

Employee share plans in Poland

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Companies with share plans for employees in Poland

- **Polish companies belonging to international organisations;**
- **Polish private companies;**
- **Privatised former state owned companies.**

Polish companies belonging to international organisations

- **Polish companies belonging to international organisations offer shares of the parent companies to employees as part of worldwide packages;**
- **Stock Option Plans, Employee Share Purchase Plans, Restricted Shares and Stock Appreciation Rights are the most popular plans in these companies;**
- **Shares are offered to managers as well as all other employees**

Polish private companies

- **Approximately 30 % of the companies quoted on the Warsaw Stock Exchange offers shares to its employees;**
- **Stock Option Plans and Employee Share Purchase Plans are the most popular plans in these companies;**
- **Shares are offered to managers as well as to all other employees;**
- **Share plans are most popular in the IT sector.**

Privatised former state-owned companies

- **Up to 15 % of shares are offered to employees as part of the privatisation;**
- **Regulatory issues;**
- **Negative examples.**

Legal obstacles for creating share schemes in Poland

- **Double taxation of the income resulting from the preferential purchase of shares;**
- **Lack of tax and legal incentives for Polish employers to introduce employee share plans;**

Tax exemption eliminating the double taxation of income resulting from the preferential purchase of shares

- Provisions have been introduced to the personal income tax law in 2001 under which tax is not due when the shares are purchased, provided that the following conditions are met:
 - the shares are newly issued on the basis of a shareholders' resolution or;
 - the shares are purchased from a company which has acquired the shares for the sole purpose of transferring them to eligible individuals.

Future perspectives

- Using the exemption eliminates in some cases double taxation of the preferential purchase of shares in Poland.
- Changes to the Polish commercial code facilitates the development of share plans in Poland.
- Polish employers are increasingly interested in introducing share plans.