offered by my employer?

Two saving variants are available to you within the EPS:

variant: life-cycle model portfolio

so called life cycle strategy in which allocation to individual sub-funds depends on the number of years left until the employee turns 60

individual variant

the employee individually decides how to divide the premium between the available sub-funds

13. When is the allocation in the *life-cycle* portfolio changing?

A change in the model portfolio allocation due to the employee's age takes place at the beginning of the year in which the EPS participant has reached the age qualifying for the next interval deposit allocation.

14. How often can I change the saving variant within the EPS?

You are allowed to change the saving variant within the EPS four times in a calendar year. No subsequent change to the allocation will be made.

15. The management fee – what is it?

The management fee is the Company's remuneration for managing the fund assets. This is a lump sum fee on the value of sub-fund assets. The amount of the fee is provided on an annual basis. The management fee is included in the daily valuation of a participation unit, which means that the fund results published are inclusive of the management fee.

16. Does the employee joining the EPS incur any additional costs or pay any other additional fees for joining the EPS?

The employee is not charged with any additional fees by the management institution or the employer on account of joining the EPS.

17. Are the resources collected in the EPS hereditary?

Yes, the funds gathered by the employee under the scheme are inheritable.

18. In what order will the resources collected in the EPS be inherited?

The spouse will receive half the funds to the extent in which the funds constituted the object of

joint marital property ownership. The remaining funds are transferred to the authorised persons to the extent specified by the Participant in EPS. In absence of spouse, the authorised persons get all the funds gathered under EPS. In absence of authorised person, the funds gathered under EPS are transferred to the estate of a deceased participant in EPS.

19. How can I check the current status of assets collected in the EPS?

Information on the current status of the register can be obtained:



via the Internet

by logging in to the transactional service system through the website



by mail

by calling at **22 355 46 71** you can request that a confirmation specifying the status of registers be sent to you. It is sent to the correspondence address.

20. How can I get access to the transactional service system?

If you have not used EPS or you are a new employee, check the appropriate box on your declaration of joining EPS.

If you have used EPS, simply go to **Registration** and select the option to have your identity verified using mojID. The system will guide you through the steps of data verification up to the activation of your on-line access.

Important information:

- the mojID service can be used while creating an online account by each ECP participant whose bank is available for the purposes of this service (the bank's logo will be visible on the home page),
- if your bank is not available for the purposes of the service, please contact your employer and give your email address and mobile phone number. The employer will request for the online access on your behalf.

21. Where can I obtain information relating to the EPS, apart from the HR department?

In order to obtain such information, you can contact the Company's hotline at 22 355 46 71, from Monday to Friday, between 9.00 a.m. and 5.00 p.m.

22. Can I disburse the resources collected in the EPS before reaching the retirement age or becoming eligible for the retirement pension?

Yes, it is possible. This can be done in two ways:

- after cessation of employment with a given employer, one can make a **transfer disbursement** to an Individual Retirement Account (IRA), and then withdraw the monies from this account. In this case the manager (the financial institution that runs the IRA) transfers 30% of the total of basic premiums paid to the EPS to a bank account indicated by the Social Insurance Institution (ZUS), the resources are recorded in the account of the insured. In addition, the financial institution withholds capital gain tax of 19%,
- this is the so-called **refund**, i.e. withdrawal of the resources collected within the EPS in the event of scheme liquidation, if there are no grounds for disbursement or transfer disbursement.



23. When can I withdraw the whole of collected funds in the EPS?

The resources collected in the EPS can be disbursed after the employee turns 60 or after the employee turns 55 and presents a decision to grant the retirement pension – so called **disbursement** from the EPS.

24. How often and where can I check valuation of participation units of the sub-funds available in the EPS?

Valuation of the participation units is published every day on the Company's website www.general-investments.pl under the tab "Valuations of Open-End Funds", provided that a trading session is held on a given day at the Warsaw Stock Exchange.

25. Where can I obtain more information on the sub-funds available in the EPS?

Any information relating to the sub-funds (e.g. the investment policy, portfolio composition, etc.) is available on our website www.general-investments.pl. In order to obtain additional information, you can also contact the hotline at 22 355 46 71.

26. Is it possible to transfer the resources from the EPS to the IRA (so called transfer disbursement to the IRA) during the employment contract with the current employer?

During the employment relationship with the current employer, the transfer disbursement to the employee's IRA cannot be made. The transfer disbursement to the IRA can be made after cessation of employment with a given employing entity.



Contact us



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achieved in the past do not guarantee returns on future investments. The result will differ depending on the market situation and period for which the investment is held. The performance results presented are exclusive of handling fees for investing in the particular subfund and taxes. Depending on the adopted investment policy, sub-funds may invest assets in securities, money market instruments, and other investment categories; additionally, given the composition of the portfolio and the adopted management strategy, the unit value may be subject to moderate, high or very high volatility. High volatility of the net asset value of: Generali Akcje Małych i Średnich Spółek, Generali Akcje Value, Generali Akcji Rynków Wschodzących, Generali Korona Akcje, Generali Korona Zrównoważony, Generali Stabilny Wzrost, Generali Surowców, Generali Akcji: Megatrendy in Generali Fundusze FIO and Generali Obligacje Aktywne, Generali Obligacje Globalne Rynki Wschodzące, Generali Złota, Generali Euro, Generali Akcji Ekologicznych Globalny, Generali Akcji Europejskich, Generali Akcji Ekologicznych Europejski in Generali Fundusze SFIO. There is a possibility to invest more than 35% of the asset value of Generali Korona Dochodowy, Generali Akcji: Megatrendy, Generali Korona Obligacje, Generali Stabilny Wzrost, Generali Korona Zrównoważony, Generali Złota, Generali Aktywne Dochodowy, SGB Dłużny, Generali Akcji Europejskich, Generali Akcji Ekologicznych Globalny in securities issued, backed or guaranteed by the Polish Treasury or the National Bank of Poland, and in the case of Generali Dolar, Generali Konserwatywny, Generali Surowców, Generali Akcji: Megatrendy and Generali Oszczędnościowy also in securities issued, backed or guaranteed by: Australia, Austria, Belgium, Bulgaria, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Ireland, Iceland, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, United States of America, and the European Investment Bank and the World Bank (the International Bank for Reconstruction and Development). The document has been prepared by the Company with due diligence and to the best of its knowledge, and it is based on the author's opinion as at the publication date and then applicable legal, tax and factual situation; the document may be amended without prior notice. Own and publicly available sources were used as references (www.generaliinvestments.pl). The Company assumes no liability for any adverse effects the use of the content hereof might have. The Company is the sole owner of any copyrights hereto. This document, or any part hereof, may not be copied, published or otherwise disseminated without the Company's prior consent. This document was prepared as at 27.06.2024 and it shall be effective until updated.



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