



# The Employee Capital Plan (PPK)

A new way to save after the age of 60.



## What is the Employee Capital Plan (PPK)?



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



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.**



**Participation in and contributing funds to the PPK** is voluntary for you - all employees who have attained age of 18 years and have not yet attained 55 years of age, are automatically enrolled in the PPK by their employers, at the same time, they can opt out from contributing to PPK at any time. Employees, who attained the age of 55 and did not attain the age of 70, can enroll in PPK by filing a request with their employer. After attaining the age of 70, enrolling in the PPK is no longer possible.



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



**Contributions to the PPK are invested in the defined date sub-funds** where the level of investment risk are reduced as you get closer to the age of 60, i.e. the time of withdrawal of the funds from the PPK. You are also 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.



**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.**



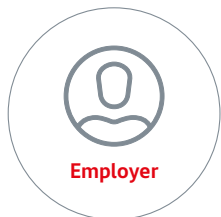
## Sources of contributions to the PPK

From the date of enrolment in the PPK (the signing by your employer of the PPK maintenance agreement with the selected financial institution), both you and your employer will be obliged to pay the contributions to your PPK account (in practice, your employer will be doing this by transferring the relevant amount to your PPK account). 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.

The contributions to your PPK account will come from three sources: from you, from your employer and from the State Treasury (the Labour Fund). Your and your employer's contributions are made up of mandatory and voluntary parts – you yourself decide whether you want to pay a greater amount than the minimum mandatory contribution to the PPK, similarly to your employer. The State Treasury's contributions include a (one-off) welcome contribution and annual additional contributions.

The first payment to the PPK should be deducted by your employer from the nearest remuneration paid after the conclusion of the PPK contract. All payments should be transferred by your employer to your PPK account until the 15th day of the following month after they have been calculated and collected.

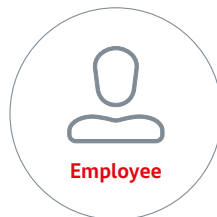
The amounts of the basic contribution and the voluntary additional contribution will be as follows:



**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.



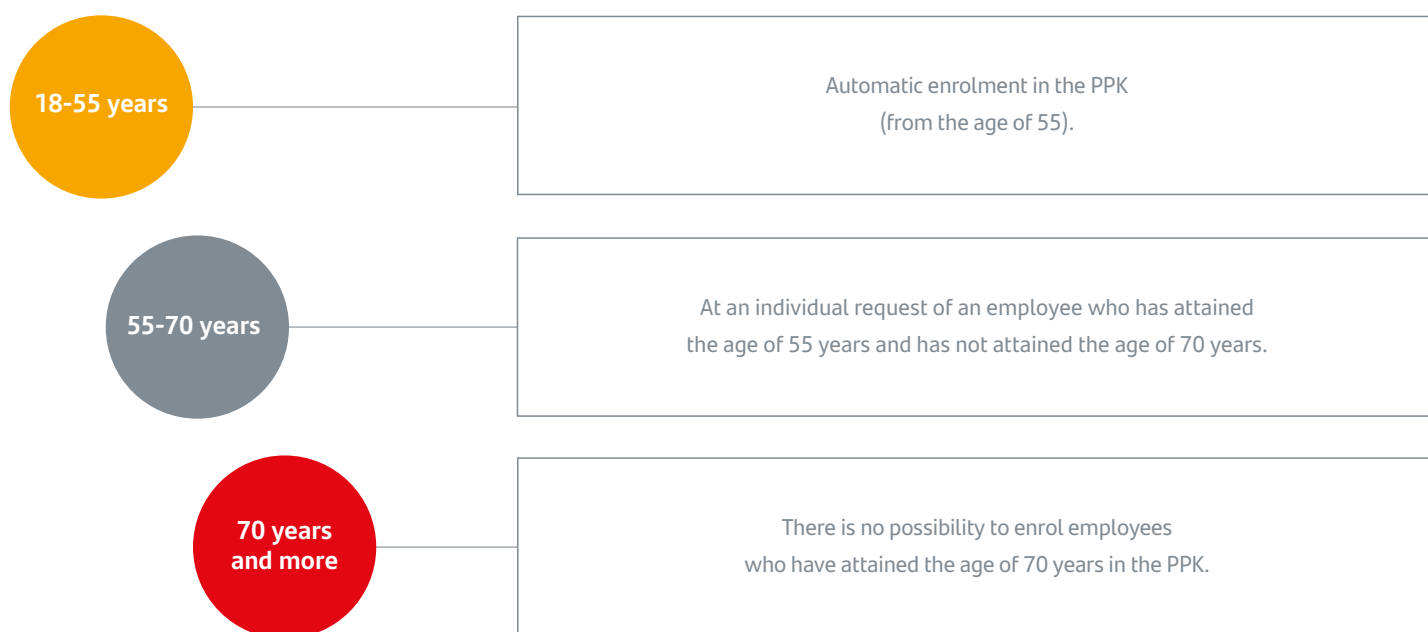


## Implementation of the PPK – what does it mean for employees?



### Automatic enrolment in the PPK

Any employer implementing the PPK in its company is required to enrol their employees in the PPK (subject to exceptions provided for in the PPK Act). Depending on the age of the employee, the enrolment in the PPK is mandatory or carried out at an individual request of an employee, as defined below:



### The PPK is voluntary for employees

- You may opt out of paying contributions to the PPK at any time by submitting an appropriate statement to your employer. You must remember that if you opt out of paying contributions, your employer will also be exempted from this obligation. In this situation, the funds from the State Treasury will not be credited to your PPK account. As a result, no funds will be credited to your PPK account.
- You may recommence the payment of contributions to the PPK at any time. It is sufficient to submit an appropriate request to your employer. If you decide to do this, the funds from your employer and the State Treasury will also be credited to your PPK account.
- Your employer has a duty to automatically re-enrol in the PPK, every 4 years, those employees who have opted out of paying contributions (this applies to employees who have attained the age of 18 but have not attained the age of 55 years). Each employee has the right to submit to their employer a statement to opt out again of paying contributions.



### Selection of the subfund in which your funds in the PPK will be invested

Your funds in the PPK will be invested in the defined date subfund corresponding to your age as a participant in the PPK.

Each employee who is a participant in the PPK will be assigned to the subfund corresponding to their age, in accordance with the table below:

Years (your date of birth)	Subfund target date	The subfund to which you are assigned as a participant in the PPK
1963* – 1967	2025	Santander PPK 2025
1968 – 1972	2030	Santander PPK 2030
1973 – 1977	2035	Santander PPK 2035
1978 – 1982	2040	Santander PPK 2040
1983 – 1987	2045	Santander PPK 2045
1988 – 1992	2050	Santander PPK 2050
1993 – 1997	2055	Santander PPK 2055
1998 – 2002	2060	Santander PPK 2060
2003 – 2007	2065	Santander PPK 2065

\*Also applicable to persons born before 1963.

- You have the right to change the automatically assigned subfund for another available under the PPK. It is your decision, but you must take into account the level of risk that you are able to accept and the period of accumulating funds in the PPK. In order to change the subfund for another one, not assigned to you automatically according to your age, you need to apply for a change of the allocation of contributions (for the future contributions) and/or change of the investment allocation (for the funds already accumulated in PPK). Filing the applications mentioned above you can also divide the contributions/already collected funds between several funds available in PPK.





## Formalities and duties associated with your enrolment in the PPK

If you are of age and you have not attained the age of 55 years, you will be automatically enrolled in the PPK by your employer. All the duties and formalities associated with your enrolment in the PPK must be completed by your employer. The employee's responsibilities include:

- The selection and conclusion of the PPK management agreement with the financial institution offering the PPK and conclusion of the PPK maintenance agreement on behalf of and for its employees (the selection of the institution requires consultation with the company trade union and, in the absence thereof, with the employee representatives).
- Specification of the list of employees to be enrolled in the PPK.
- Timely and correct calculation and transfer of contributions to the PPK.
- Administration of the PPK documentation.
- The implementation or making it possible for employees to submit certain orders under the PPK.
- Timely communication of specific information related to the PPK to its employees and the financial institution with which the employer has signed the PPK management agreement and the PPK maintenance agreement.
- Ensuring that the employee is re-enrolled in the PPK if they have opted out (the automatic re-enrolment in the PPK occurs every 4 years) and the payment of contributions to the PPK for that employee is recommenced.



## Your benefits from participation in the PPK

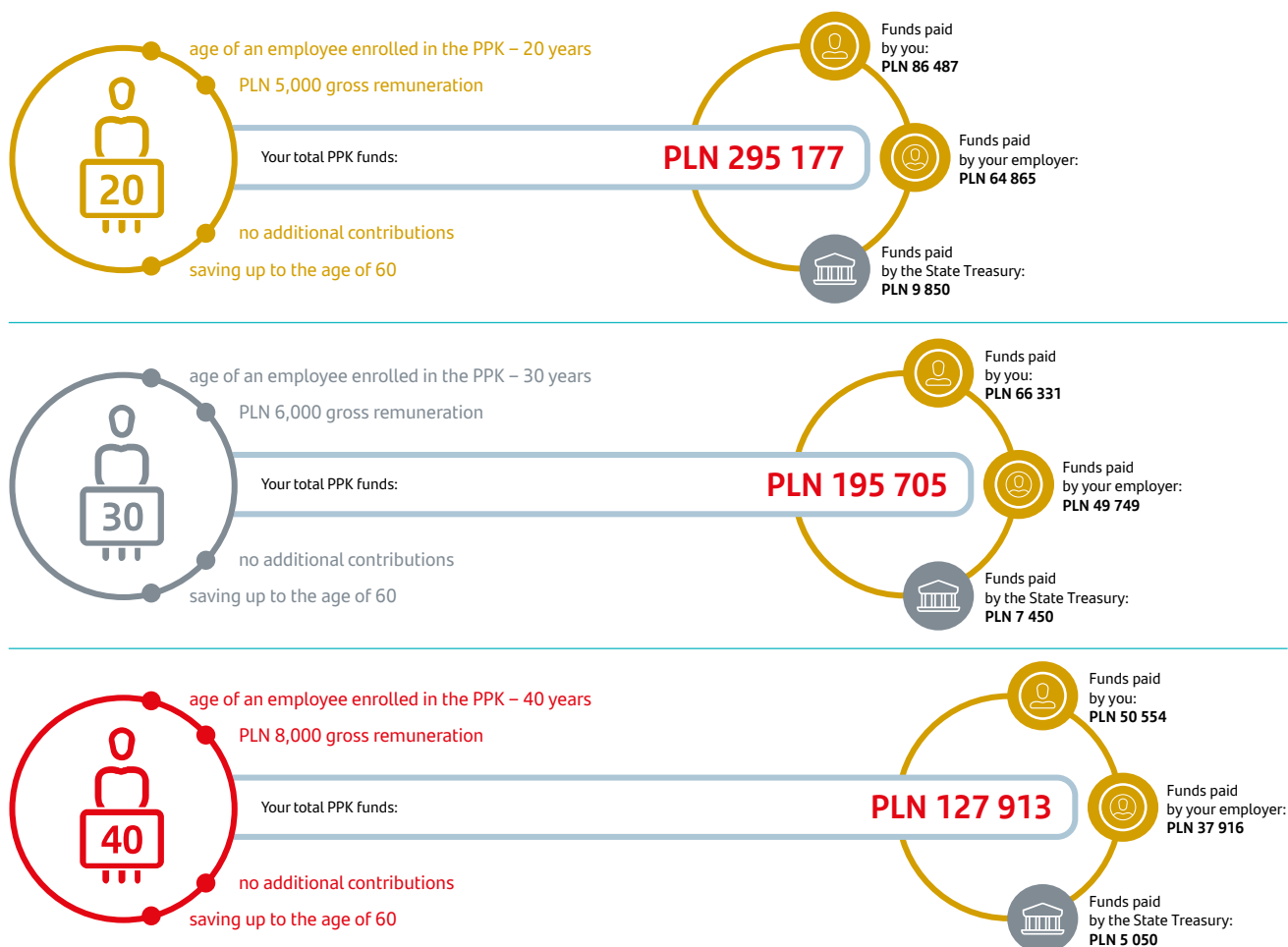
**Remember:** the sub-funds Santander PPK SFIO are mainly volatile with the volatility of market interest rates, credit risk, liquidity risk and with the volatility of stock prices. Detailed description of the subfund's risks can be found in the prospectus.

- 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 and to use the PPK helpline.

\*A 19% capital gains tax (determined in accordance with Article 30a(1)(11b) of the PIT Act) will not be charged in the case of withdrawals by an employee aged 60 or more, assuming the funds are withdrawn in the following way: 25% of the funds as a lump sum and the remaining 75% in at least 120 monthly installments or 100% of funds in at least 120 monthly installments. Changing these assumptions (reducing the number of installments or withdrawing the entire amount as a lump sum) will result capital gains tax being applied normally. Pursuant to the PIT Act (Article 30a(13) of the PIT Act), the taxable income will be determined as the amount of the payment from the redemption of participation units less the expenses for the purchase of these redeemed participation units.



## Simulation – find out how much money you can save in PPK.



The calculations of additional savings are estimated.



### 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).

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.



## Withdrawal of the funds from the PPK

**The funds accumulated in the PPK are your private property and you may freely dispose of them both before and after the age of 60.**

The rules governing payment, settlement and taxation of disposal are laid down in the applicable law.



### Withdrawal from the PPK before the age of 60:

- In the case of your, your spouse's or child's critical illness, you have the possibility to withdraw up to 25% of the funds on a one-off basis or in instalments without being required to return them.
- You can withdraw up to 100% of the funds to finance your own contribution to the loan, e.g. when purchasing an apartment or a house, with the obligation to return the entire amount (par value) to your PPK account within a maximum of 15 years (available before the age of 45).
- You can make a refund of your money at any time. The refund amount will be reduced by:
  - 30% of the value of the redeemed participation units that were acquired from the employer's payments (these funds will be transferred to ZUS as your pension insurance contribution),
  - participation units purchased for welcome payment and annual subsidies by the State,
  - capital gains tax due.



### Withdrawal from the PPK after the attainment of the age of 60 years:

- Withdrawal of the funds may take place without any costs if: you withdraw on a once-off basis 25% of the funds accumulated in your PPK account (unless you apply for withdrawal of this part of the funds in instalments), you withdraw 75% of the funds accumulated in the PPK account in at least 120 monthly instalments over a period of 10 years. The change in this method of withdrawal will entail additional tax consequences\*.
- There is also a possibility of requesting withdrawal of the funds accumulated in the PPK account in the form of a spouses' benefit. You may submit a request for withdrawal of the funds in the form of a spouses' benefit to a financial institution if your spouse, for whom the PPK maintenance agreement was concluded with the same financial institution, who has also attained the age of 60 years, and you declare jointly as spouses that you want to receive a spouses' benefit. The spouses' benefit will be paid in at least 120 monthly instalments.



### Transfer of funds to another PPK:

- If you change your job, you have the possibility to transfer your funds from the PPK account in the existing institution to the PPK account in the financial institution which maintains the PPK on the basis of the agreement with your new employer. This takes place within the so-called transfer payment and all your contributions will be transferred (your and your former employer's contributions, annual additional contributions from the Labour Fund and the welcome payment).

\*A 19% capital gains tax (determined in accordance with Article 30a(1)(11b) of the PIT Act) will not be charged in the case of withdrawals by an employee aged 60 or more, assuming the funds are withdrawn in the following way: 25% of the funds as a lump sum and the remaining 75% in at least 120 monthly instalments or 100% of funds in at least 120 monthly instalments. Changing these assumptions (reducing the number of instalments or withdrawing the entire amount as a lump sum) will result capital gains tax being applied normally. Pursuant to the PIT Act (Article 30a(13) of the PIT Act), the taxable income will be determined as the amount of the payment from the redemption of participation units less the expenses for the purchase of these redeemed participation units.





## How and by whom will the funds in the PPK be invested?

### The funds accumulate

The funds in the PPK will be managed by the financial institution maintaining the PPK, selected by your employer in consultation with employees. Throughout the period of participation in the PPK, you will save in one subfund matching the risk level to your age, i.e. in the so-called defined date fund.

Each PPK participant is automatically assigned to a specific sub-fund of a defined date appropriate to their age. The investment policy of such sub-funds - in accordance with the assumptions of the PPK Act - limits the investment risk as you approach 60 years of age. Knowing exactly the investment perspective (date of attainment of the age of 60 years), it will be possible to initially invest more of the funds (assets) into shares and then (as you get closer to the age of 60) to gradually invest more and more funds in debt instruments characterised by lower investment risk. The principles of investment policy for each defined date subfund that take into account the different ages of the participants in the PPK, are described in the PPK Act.

<b>Allocation of the defined date subfunds:</b>	<b>Share part (including shares)</b>	<b>Debt part (including bonds)</b>
from the creation of the subfund to 20 years before the defined date	60 – 80%	20 – 40%
20 years before the defined date	40 – 70%	30 – 60%
10 years before the defined date	25 – 50%	50 – 75%
5 years before the defined date	10 – 30%	70 – 90%
starting from the defined date	max. 15%	min. 85%



## Defined date sub-funds in Santander TFI



### How do our sub-funds invest? - the investment policy of the subfunds of Santander PPK SFIO



#### **Under the debt part, the subfunds may invest:**

- not less than 70% of the value of the assets in Treasury and quasi-equity bonds or bank deposits,
- not more than 30% of the value of the assets in other financial instruments, but no more than 10% in financial instruments that do not have an investment rating.



#### **Under the share part, the subfunds may invest:**

- not less than 40% of the value of the assets in the shares included the WIG20 index,
- not more than 20% of the value of the assets in the shares included in the mWIG 40 index,
- not more than 10% of the value of the assets in other listed shares,
- not less than 20% of the value of the assets in foreign shares in the OECD countries.



Treasury and quasi-treasury bonds are securities issued, guaranteed or secured by the State Treasury, the National Bank of Poland, the local government unit or by the central public authority or the central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, or by international organisations, provided that the securities issued, guaranteed or secured by these international organisations hold a rating assigned by a rating agency recognised by the European Central Bank in its operations.



## Risk level of the subfunds of Santander PPK SFIO

The main investment risk categories associated with the sub-funds' investment policy are the risks arising from equity investments (mainly in shares) and the risks arising from investments in debt securities (mainly bonds). The indicator\* for the respective sub-funds is shown in the table below.

<b>Santander PPK 2025</b> <b>Santander PPK 2030</b>	<p style="text-align: center;">← lower risk <span style="float: right;">higher risk →</span></p> <p style="text-align: center;"> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 6px;">1</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 6px;">2</span> <span style="background-color: #444; color: white; border: 1px solid black; border-radius: 50%; padding: 2px 6px;">3</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 6px;">4</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 6px;">5</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 6px;">6</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 6px;">7</span> </p>
<b>Santander PPK 2035</b> <b>Santander PPK 2040</b> <b>Santander PPK 2045</b> <b>Santander PPK 2050</b> <b>Santander PPK 2055</b> <b>Santander PPK 2060</b> <b>Santander PPK 2065</b>	<p style="text-align: center;">← lower risk <span style="float: right;">higher risk →</span></p> <p style="text-align: center;"> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 6px;">1</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 6px;">2</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 6px;">3</span> <span style="background-color: #444; color: white; border: 1px solid black; border-radius: 50%; padding: 2px 6px;">4</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 6px;">5</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 6px;">6</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 6px;">7</span> </p>

\*The risk indicator is an indication of the risk level of this product compared to other products. Takes values from 1 to 7. The higher the value of the indicator, the higher is the risk of the product, i.e. the greater the probability of a loss of the invested funds.



## Fees in the PPK maintained by Santander TFI

Management fee	<ul style="list-style-type: none"> <li>not more than <b>0.4%</b> – details in the table below.</li> </ul>
Success fee	<ul style="list-style-type: none"> <li><b>No more than 0.1% success fee.</b></li> </ul>
Conversion fee (for changing the investment allocation)	<ul style="list-style-type: none"> <li><b>0%</b> regardless of the number of changes.</li> <li>applies to the fee charged when converting units within <b>all sub-funds of the Santander PPK SFIO Fund.</b></li> </ul>

**Lower management fees since the beginning of the year in which the Santander PPK SFIO subfund reaches the defined date:**

Period		Management fee								
From	Until	Santander PPK 2025	Santander PPK 2030	Santander PPK 2035	Santander PPK 2040	Santander PPK 2045	Santander PPK 2050	Santander PPK 2055	Santander PPK 2060	Santander PPK 2065
01.01.2021	31.12.2024	0,40%	0,40%	0,40%	0,40%	0,40%	0,40%	0,40%	0,40%	0,40%
01.01.2025	31.12.2029	0,30%								
01.01.2030	31.12.2034	0,20%	0,30%	0,30%	0,30%	0,30%	0,30%	0,30%	0,30%	0,40%
01.01.2035	31.12.2039		0,20%							
01.01.2040	31.12.2044			0,20%						
01.01.2045	31.12.2049				0,20%					
01.01.2050	31.12.2054		0,20%							
01.01.2055	31.12.2059	0,20%	0,30%	0,30%	0,20%	0,20%	0,30%	0,30%		
01.01.2060			0,20%						0,30%	



## Security of your funds in the PPK



### Supervision by the Polish Financial Supervision Authority

The PFSA is supervise the maintenance of the Employee Capital Plans in terms of compliance with applicable law. In addition, the PFSA prepares statistics on the operation of the PPK on the basis of the data collected.



### Supervision by the State Labour Inspectorate

The duties of the State Labour Inspectorate is to monitor whether employers properly fulfil the obligations associated with the maintenance of the PPK. Offences related to incorrect maintenance of the PPK by the employer, such as failure to conclude the PPK agreement within the prescribed time limit, failure to pay contributions for the participants within the prescribed time limit, failure to report the requested data or reporting incorrect data, or providing untrue explanations or refusing to provide any explanations, lack of documentation related to the calculation of contributions to the PPK, may entail fines of between PLN 1,000 and PLN 1 million.



## Planned support for employees – PPK participants



**WEBSITE FOR THE EMPLOYEE** – activation of the profile of the PPK participant will be possible after the employer concludes the PPK maintenance and management agreements with Santander TFI and accepts the terms of use of the service. Each employee enrolled in the PPK will receive their unique data to log into the website at their e-mail address.

**Once you log into the website, you may, for example:**

- check the balance of the funds in its PPK account,
- change or supplement your data,
- submit instructions and statements to the PPK,
- review and download the PPK maintenance agreement,
- ask questions about the PPK using a contact form.



**PPK HELPLINE: 22 35 54 673** – helpline for employees.



**WEBSITES: [Santander.pl/PPK](https://www.santander.pl/PPK) and [Santander.pl/TFI](https://www.santander.pl/TFI)**

- current listing of investment funds available online – the possibility of ongoing monitoring and comparison of performance of investment funds in the selected period of time,
- current product documentation – data sheets of subfunds, prospectuses, key information documents, statutes of funds, regulations available at [Santander.pl/TFI](https://www.santander.pl/TFI),
- market comments prepared by managers of Santander funds – weekly comments published on each Monday, monthly comments and special comments – available at [Santander.pl/TFI](https://www.santander.pl/TFI),
- the PPK calculator – allowing the simulation of funds accumulated in the PPK,
- questions and answers concerning the PPK.



## About Santander TFI S.A.

- Over 25 years in the investment fund market.
- One of the largest and most experienced management companies in the Polish market.
- Assets under management with a value close to PLN 21 billion.\*
- Gained trust of over 220.000 customers.\*
- Years of experience in the establishment and management of Employee Pension Schemes (since 2001) and Individual Pension Accounts (since 2004), the value of assets accumulated in Individual Pension Accounts maintained by Santander TFI is over PLN 430.\*

\*as of February 29, 2024



## Want to know more about the PPK in Santander TFI?



[Santander.pl/PPK](https://Santander.pl/PPK)



Call – PPK helpline: 22 35 54 673

Telephone services for PPK participants and employers are available from Monday to Friday (days on which the Warsaw Stock Exchange sessions are held) between 9:00 am and 5:00 pm. The cost of the call per the operator's tariff.



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**This document is presented for marketing purposes and does not constitute an agreement or an information document required by law.**

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 PPK SFIO Fund 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 (KIDs) and schedules of fees and charges available in Polish at [Santander.pl/TFI/documents](https://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. Santander TFI S.A. operates on the basis of authorisation from and is supervised by the Polish Financial Supervision Authority. The copyright to this material belongs to Santander TFI S.A.

The PIT Act – the Act of 26 July 1991 on personal income tax (consolidated text: Journal of laws of 2018, item 1509, as amended).

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As of April 8, 2024