

# News Flash

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**How a Czech employee can work  
in Poland?**

## Work of a Czech employee in Poland – tax and other obligations

There are several ways how your employee can perform work on the territory of Poland. Depending on whether the work should be performed temporarily various legal forms can be applied. What are your options?

### Business trip

In situation of short-term work in Poland. Following EU rules about free movement of workers, there are no special obstacles. Tax and other obligations follow Czech tax legislation.

### Hiring of an employee

The Czech employee is relocated to the Polish company (related company of the Czech company). Work on the territory of Poland is usually longer (1-2 years). The relocation is based on contract between Polish and Czech related companies.

- *Tax obligations.* The employee becomes taxable in Poland. The Polish company is obliged to calculate and withhold taxes from his/her income.
- *Social and health insurance.* The employee can continue to contribute to the Czech social security and health insurance (“SSHI”) system based on so called A1 certificate. In case of assignment up to 2 years, the A1 certificate is issued automatically.

### Provision of services

The Czech employee will provide services on the territory of Poland (services may be provided to the Czech related company or to unrelated customers), still being employed by Czech company.

- *Tax obligations.* If services are provided on the territory of Poland longer than six months, the Czech company can have a permanent establishment (“PE”) in Poland. Then, the Czech company should register for corporate income tax purposes and pay corporate income taxes in Poland. When a PE is created or an employee works on the territory of Poland longer than 183 days, he/she may become taxable in Poland. The employee may be obliged to file Polish personal income tax return.
- *Social and health insurance.* The employee can continue to contribute to the Czech SSHI system based on the A1 certificate. In case of assignment up to 5 years, the A1 certificate request is usually approved.

### Local contract with the Polish entity

Recommended in case of a permanent need of the Czech employee on the territory of Poland. Tax and other obligations follow Polish legislation.

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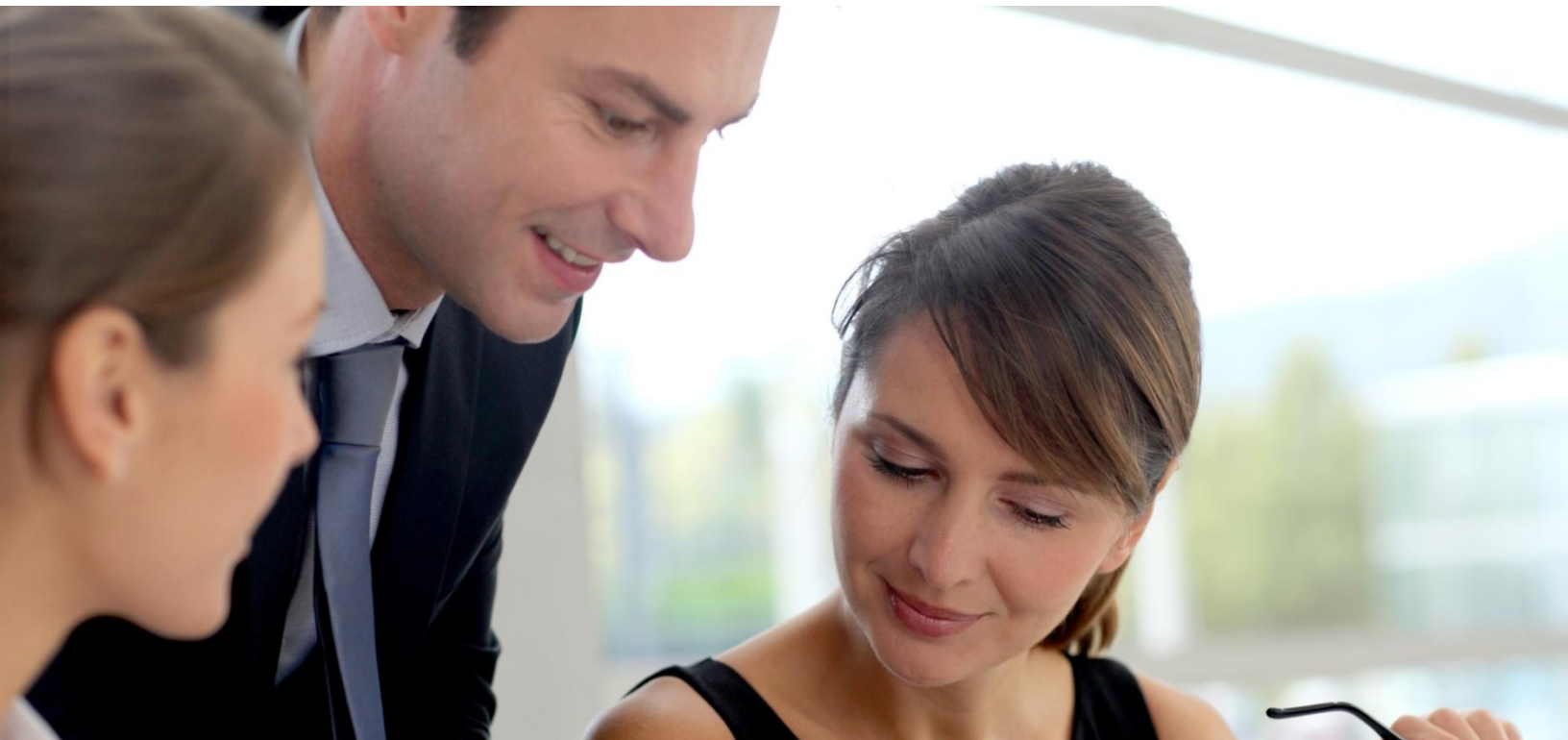
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