

## LEGAL REGULATIONS FOR EDENRED SPORT AND CULTURE CARDS

		ZUS (Polish Social Insurance Institution)		PIT		TAX DEDUCTIBLE COSTS		VAT	
Type of benefit	Financing source	Exemption from social insurance contributions	Legal basis	Exemption from PIT	Legal basis	Legal basis		VAT	Legal basis
Co-financing of sport, recreation and culture	Company Social Benefit Fund	YES	§2 clause 1 point 19 of the Regulation of the Minister of Labour and Social Policy of December 18, 1998.	YES, up to 2000 PLN per year	Art. 21 clause 1 point 67 and Art. 52l of the Act on Personal Income Tax of July 26, 1991 (uniform text: Journal of Laws of 2018, item 200)	YES, a write-off for Company Social Benefit Fund is considered as cost	Art. 16 clause 1 point 9 letter b of the Act on Corporate Income Tax of February 15, 1992 (uniform text: Journal of Laws of 2017, item 2343)	NO	Act of March 11, 2004 on tax on goods and services (uniform text: Journal of Laws of 2017, item 1221)

### EDENRED SOLUTIONS

#### Sport and Culture cards - summary

- The value of Sport and Culture cards financed from the Company Social Benefit Fund does not increase the social security contribution assessment basis.
- The value of Sport and Culture cards in the case of co-financing of sport, recreation and culture, financed from the Company Social Benefits Fund, is not subject to personal income tax **up to the amount of 2000 PLN in the tax year.**
- The value of Sport and Culture cards given to employees and financed from the Company Social Benefit Fund does not constitute a tax deductible cost for the company; however, the cost is the value of the write-off made in accordance with the provisions on the company social benefit fund under condition that cash equivalent to these write-offs has been paid to the Fund's bank account..
- The handing over of Sport and Culture cards to employees and financed from the Company Social Benefit Fund does not give rise to a tax obligation within the meaning of the Act on tax on goods and services (VAT).

#### ZUS (Polish Social Insurance Institution) - LEGAL BASIS

§2 clause 1 of the Regulation of the Minister of Labour and Social Policy of December 18, 1998 (Journal of Laws of 1998, No. 161, item 1106, as amended): The following revenues do not constitute contribution assessment basis: point 19) benefits financed from funds intended for social purposes as part of the Company Social Benefit Fund.

#### PIT - LEGAL BASIS

**Art. 21 clause 1 and Art. 52l of the Act on personal income tax of July 26, 1991 (uniform text: Journal of Laws of 2018. Item 200):**

The following values are tax free: point 67) Value received by the employee in connection with financing social activities referred to in the provisions of the Company Social Benefit Fund, benefits in kind and cash benefits received by the employee in this respect, financed entirely from the resources of the Company Social Benefit Fund or trade union funds, together not exceeding the amount **PLN 2,000 (Art. 52l)** in a tax year; vouchers, coupons and other means possible to be exchanged for goods or services are not benefits in kind.

Confirmed among others by the Director of the Tax Chamber in Warsaw in the interpretation of April 15, 2011, No. IPPB2/415-100/11-2/MS - <http://sip.mf.gov.pl/sip/sip/index.php>. In the "signature" field (at the bottom) please enter - IPPB2/415-100/11-2/MS.

### **Company Social Benefits Fund**

Art. 16 clause 1 of the Act on Corporate Income Tax of February 15, 1992 (uniform text: Journal of Laws of 2017, item 2343): The following costs are not considered as tax deductible costs: point 9) write-offs and payments to various types of funds created by the taxpayer; however, the following costs are considered as tax deductible costs: letter b) write-offs and increases which, within the meaning of the provisions of the Company Social Benefit Fund, charge the employer's operating costs, provided that cash equivalent to these write-offs and increases have been paid to the Fund's bank account.

### **VAT - LEGAL BASIS**

Transferring funds to employees on the card does not give rise to a tax obligation within the meaning of the Act on tax on goods and services of March 11, 2004 (uniform text: Journal of Laws of 2017, item 1221).