



Your PPK

What should you know about it?

01.01.2021 r.

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How to become a PPK Participant?

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Joining the PPK

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Acknowledgement of high quality of
PPK in PKO TFI





01

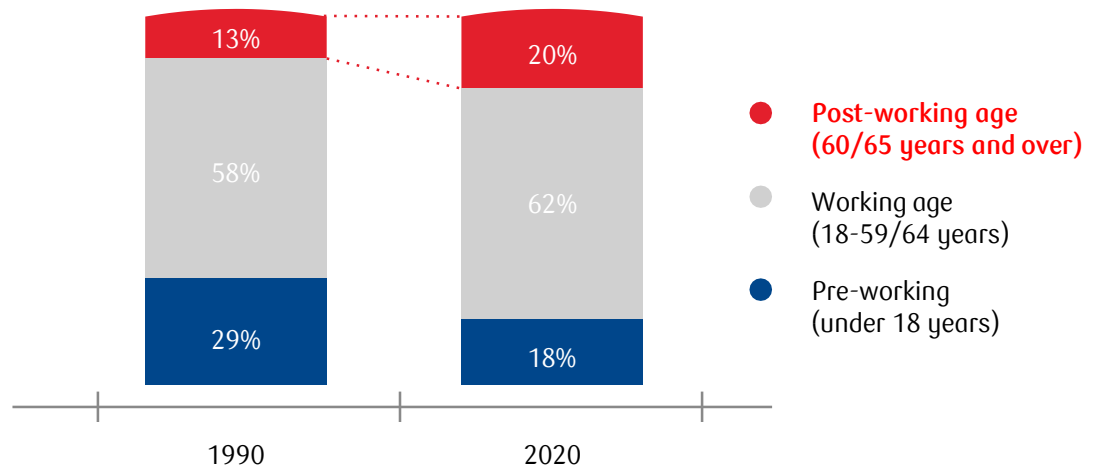
How to become a PPK Participant?

Demographic situation in Poland

Why saving under PPK is so important?



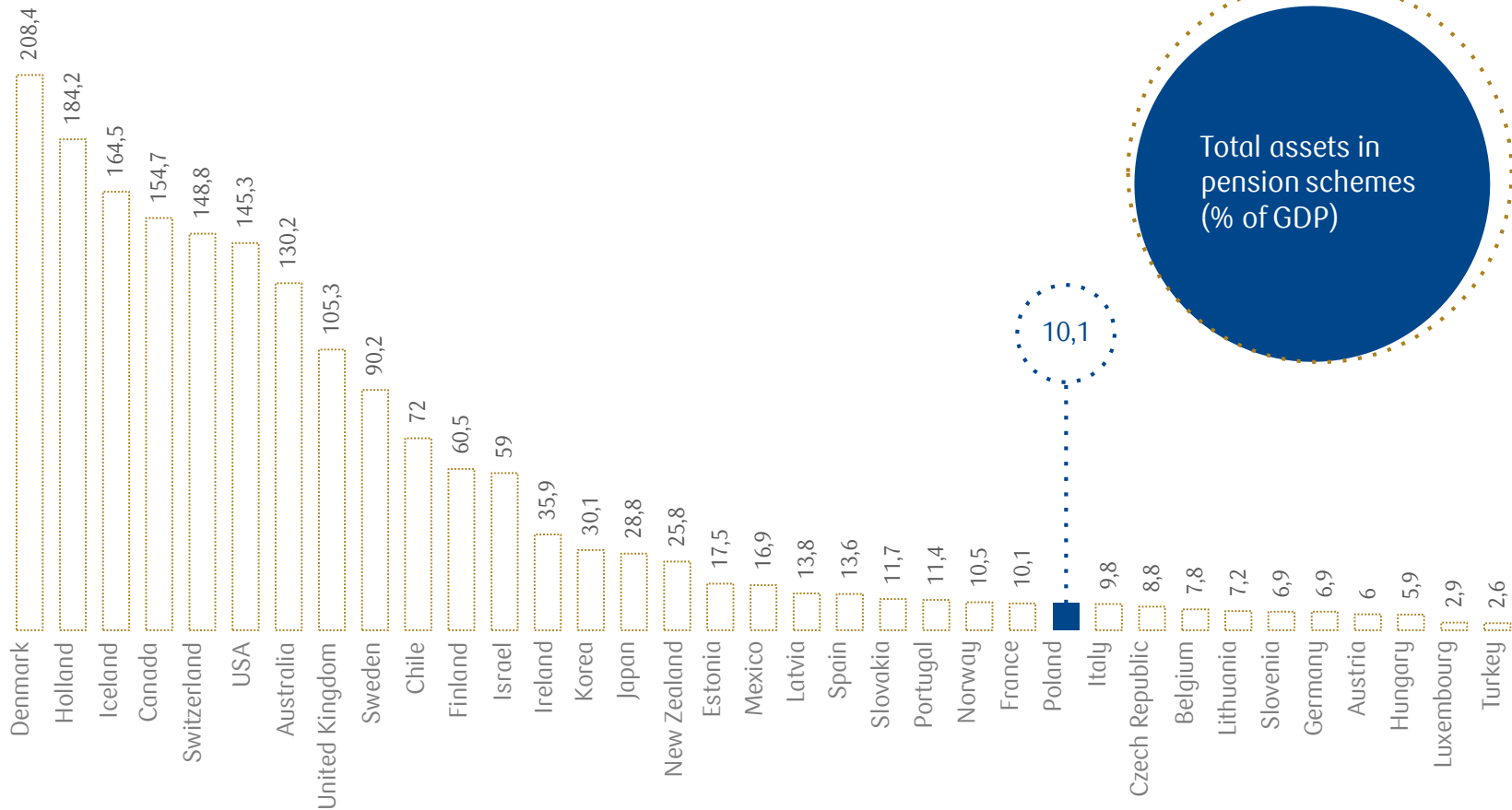
The data below show the changes in the age structure of the population, indicating the progressing aging of the population.



Source: Central Statistical Office (GUS)

The level of assets in pension schemes

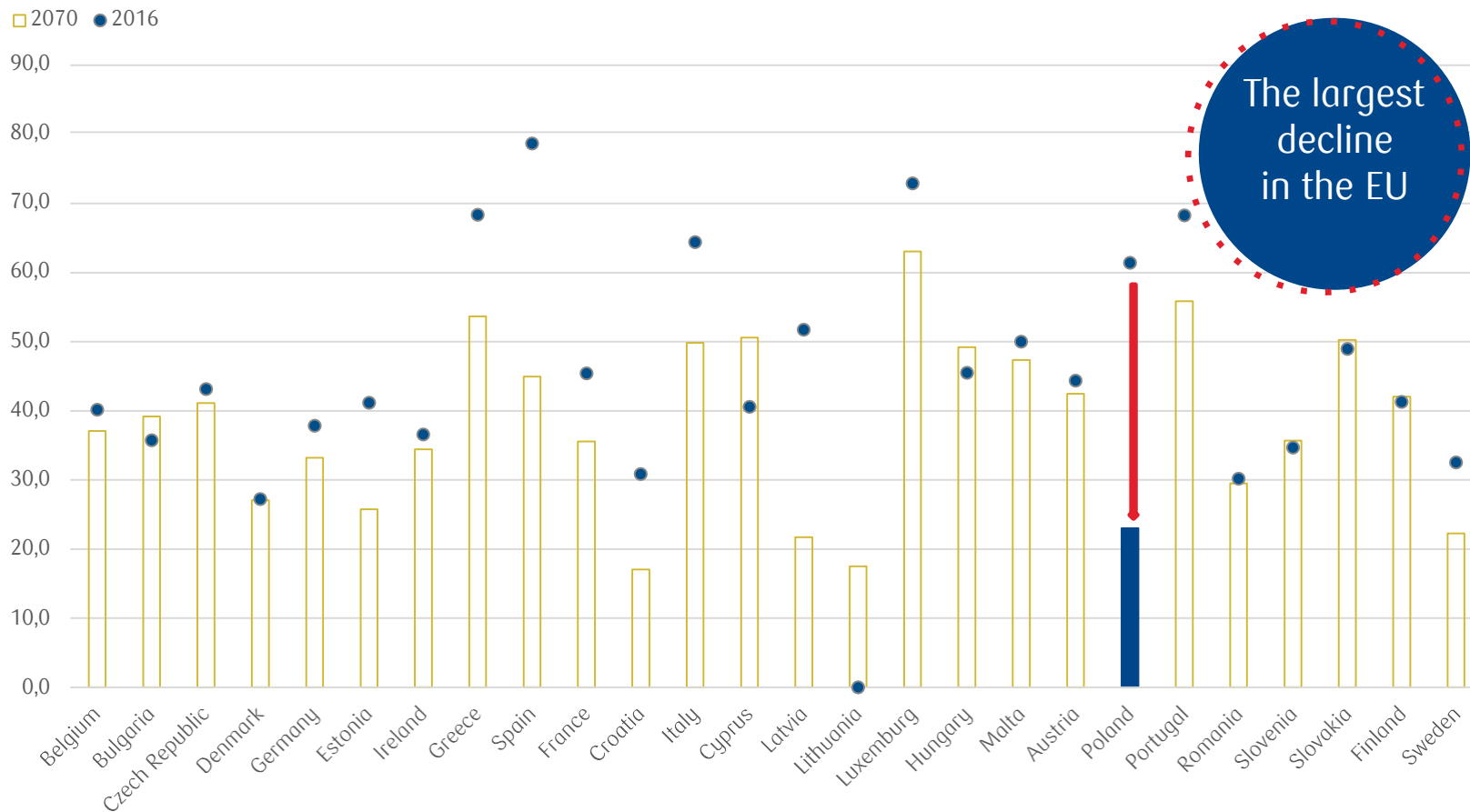
Retirement savings of Poles compared to other countries



Źródło: OECD - Pension assets in the OECD area hit a record level in 2017

Demographic situation in Poland

Gross replacement rate at retirement % (Old-age earnings-related pensions) 2016 - 2070



Source: European Commission (2018). The 2018 Ageing Report. Economic and Budgetary Projections for the EU Member States (2016-2070).



02

Joining the PPK

Criteria for participation in the PPK



All Employers with at least one employee for whom they pay a pension insurance contribution to ZUS **will be required to establish a PPK.**



This applies to employees hired under, among others, employment contracts, contracts of mandate, agency contracts or other service contracts.



All employees aged 18 to 55 are enrolled automatically. Employees aged over 55 and under 70 can join PPK on a voluntary basis.



An employee may resign from participation in a PPK at any time. However, every 4 years – starting from 1 April 2023 – contributions to the PPK scheme will be resumed.



Contributions financed by the Employer:

- Basic - **1.5%** of the employee's remuneration,
- Additional (voluntary) - up to **2.5%** of the remuneration, with the option to set different rates, e.g. based on employees' length of service.

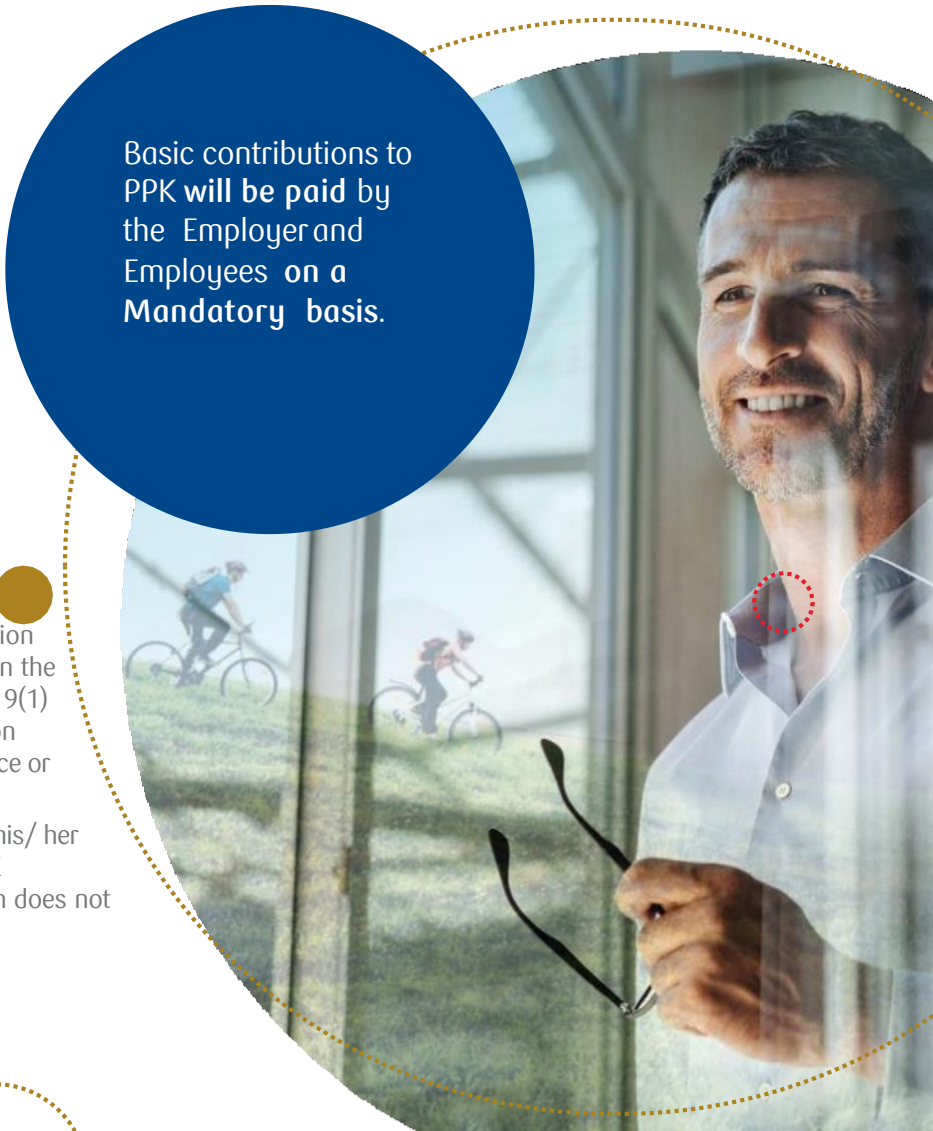


Contributions financed by the Employee:

- Basic - **2.0%** of the Employee's remuneration,
- Additional (voluntary) - up to **2%** of the remuneration.

Remuneration - the basis for the calculation of old-age and disability pension contributions of a participant, as referred to in the Act of 13 October 1998 on the social security system, without applying the limitation referred to in Article 19(1) thereof, excluding the basis for calculating the old-age and disability pension contributions for persons on parental leave and receiving maternity allowance or allowance in the amount of maternity allowance.

The basic contribution financed by the Employee can be less than 2% of his/ her remuneration, but it cannot be less than 0.5% of the remuneration if the PPK participant's remuneration obtained from different sources in a given month does not exceed the amount corresponding to 1.2 times the



Basic contributions to PPK will be paid by the Employer and Employees on a Mandatory basis.

The PPK Act provides for a **system of incentives** from the State.

Additional funding from the Labour Fund:



Welcome payment (one-off)
- PLN 250



Annual additional funding for active saving - PLN 240

A PPK participant, on behalf and for the benefit of whom a Contract for the running of PPK was signed and who has been a PPK participant for at least three full months, is entitled to the **a welcome payment** if, in the period of participation in PPK, basic contributions financed by the PPK participant were made for at least three months.

The **annual additional funding** will be paid if all contributions paid during the calendar year to the PPK are equal to the amount of basic contributions due on the amount representing at least 6 times the minimum remuneration in force in a given year.

Payments to the PPK will come from three sources

Example



Use PPK calculator at www.pkotfi.pl and find out how much you may add to your retirement income with the PPK.

	Employee remuneration defined as the basis for retirement premiums		
	3 000 zł	5 000 zł	7 000 zł
	PPK monthly contributions		
Employee - basic contribution 2%	60 zł	100 zł	140 zł
State - annual extra contribution*	20 zł	20 zł	20 zł
Employer - basic contribution 1,5%	45 zł	75 zł	105 zł
Income tax you will pay on employer's basic contribution (17%)	7,65 zł	12,75 zł	17,85 zł
Amount by which your monthly net remuneration will decrease	67,65 zł	112,75 zł	157,85 zł
Amount saved monthly on your PPK account	125 zł	195 zł	265 zł
Contributions accumulated on your PPK account in 12 months	1 500 zł	2 340 zł	3 180 zł

* State annual extra contribution is paid once a year if the conditions defined in art. 32 of the Act on PPK are met. In the example above, State extra contribution is divided in 12 monthly installments. This contribution is not taxable.



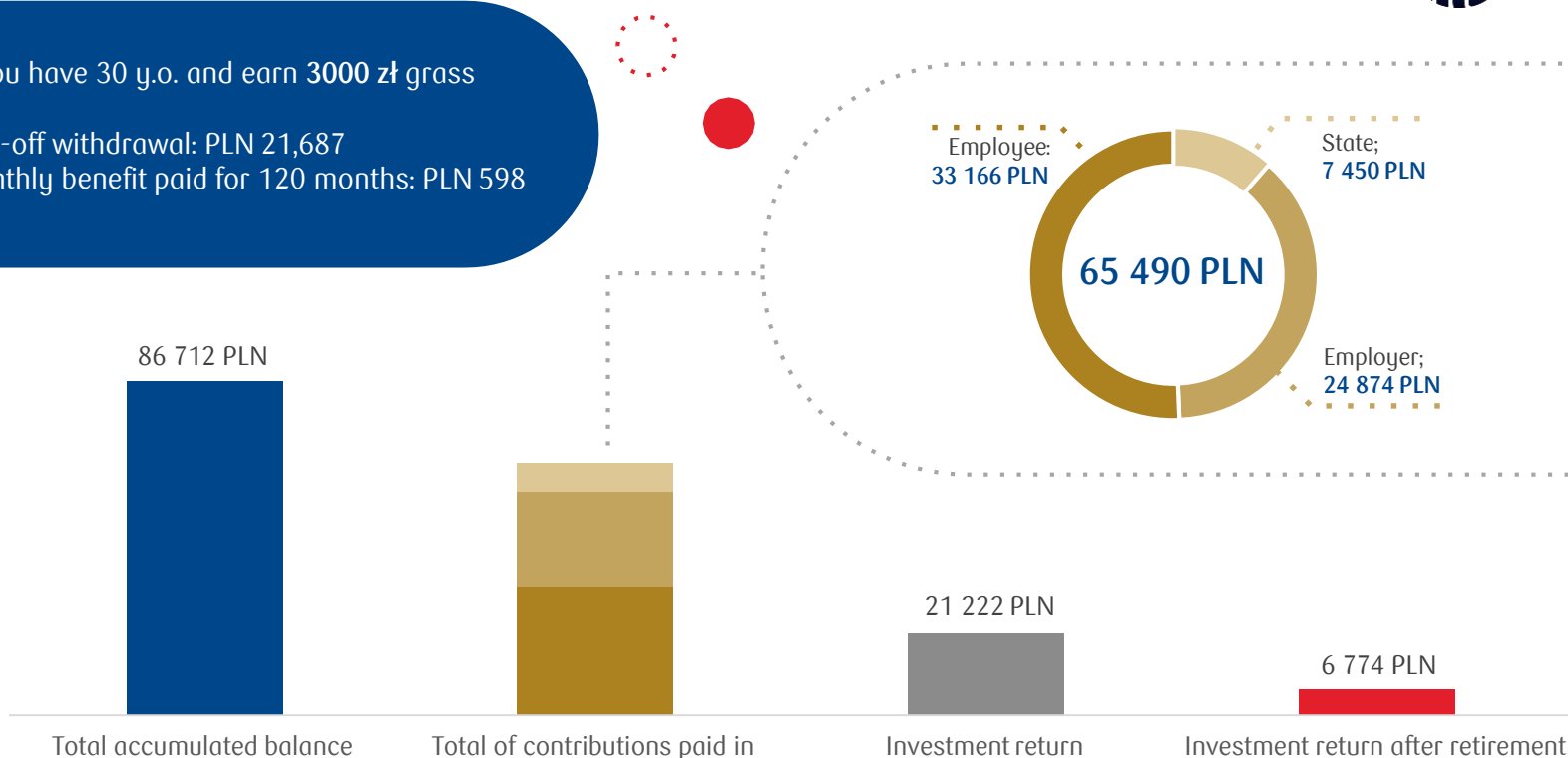
How much can you earn with the PPK?



If you have 30 y.o. and earn 3000 zł gross

One-off withdrawal: PLN 21,687

Monthly benefit paid for 120 months: PLN 598



The above calculations are estimates and do not constitute a guarantee of achieving the presented results. PPK calculator Your additional pension presents only simulations, and the actual result achieved depends, among others from the actual period of making contributions to PPK and their amount, from the value of the participation unit at the time of its sale and redemption, from the amount of fees collected and taxes due. The salary increase was adopted at the level of 2.8% per year.

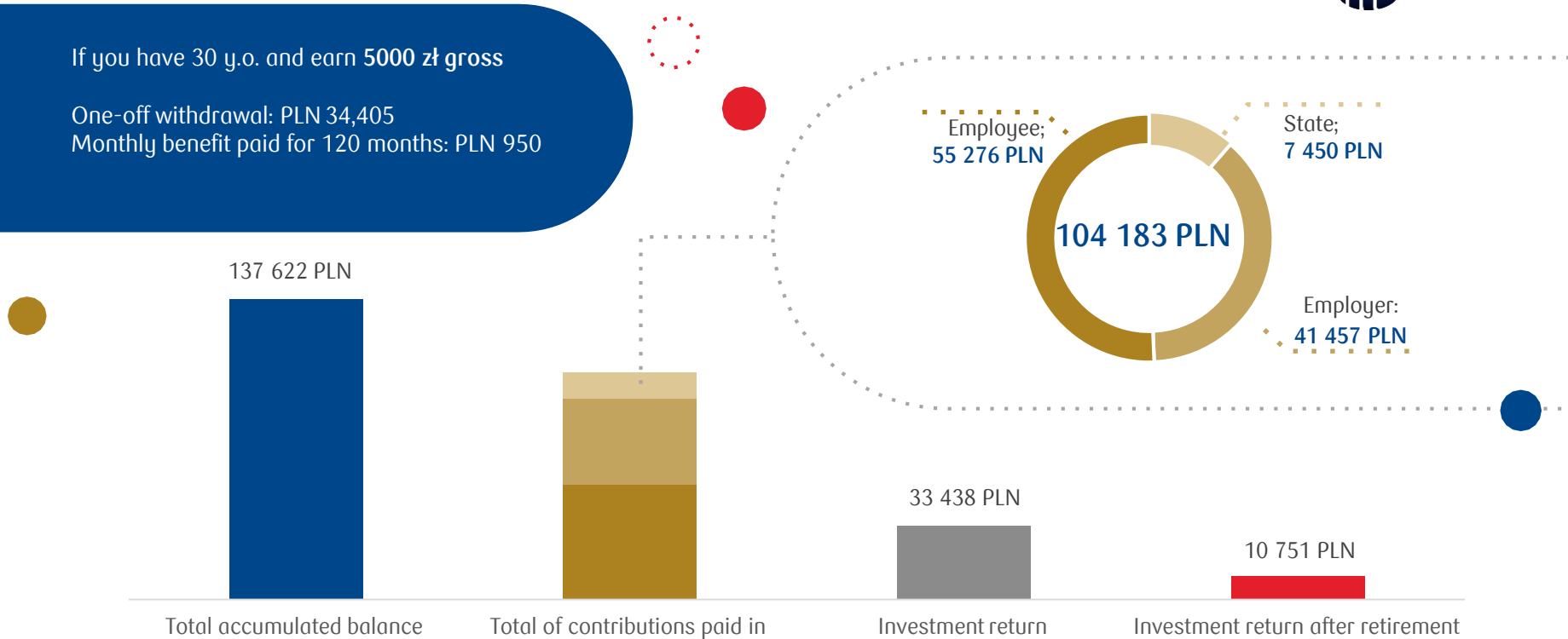
Assumptions made:

- Simulation for a sample remuneration in Poland of PLN 3,000 gross / month
- PPK – the employer’s contribution of 1.5% of the remuneration, the employee’s basic contribution of 2% of his/her remuneration
- The employer’s contribution to the PPK is subject to 17% income tax collected from the Employee’s remuneration
- The employee is 30, withdrawal of means after turning 60 – a one-off withdrawal of 25%, the rest in 120 instalments, average annual rate of return of 2%
- A remuneration increase of 2.8% annually was assumed

How much can you earn with the PPK?



If you have 30 y.o. and earn 5000 zł gross
 One-off withdrawal: PLN 34,405
 Monthly benefit paid for 120 months: PLN 950



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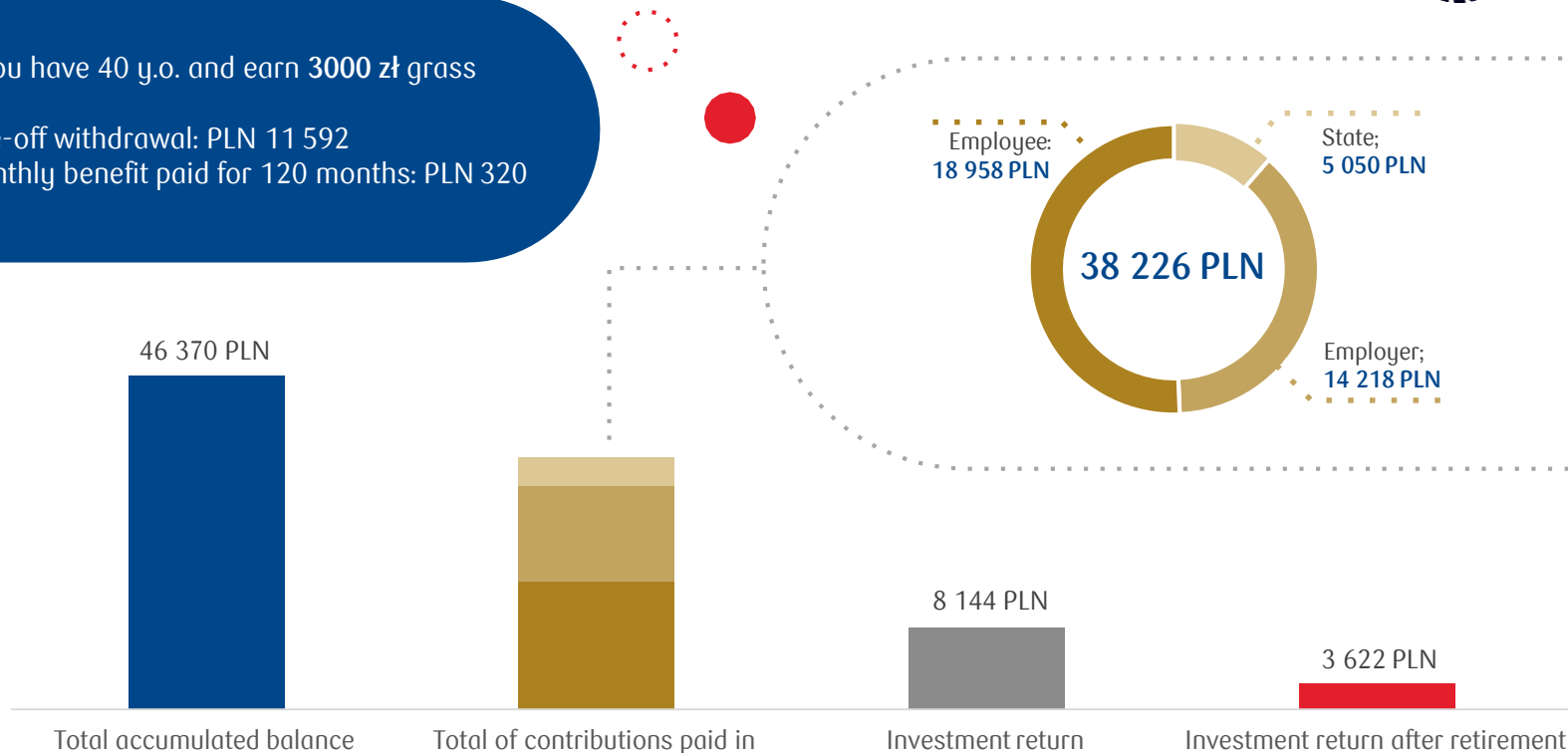
How much can you earn with the PPK?



If you have 40 y.o. and earn 3000 zł gross

One-off withdrawal: PLN 11 592

Monthly benefit paid for 120 months: PLN 320



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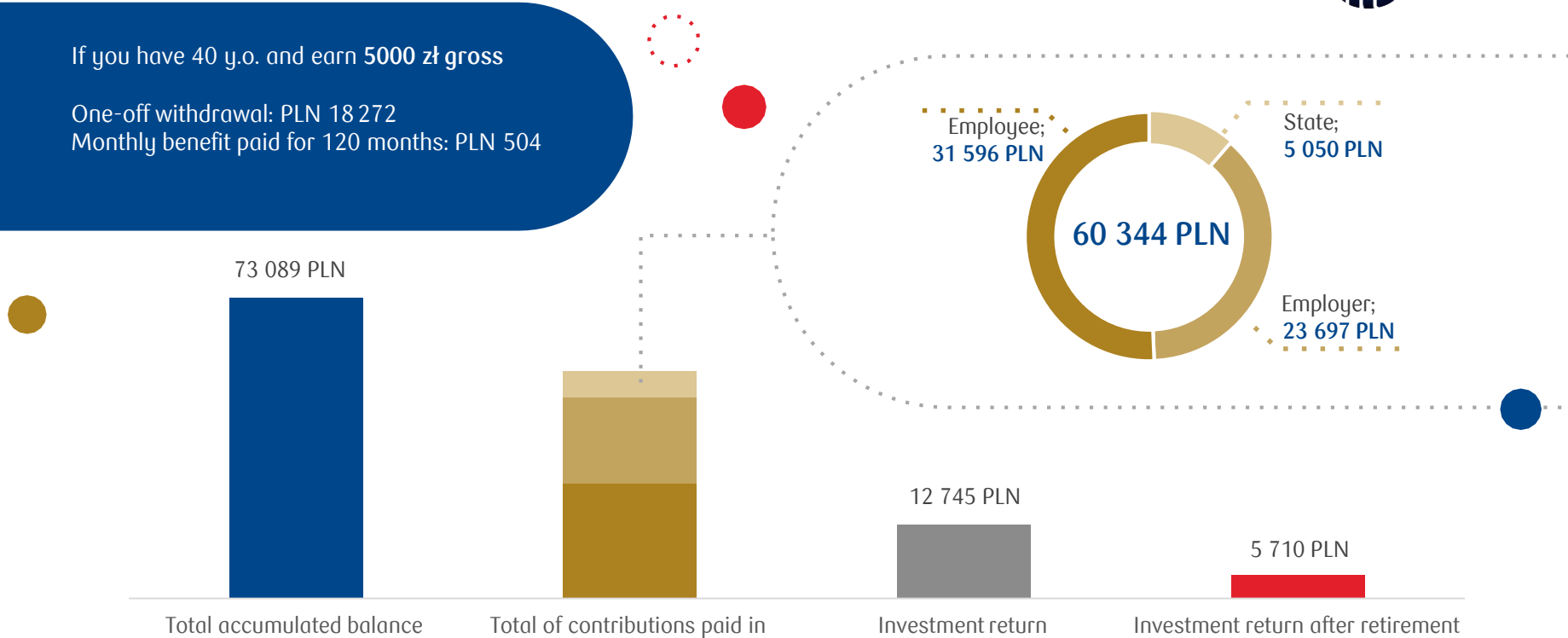
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How much can you earn with the PPK?



If you have 40 y.o. and earn 5000 zł gross
 One-off withdrawal: PLN 18 272
 Monthly benefit paid for 120 months: PLN 504



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03

How will your savings
be invested in the PPK?

PKO Pension – soif

A dedicated PPK fund



For participants born

Risk and reward profile

PKO Pension 2025	Before 1968	1 2 3 4 5 6 7
PKO Pension 2030	Between 1968-1972	1 2 3 4 5 6 7
PKO Pension 2035	Between 1973-1977	1 2 3 4 5 6 7
PKO Pension 2040	Between 1978-1982	1 2 3 4 5 6 7
PKO Pension 2045	Between 1983-1987	1 2 3 4 5 6 7
PKO Pension 2050	Between 1988-1992	1 2 3 4 5 6 7
PKO Pension 2055	Between 1993-1997	1 2 3 4 5 6 7
PKO Pension 2060	Between 1998-2002	1 2 3 4 5 6 7
PKO Pension 2065	Between 2002-2007	1 2 3 4 5 6 7

PKO Pension – soif
An umbrella fund comprising target-date subfunds dedicated only to PPK participants.

The composition of the investment portfolio will change so as to reduce the percentage of shares and other equity instruments in the portfolio over the period remaining to the age of 60. This allows you to increase the chances of achieving satisfactory rates of return and reduce the level of investment risk.

You can also choose one of the subfunds of PKO Emerytura - sfo, and you can change your decision many times without restrictions.

For key investment objectives and policy, risk and reward profile and practical information on PKO Pension – soif subfunds, see Key Investor Information Documents (KIID) at www.pkotfi.pl. The above risk profile corresponds to the risk and reward profile indicated in the Key Investor Information Document which is valid for each of the subfunds as at the date of this presentation

PKO Pension – soif

Management fee in PPK subfunds



Fixed management fee (on an annual basis) in PKO Pension – soif. The fee rate is lower than the maximum rate set out in the PPK Act, i.e. 0.50%.


Period	PKO Pension							
	2025	2030	2035	2040	2045	2050	2055	2060
2020 - 2024	0,25%	0,42%	0,44%	0,44%	0,45%	0,45%	0,45%	0,45%
2025 - 2029		0,32%	0,42%		0,44%			
2030 - 2034		0,25%	0,32%	0,42%		0,44%		
2035 - 2039			0,25%	0,32%	0,42%	0,44%		
2040 - 2044					0,25%	0,32%	0,42%	
2045 - 2049		0,25%	0,32%	0,42%			0,42%	
2050 - 2054				0,25%			0,25%	
2055 - 2059		0,25%	0,25%		0,25%	0,32%		
od 2060				0,25%	0,25%	0,25%	0,25%	

The management fee is the fee charged by the Investment Fund Company for managing the investment fund


The rate of fixed management fee for particular subfunds of PKO Pension – soif will range from 0.25% to 0.45%. For detailed information on costs and fees related to participation in PKO Pension – soif, please refer to the Terms and Conditions of the Contract for the management of the PPK and Contract for running the PPK. The Investment Fund Company may charge performance fees. Pursuant to the PPK Act, this fee may not be higher than 0.1% of the fund's net asset value per annum once the conditions specified in the Act are met.

Employee Capital Plan with PKO TFI

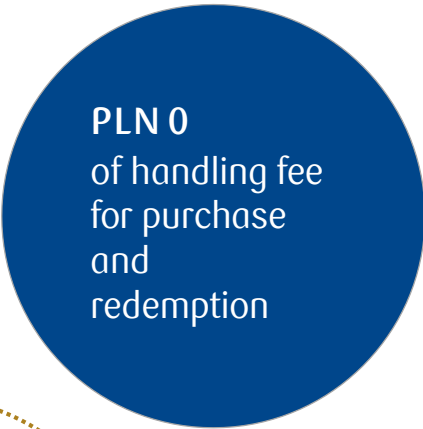
The most cost-effective form of investment in funds

A large circular graphic containing a stack of various Euro coins (1, 2, and 5 Euro) on a reflective surface. A smaller white circle is overlaid on the stack.

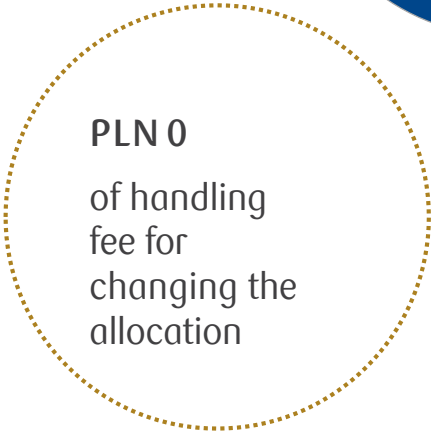
The most cost-effective form of investment in funds.

A solid gold-colored circle containing text.

PLN 0
of fee for
opening the
register

A solid dark blue circle containing text.

PLN 0
of handling fee
for purchase
and
redemption

A circle with a dotted gold border containing text.

PLN 0
of handling
fee for
changing the
allocation



04

Access to accumulated funds

Access to accumulated funds



The money accumulated in PPK is entirely yours and you can withdraw it at any time

however, this involves deducting to ZUS 30% of the funds paid by the employer. In this case, contributions financed by the State will also be deducted and refunded, and capital gains tax will be deducted.

The savings accumulated on your account are your private funds.

Coverage of own contribution

If you need money to buy an apartment or build a house, you will be able to withdraw up to 100% of the accumulated funds, and you will have up to 15 years to return them (applies to people under 45 years of age). You must start returning them within 5 years from the date of withdrawal.

Critical illness

of You, your spouse or child will be able to withdraw up to 25% of the accumulated funds and you will not have to return them.



You will be able to withdraw the accumulated money after you reach the age of 60 (regardless of whether you are already retired or still working)



One of the withdrawal options, but not the only one, is the following:

- a one-off withdrawal of 25% of the account balance
- remaining 75% withdrawn in at least 120 monthly installments

In the event of your death, the accumulated savings will be subject to inheritance

Inheritance of funds accumulated in PPK



The savings accumulated on your account are your private funds. In the event of your death, the accumulated savings will be subject to inheritance (without inheritance and gift tax) in the following order:



If you were married, half of your funds will be transferred to **your spouse's** PPK, IKE or PPE account. At his request, the financial institution will also make a refund in cash.



The funds that will not be transferred to your spouse will go to the **eligible persons** you indicate (in the form of a transfer payment to PPK, IKE, PPE or in cash).



If you have not appointed any eligible persons, **your heirs** will receive the funds according to the general principles of inheritance.

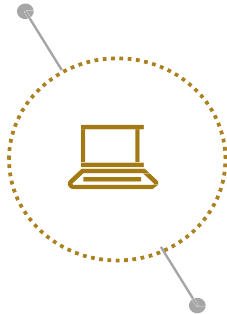




05

Comprehensive Employee support





On-line access:

- Constant access to your PPK register through the [i-Fundusze.pl](https://i-fundusze.pl) transaction system
- Access to PPK account via [iPKO.pl](https://ipko.pl), an electronic banking system of PKO Bank Polski

Assistance for PPK participants

- A dedicated helpline to answer Employees' questions:
+48 801 32 32 80
+48 22 358 56 56 Available Monday to Friday, 8:00 a.m. to 7:00 p.m.
- Assistance in more than 1,000 [branches](#) of PKO Bank Polski



Additional materials:

- Access to information and educational materials about PPK ([Knowledge Base](#))
- Provision of annual PPK account balance information
- PPK [calculator](#) available on our website



Comprehensive Employee support

On-line access



At [i-Fundusze.pl](https://www.pkotfi.pl) you can:

Open a PKO TFI Retirement Package intended for PPK participants

Submit an instruction for purchase/redemption/conversion of participation units of other PKO TFI's investment funds,

Change the Subfund under the PKO Pension – soif (PKO Emerytura – sfio) fund,

Submit an instruction for withdrawal of funds from PPK, withdrawal of funds in instalments, change the number of instalments

Change the participant's data

Add or remove beneficiaries

Submit an order for return of funds from PPK



Monitor the status of the PPK register 24/7

Easy access to the i-fundusze transactional service – via www.pkotfi.pl. Just click **Login** and follow the instructions.

Comprehensive Employee support

On-line access



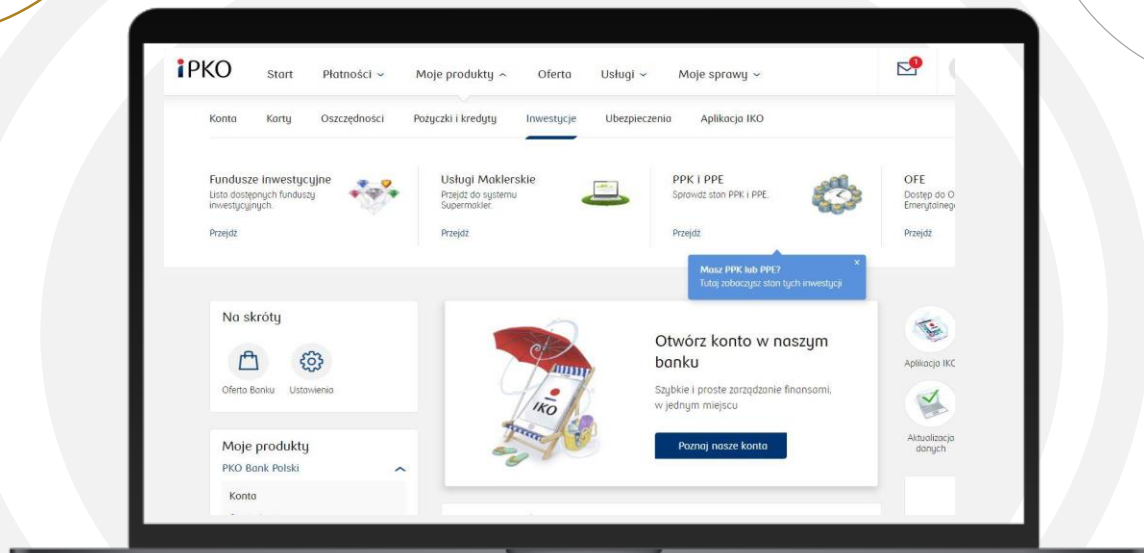
The **iPKO** service of PKO Bank Polski allows you to view your PPK register:

If you have an account at PKO Bank Polski - all you have to do is go to **Investments > PPK and PPE** on the iPKO website and agree to display your register.

What can you check on iPKO?

- Registry details
- History of orders
- The current registry value

If you do not have an account at PKO Bank Polski - fill in the short application available here, follow the instructions.



PPK in PKOTFI

Brick-and-mortar access



- Changing Participant's details
- Adding beneficiaries authorized to withdraw funds in the case of Participant's death,
- Revoking beneficiaries authorized to withdraw funds in the case of Participant's death,
- Adding a proxy to the register,
- Revoking a proxy,
- Ordering correspondence,
- Disbursement of funds,
- Disbursement of funds in installments,
- Changing the number of installments,
- Return of funds,



You can place your
PPK-related orders
and instructions
at over

1,000

branches
of PKO Bank Polski

- Changing allocation (reallocation of funds, reallocation of contributions),
- Withdrawal of funds to cover own contribution for the purchase of real property,
- Withdrawal of funds in the form of marital benefit,
- Withdrawal of funds in the case of critical illness of the Participant, the Participant's spouse or the Participant's child,
- Withdrawal/return of funds, Transfer withdrawal in the case of divorce or marriage annulment,
- Adding/changing payment instruction,
- Checking the status and history of the register.

Dispositions available as a part of PPK

You will be able to place the following dispositions and statements with your employer:



declaration of joining PPK (applies to employees between 55 and 70 years old)

disposition for reducing or changing the basic contribution

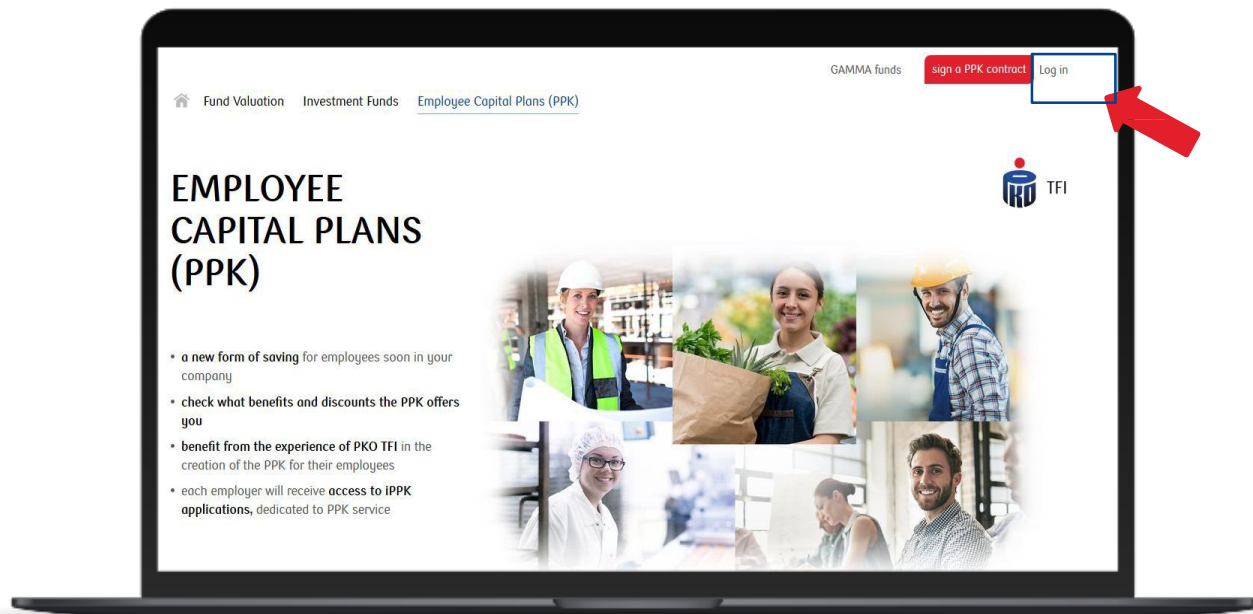
an instruction to establish or change an additional employee contribution

Opt-out disposition of PPK

Free Internet access for all Participants



- To activate access to the i-fundusze.pl transaction service, visit www.pkotfi.pl and click *Zaloguj się* [Log in] in the upper right corner of the screen.
- The next step is to go through the "First login" module and enter the 8-digit identifier (participant number), which will be sent in the welcome letter, and the code from the picture.
- To define the login password, you must authorize yourself by using an SMS code.



Free Internet access for all Participants



It is important that you provide to your Employer, at the stage of collecting registration data of employees to PPK, **current mobile number and e-mail address.**



It is possible to go through the first login process if you only provide your mobile number, but this process will require additional verification of your data. If you do not provide a mobile phone number, after additional verification of data, on the first login page you will be able to order a PIN code that will be sent by post to your correspondence address. The PIN code will be required to log into the i-fundusze.pl transactional system for the first time.



If you have not provided your mobile phone number or e-mail address, you can go to a PKO Bank Polski Branch to change the data, e.g. adding a mobile phone number, e-mail address and activating access to the PPK account via the Internet.



06

Acknowledgement
of high quality
of PPK in PKO TFI

PKO TFI

Years of experience acknowledged with numerous awards



PPK of the year

The Bull and Bear statuette awarded by Gazeta Giełdy Parkiet daily for PPK of the year, and Consumer Laurel for 2020.



First-class quality of pension products

PKO TFI's pension solutions occupy leading positions in IPSA and IPA rankings compiled by Rzeczpospolita and Analityz Online, thus proving the high quality of management and an efficient investment process.

Rating Analityz Online



Highest ratings for funds managed by PKO TFI

12 funds managed by PKO TFI were awarded the highest ratings (4 or 5 stars) by Analityz Online, 6 ALFA awards and numerous distinctions.



Top quality management

5 Golden Portfolios awarded by Gazeta Giełdy Parkiet daily for above-average performance of investment funds managed by PKO TFI.

Let's hear from our Clients about their experiences in implementing PPK with PKOTFI:



”

“Recently we have learned from several advisory firms that they also recommended choosing PKO TFI. The reference list and the leading position of PKO TFI on the Polish market confirmed that this was the right choice.”

“Our cooperation with PKO TFI was exemplary at every stage of the project. We should especially emphasize the professionalism and willingness to help offered by people who have worked with us, and sometimes we made some requests during hours that really cannot be considered to be normal working time. Being aware of how many clients PKO TFI has supported even at this early stage of PPK implementation in Poland, this commitment deserves to be appreciated. On top of that, it was just a real pleasure for us to work with such kind people”.

Jolanta Kondraciuk,
HR Director
at BSH Sprzęt Gospodarstwa Domowego Sp. z o.o.



”

“As expected by Warta, the selected financial institution took over the main effort related to educational support for employees. PKO TFI provided a variety of educational materials which were posted on the Intranet, as well as enabled those concerned to meet directly with their representatives. Many employees took the opportunity to attend these meetings and assessed them very positively. Warta also received access to dedicated webcasts about PPK which, owing to the chat function, helped resolve any potential concerns of future participants.

Robert Pruchniak,
Head of Employee Relations Office of the HR
Department at TUiR WARTA/TUŃZ WARTA



”



“...the materials collected using the scoring method, the team concluded that the highest score was given to the proposal from PKO TFI S.A., a member of the PKO BP S.A. group, and submitted its recommendation for that financial institution to the Management Board, and this recommendation was approved by the Emitel's Management Board. Measures were taken to finalise the cooperation and on 20 September 2019 the contract for the management of the PPK was signed, and on 7 November 2019 the contract for running the PPK on behalf of the employees was signed”.

Anna Krause,
Head of HR and Payroll
Department at Emitel

Disclaimer



PKO TFI S.A. informs you that this material is of advertising nature and the data provided herein does not constitute an offer in the meaning of Article 66 of the Civil Code Act of 23 April 1964 nor an investment consulting service or recommendations relating to financial instruments or their issuers in the meaning of the Act on Trading in Financial Instruments of 29 July 2005 nor is it a form of tax consulting services or legal assistance. PKO TFI S.A. shall not be liable for any damage caused by the use of the opinions and information contained herein.

The PKO Pension – soif (PKO Emerytura –sfi) fund does not guarantee the achievement of the assumed investment goal or the achievement of a specific investment result. A detailed description of the risk factors related to investing in participation units of subfunds designated as part of PKO Pension – soif (PKO Emerytura – sfi) is included in the information prospectus and key investor information document (KIID) available from distributors and at www.pkotfi.pl. Prior to making an investment, please refer to the contents of the information prospectus and the KIID of individual subfunds designated as part of PKO Pension – SOIF (PKO Emerytura – sfi). The fund does not guarantee the achievement of the intended investment objective or obtaining a specific return on investment. Due to the composition of the portfolio and the management strategy pursued, the value of the participation units may be subject to moderate volatility. The possibility of losing at least a portion of the funds contributed should be taken into account. Subfunds may invest more than 35% of their assets in money market instruments issued, underwritten or guaranteed by the National Bank of Poland or the State Treasury.

Information on benefits are binding in terms of the scope and time limits indicated therein, provided that the entity offering the given benefit (hereinafter the “Entity”) is entitled to withdraw or amend its benefit offer before the time limit indicated therein in case of *force majeure*, which shall be understood as:

- a) an exceptional, external event which the Entity could not predict, could not avoid or prevent, and which prevents the Entity to continue offering products or which has as an effect that any further offering of products in such circumstances would become economically unfounded from the Entity’s point of view, or
 - b) an external event, consisting in the amendment of legal provisions, including tax provisions, or their binding interpretation, including the interpretation of an oversight body, having as an effect that any further offering of products would lead to the violation of legal provisions, including tax provisions, by the Entity.
- Furthermore, PKO Ubezpieczenia undertakes to maintain the indicated amount of discounts on the insurance premium until 31 December 2022 provided that the given product will be still offered by PKO Ubezpieczenia, and provided that if the amount of the premium is reduced for a given product, then the amount of the discount on the premium may also be reduced.

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Company registered in the Register of Entrepreneurs kept by the Registry Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register under number 0000019384. Share capital: PLN 18,460,400 Tax ID No (NIP) 526-17-88-449.

Any additional information shall be provided upon individual request.