






# Employee Capital Plans (PPK)


– basic information for the employee


## What is the PPK?


 The PPK is a **long-term saving scheme for employees** created and co-financed by employers and the State Treasury.

 **Participation in and contributing funds to the PPK is voluntary for you** – all employees who have attained the age of 18 years but have not attained the age of 55 years will be automatically enrolled in the PPK by their employers, but they will be able to opt out of paying contributions to the PPK at any time. Employees who have attained the age of 55 years but have not attained the age of 70 years may enrol in the PPK if they file a request with their employer. After the age of 70, the enrolment in the PPK will not be possible.

 **Contributions to the PPK will be invested in the defined date sub-funds** where the level of investment risk will be reduced as you get closer to the age of 60, i.e. the time of withdrawal of the funds from the PPK. You will be able to withdraw the savings in the PPK in full, but it is **most advantageous to withdraw 25% on a one-off basis and 75% in at least 120 instalments and over a minimum of 10 years**. In such case, you will pay no tax on capital gains.

 The main objective of the PPK is **to systematically save funds that will provide you with an additional financial buffer after the age of 60**.

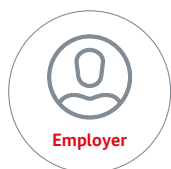
 The funds in the PPK are **your private property – you can freely dispose of them before and after the age of 60. You will also be able to identify those who will receive the funds accumulated in the PPK in the event of your death**.

 **You will have the opportunity to make early use of your savings if you, your spouse or your child get(s) seriously ill** – up to 25% of the funds without the obligation to return them; if you want to pay **your own contribution when taking out a loan for an apartment or construction of a house** – up to 100% of the funds with the obligation to return them within 15 years (for people who have not attained the age of 45 years).

Remember: **Investing activity involves risk**. The **sub-funds do not guarantee** that the stated **investment objective will be achieved** or that a specific return on investment will be achieved. The participant must take into account the possibility of losing at least part of the invested funds. **Before making any investment decision please read the fund prospectus**, which contains, inter alia, **the full list of risks**.

## Sources of contributions to the PPK

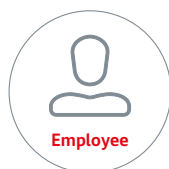
The contributions to your PPK account will come from three sources: from you, from your employer and from the State Treasury (the Labour Fund). Contributions to the PPK (yours and your employer's) are the amounts deducted from your gross remuneration – the basis of contributions to the old-age and disability pension scheme.



Employer

**1.5%** – basic (mandatory) contribution  
**up to 2.5%** – additional (voluntary) contribution

+



Employee

**2%** – basic (mandatory) contribution\*  
**up to 2%** – additional (voluntary) contribution

+



State Treasury

**PLN 250** – welcome contribution  
(if the employee saves under the PPK for at least 3 months)  
**PLN 240** – annual additional contribution  
(after fulfilment of the conditions laid down in the PPK Act)

\*The basic contribution financed by the employee may be less than 2% but not less than 0.5% of the remuneration if the employee's remuneration obtained from various sources in a given month does not exceed the amount corresponding to 1.2 times the minimum remuneration.

## Investment of your capital in the PPK

Throughout the period of participation in the PPK, you will save in one of eight defined date subfund in Santander TFI. Each PPK participant will be automatically assigned to the specific defined date subfund corresponding to their age and date of attainment of the age of 60 years.

### Fees in the PPK maintained by Santander TFI:

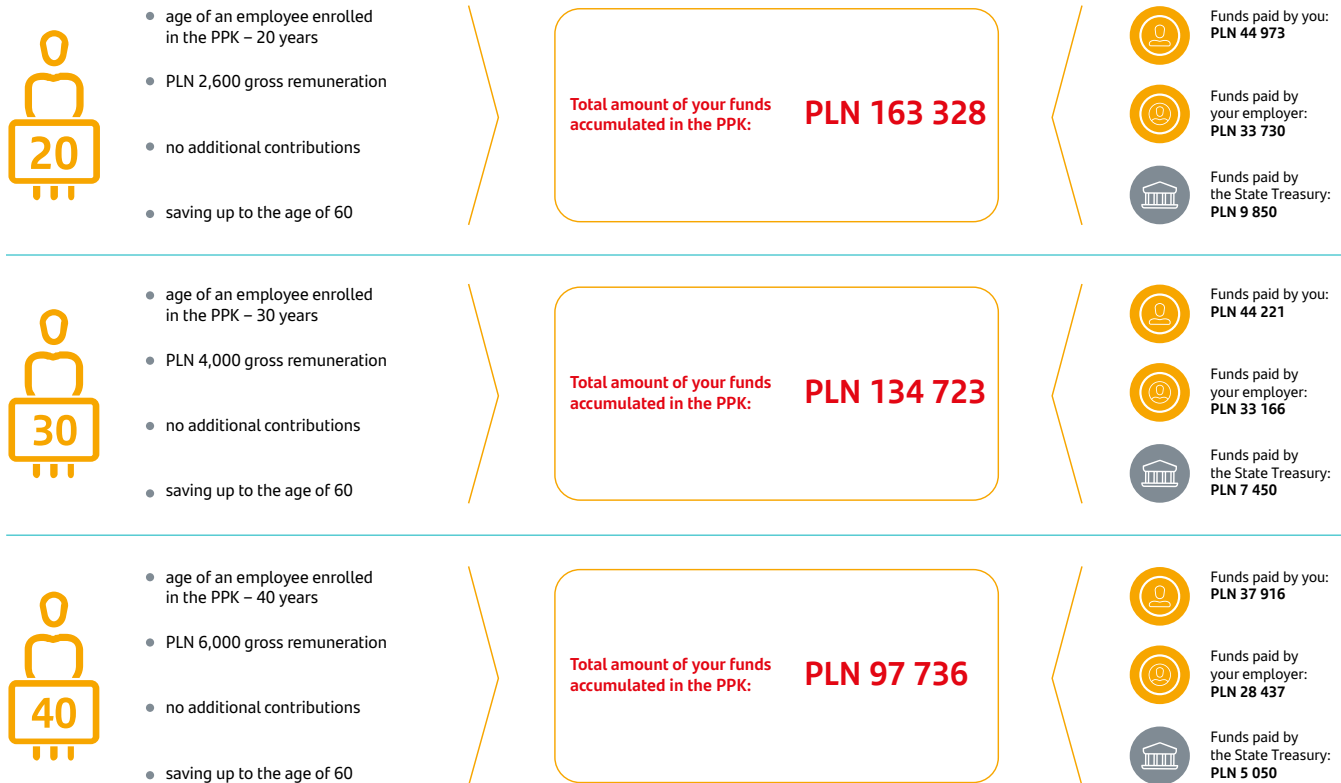
- **0.4% fee for management of the PPK.**
- **No more than 0.1% success fee** (0% for Santander PPK 2065 until December 31, 2023).
- **0% conversion fee (for changing the investment allocation)**, regardless of the number of changes.

## Your benefits from participation in the PPK

- Additional savings after the age of 60.
- To start to save in the PPK, you do not have to do anything – you will be automatically enrolled in the PPK by your employer. You may opt out of paying contributions to the PPK at any time.
- Every month, your PPK account will be credited with the contribution from your employer, as well as additional annual contributions and a one-off welcome payment from the State budget.
- You save all the time in a single defined date fund corresponding to your age in terms of the level of risk.
- Your funds in the PPK are treated as private, unlike those accumulated as part of the Social Insurance Institution (ZUS) and the Open-end Pension Fund (OFE), can be inherited and withdrawn at any time.
- The acquisition of funds from the PPK by way of succession is not subject to inheritance and gift tax.
- You will not pay tax\* when you withdraw the funds from the PPK once you attain the age of 60 years.
- You have the opportunity to view the balance of your funds in the PPK and to submit online orders via a dedicated PPK website, you can also use the PPK helpline.

**Remember:** the sub-funds Santander PPK SFIO are mainly volatile with the volatility of market interest rates, credit risk, liquidity risk and with the volatility of stock prices. Detailed description of the subfund's risks can be found in the prospectus and, in summary form, in Key Investor Information (KIID).

## Why is it worth saving with the PPK – how much can you accumulate?



### Calculation assumptions:

- Your basic (mandatory) contribution to the PPK: 2% of your gross remuneration.
- The basic mandatory contribution of the employer to the PPK: 1.5% of your gross remuneration.
- The projected annual rate of return in the withdrawal period: 2.75%.
- The projected annual increase in remuneration: 2.8%.
- The projected annual average rate of return in the investment period: 3.5%.
- Management costs included: 0.50% (include no more than 0.10% success fee).

The calculations are purely indicative and simulate the value of accumulated capital in case of systematic contributions to the account of the PPK participant. The calculator takes into account the amount of monthly mandatory and voluntary contributions, the investment period and the assumed annual rate of return on investment (however the fund does not guarantee the achievement of the specified investment result). The calculator does not take into account any fees that will be charged at the defined date fund and does not guarantee the investment result. Calculations made using the PPK calculator at: [www.mojeppk.pl/kalkulator](http://www.mojeppk.pl/kalkulator).

 [Santander.pl/PPK](http://Santander.pl/PPK) |  **Helpline 22 35 54 673**

\*A flat-rate personal income tax of 19% (determined in accordance with Article 30a(1)(11b) of the PIT Act) will not be charged on withdrawals made after the age of 60 years, assuming: 25% of the funds are withdrawn on a one-off basis and the remaining 75% (or 100% if the option of withdrawal of all funds in instalments is chosen) over the period of 10 years, at least 120 monthly instalments. The change in these assumptions (reduction of the number of instalments or a one-off withdrawal of the whole amount in the situation described in the Act on the PPK) will result in the calculation of a flat-rate personal income tax and the taxable income will be determined in accordance with Article 30a(13) of the PIT Act, i.e. the amount of withdrawal from the repurchase of units or redemption of units, less the expenses for the acquisition of repurchased units or contributions to the redeemed units from which the withdrawal was made.

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It should not be relied upon as the sole basis for making investment decisions. The net asset value of some sub-funds of the Santander Funds is highly volatile due to the composition of the investment portfolio. Some sub-funds may invest more than 35% of their assets in securities issued, guaranteed or underwritten by the State Treasury or the National Bank of Poland. The rewards of investing in shares are also accompanied by risks. A description of the risk factors, financial data and information about fees and charges can be found in the prospectuses, key information documents (KIIDs) and schedules of fees and charges available in Polish at [Santander.pl/TFI/documents](http://Santander.pl/TFI/documents) and at Santander fund distributors. For a summary of investors' rights, see the prospectus (Chapter III, sec. 4). The Funds do not guarantee the achievement of a stated investment objective or a specific investment performance and future returns are subject to taxation, which depends on the personal situation of each investor and which may change over time. Before making an investment decision, the participant should consider the fees associated with the sub-fund and take into account the possible taxation of the investment return. The participant must also take into account the possibility of losing at least part of the invested funds. When investing in mutual funds, the participant purchases the units of those funds and not the underlying assets that the fund itself invests in. The materials contained in this presentation are protected by copyright under the provisions of the Act of 4 February 1994 on copyright and related rights (consolidated text: Journal of Laws of 2019, item 1231, as amended). All copyrights to materials included in this document are held exclusively by Santander TFI S.A. Santander TFI S.A. operates on the basis of authorisation from and is supervised by the Polish Financial Supervision Authority. List of legal acts: The PPK Act – the Act of 4 October 2018 on Employee Capital Plans (consolidated text: Journal of laws of 2018, item 2215, as amended). The Civil code – the Act of 23 April 1964 – Civil Code (consolidated text: Journal of laws of 2019, item 1145). The PIT Act – the Act of 26 July 1991 on personal income tax (consolidated text: Journal of laws of 2018, item 1509, as amended). 2022 © Santander Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna. All rights reserved. Santander name and flame logo are registered trademarks. As of 2nd February, 2022.