Labour market analysis
Szczecin and Westpomeranian Region

LSJ Group, December 2013
1. Analysis objective and background
2. Local labour market
3. Average salaries in region
4. Region welcoming families
5. Employment regulations
6. Labour cost in Poland
7. LSJ – your HR partner
8. Contact
The aim of this analysis is to provide insight into the labour market in the Westpomeranian Region for businesses already operating in the area as well as future investors.

The report has been prepared by LSJ Group. The information included in the document is based on comprehensive experience and statistical data gathered from a large number of recruitment projects, as well as government publications.

In the recent survey carried out by the Institute for Market Economics, Szczecin and Westpomeranian Region have been listed as a region of high investment attractiveness. Our experience in realisation of numerous local recruitment projects has repeatedly confirmed the survey’s results.
Local labour market in numbers

- **Region population:** 1,719,6 thousand
- **Unemployed persons registered in the labour offices:** 104,0 thousand
- **Unemployment rate:** 17,0 % (total for the region); 10,4% (Szczecin municipal region)
- **Average monthly gross wages and salaries in enterprise sector:** 3,475 PLN gross per month (July 2013)
- **Minimum monthly gross salary for 2014 in Poland:** 1,680 PLN gross per month
- **Students:** around 60,000, including 14,000 graduates of one of 25 regional higher education institutions (universities and colleges)
According to our research, here are the levels of industrial, administration and financial sector salaries in the region for white- and blue-collar workers:

### SALARY RANGE LEVEL – 2013 (prepared by LSJ GROUP)

<table>
<thead>
<tr>
<th>Position</th>
<th>INDUSTRIAL SECTOR – gross salary brackets</th>
<th>INDUSTRIAL SECTOR – example gross salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Blue-collar workers</td>
<td>1 600 – 3 900 PLN</td>
<td>382,06 – 931,28 EUR*</td>
</tr>
<tr>
<td>2. Specialist</td>
<td>2 700 – 6 400 PLN</td>
<td>644,73 – 1 528,25 EUR*</td>
</tr>
<tr>
<td>3. Manager</td>
<td>4 000 – 12 000 PLN</td>
<td>955,16 – 2 865,47 EUR*</td>
</tr>
<tr>
<td>4. Director</td>
<td>7 000 – 20 000 PLN</td>
<td>1 671,52 – 4 775,78 EUR*</td>
</tr>
</tbody>
</table>

**Exchange rate 2013-12-12: 1 EUR = 4,1878 PLN**

**As of 1st January 2013 is 1 600 PLN (€382) per month and will be raised to 1 680 PLN (€401) in January 2014.**
### SALARY RANGE LEVEL – 2013 (prepared by LSJ GROUP)

<table>
<thead>
<tr>
<th>Position</th>
<th>FINANCIAL SECTOR – gross salary brackets</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Regular employees</td>
<td>2 000 – 3 000 PLN 477,58 – 716,37 EUR*</td>
</tr>
<tr>
<td>2. Specialist</td>
<td>2 900 – 5 700 PLN 692,49 – 1 361,10 EUR*</td>
</tr>
<tr>
<td>3. Manager</td>
<td>4 500 – 12 000 PLN 1 074,55 – 2 865,47 EUR*</td>
</tr>
<tr>
<td>4. Director</td>
<td>8 000 – 23 000 PLN 1 910,31 – 5 492,14 EUR*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Position</th>
<th>FINANCIAL SECTOR – example gross salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Accountant</td>
<td>3 500 PLN 835,76 EUR*</td>
</tr>
<tr>
<td>2. Chief Accountant</td>
<td>8 500 PLN 2 029,71 EUR*</td>
</tr>
<tr>
<td>3. Financial Controller</td>
<td>10 000 PLN 2 387,89 EUR*</td>
</tr>
</tbody>
</table>

### Position ADMINISTRATION SECTOR – gross salary brackets

<table>
<thead>
<tr>
<th>Position</th>
<th>ADMINISTRATION SECTOR – gross salary brackets</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Regular employees</td>
<td>“1 950 – 3 100 PLN 465,64 – 740,25 EUR*</td>
</tr>
<tr>
<td>2. Specialist</td>
<td>2 500 – 4 490 PLN 596,97 – 1 072,16 EUR*</td>
</tr>
<tr>
<td>3. Manager</td>
<td>3 200 – 6 550 PLN 764,12 – 1 564,07 EUR*</td>
</tr>
<tr>
<td>4. Director</td>
<td>5 400 – 14 350 PLN 1 289,46 – 3 426,62 EUR*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Position</th>
<th>ADMINISTRATION SECTOR – example gross salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Office Assistant</td>
<td>2 400 PLN 573,09 EUR*</td>
</tr>
<tr>
<td>2. Office Manager</td>
<td>4 000 PLN 955,16 EUR*</td>
</tr>
<tr>
<td>3. Project Manager</td>
<td>4 700 PLN 1 122,31 EUR*</td>
</tr>
</tbody>
</table>

* Exchange rate 2013-12-12: 1 EUR = 4,1878 PLN
Perks and benefits

To attract best talent pool, organisations which employ specialists tend to offer additional employee benefits and perks, including eg.:

- extra medical package,
- extra life insurance,
- free or subsidised language courses,
- free or subsidised sports activities, for example a membership card for multiple sports facilities (eg. Multisport).
For the investors themselves and their families, the region offers:

- international and multi-language kindergartens,
- Szczecin International School (including primary, grammar and secondary school), which offers access to the International Baccalaureate examination,
- Polish-American Private Schools in Szczecin (primary school),
- a wide range of shop and service facilities, including home delivery of groceries (also global brands and international products),
- numerous restaurants with local and international cuisine,
- easy access to parks, forests and lakes for leisure and sports.
In order to familiarize foreign investors with Polish Labour Law, we have prepared an outline of its key regulations.

- The basic act regulating employment in Poland is the act of 26th June 1974 – The Labour Code which is the key legal act regulating relations between employers and employees. It sets out conditions under which work can be carried out in Poland.

- Under the regulations of the Labour Code work is performed on the basis of employment contracts that cannot be less advantageous to the employee than the Labour Code and other regulations assure them.

- The employment contract must include a number of specified details, i.e.: remuneration, work position, place of work, working hours, work commencement date. The contract can be preceded by a trial period of no more than three months.

- The remuneration stated in the contract cannot be lower than the minimum wage, which at present amounts to 1 680 PLN gross (401 Euros).
Contract Length & Termination

Employment contracts can be concluded:

- for indefinite / definite period of time,
- for completion of a specific task,
- fixed term employment contract – in cases when the employer wishes to substitute an employee during their absence.

Contract termination:

- Every contract can be terminated by mutual consent of the parties.
- The contract concluded for an indefinite period of time or for a trial period (in some cases also a contract concluded for a definite period of time) may be terminated by each of the parties with notice, with observance of the notice period.
- The employer needs to justify the reasons for contract termination for an indefinite period of time, and the labour court is authorized to control the above reasons, as well as the compliance of the termination with the law in force, if the employee appeals against the termination.
- The Labour Code provides a list of situations where the employee or the employer may terminate the contract without the observance of the notice period.

Should the employer terminate the contract for the reasons not relating to the employee (eg. in particular economic reasons), they may be obliged to pay severance payment and follow the group lay-offs procedure.
Under the Labour Code employment contract notice periods are as follows:

- Employment contract for a trial period
  - Three working days, if the contract is concluded for not more than two weeks
  - One week, if the contract is concluded for more than two weeks but less than three months
  - Two weeks, if the trial period is three months

- Employment contract for an indefinite term
  - Two weeks, if the employee has worked for the employer for not more than six months
  - One month, if the employee has worked for the employer for at least six months but less than three years
  - Three months, if the employee has worked for the employer for at least three years

- Replacement contract - three working days

- Employment contract for a fixed term - two weeks, but on the condition that the contract was concluded for at least six months and the parties stated clearly in the contract that it could be terminated with notice.
Protection against termination

Under labour law, employers are prohibited from giving notice to certain employees and, in some cases, they are also prohibited from terminating an employment contract without notice. This protection covers employees who find themselves in a specific situation or who belong to a specific group, among others:

- employees who are on vacation, maternity leave or unpaid carer’s leave,
- employees who are on sick leave with a doctor’s certificate,
- employees approaching retirement age, i.e. who have less than four years before being entitled to a pension if the employment period allows them to attain this pension entitlement once they reach this age,
- employees who are pregnant,
- union activists.
The law specifies that each person employed on a full-time basis should work for an average **40 hours per week** and on average **5 days per week**. The average is calculated as per settlement period (normally from 1 up to 12 months). Sundays and public holidays are normally days off; however, work on those days is permitted under certain circumstances.

Work exceeding 8 hours a day (with some exceptions) is considered as **overtime**. The employer has to pay additional benefits for overtime. The maximum number of overtime hours per year (to be agreed in the collective labour agreement, internal employment regulations or the employment contracts) amounts to approximately 400 hours.
All employees are entitled to an annual **unbroken paid vacation in the following numbers**:

- **20 days** – if the employee has been working in total for less than 10 years (includes years of education)
- **26 days** – if the employee has been working in total for at least 10 years (includes years of education)
• Any sick employee (with his/her medical condition certified by the doctor) is entitled to receive 80% of his/her remuneration for the period of inability to work.

• The employer pays the remuneration for up to 33 days in the calendar year (in case when an employee is over 50 years old up to 14 days in the calendar year).

• If the inability to work exceeds this time limit, the employee receives the social security benefit (in the same amount).

• In some specific situations the employee receives 100% remuneration or benefit during the sick leave.
Other labour arrangements

Non-employment engagement relations

- Work can sometimes be carried out on the basis of civil law contracts (freelance agreement, service agreement, specific task agreement or agency agreement).
- A person working under these types of contract does not have the employee rights set out in the Labour Code.
- In such contracts there is no element of the subordination that is typical in employment relations, thus the person carrying out the work under such contract has the freedom to decide how the work should be performed.
Total labour cost in Poland includes the following:

- As specified earlier, the minimum wage in 2014 amounts to 1,680 PLN gross (401 Euros).
- Social security contributions paid by the employer – from 16.93% up to 20.12% of the gross remuneration.
- Social security contributions paid by the employee – from 13.71% of the gross remuneration.
- There is a remuneration threshold over which some of the contributions are not due.
- Contributions to the Labour Fund and “FGŚP” fund (insurance of employees’ remunerations) are, respectively: 2.45% and 0.1% of the gross remuneration for each employee, paid by the employer.
- On top of the above, the employer has to pay contributions to PFRON (State Fund for Rehabilitation of Disabled). The amount of contribution depends on the situation of each employer and the level thereof cannot be presented without checking the existing situation of the employer.
LSJ Group is one of Poland’s leading HR consulting companies.

- Established in 2002 in Szczecin, Poland.
- Quality service combined with thorough insight into the international and local job market as well as expertise gained on demanding markets such as Switzerland, Norway, Belgium, the Netherlands, Sweden, Denmark, Germany, the United Kingdom and Canada.
- Our services, with emphasis on high ethical standards and transparency, include personnel selection, staffing and recruitment process outsourcing.
- Highly positive references from international companies based in Szczecin and worldwide, business support institutions and universities.
LSJ Group includes:

- LSJ Engineering – qualified specialists in various fields of engineering,
- LSJ Experts – middle and top management staff,
- LSJ IT – IT specialists: incl. software developers and testers, system administrators, web designers,
- LSJ Medica – healthcare professionals,
- LSJ Employment Agency – recruitment for food processing, hospitality, construction and automotive industry, as well as temporary staff.
LSJ Group has incorporated a **Social Responsibility policy** into its business organisation and was nominated to the “Socially Responsible Company” Award of the Marshal of Westpomeranian Region.

In order to share the knowledge and expertise we have gained from our varied and complex projects, we established **LSJ Academy** through which we deliver business and language training for our Clients. LSJ Academy also closely cooperates with local universities, organizing **pro-bono workshops for the students** on personal branding and active job search.

LSJ also runs **courses co-funded by the European Union designed to reduce unemployment** in the region. The courses include vocational training and internships in Poland and overseas.
Should you have any queries in relation to this report or LSJ services, please contact:

LSJ Group
ul. Celna 1, 70-644 Szczecin
biuro@lsj.pl  +48 91 814 52 52
NIP 8581108340  REGON 320198164

Katarzyna Opiekulska:  k.opiekulska@lsj.pl  +48 504 060 500
Karolina Mazur:  k.mazur@lsj.pl  +48 519 178 269

LSJ online: