IMPACT OF PENSION SYSTEM REFORMS ON PUBLIC FINANCE EXPENDITURES IN POLAND

The social security system in each country, if it exists, plays a crucial role in supporting citizens and specific expenditures of the public finance system. Its importance in public spending depends on many factors; in particular, on its source and on its form of financing benefits or pensions. The social security system in Poland is composed of a social insurance and welfare system, a health insurance system, unemployment and family benefits, from which are enumerated an old-age pension, invalidity pension, sickness and maternity insurance, insurance against accidents at work and occupational diseases, and health insurance. The Polish social security system often changes due to implementation of improvements or limits on public spending. The most famous reform took place in 1999 and introduced the largest number of changes in the sphere of pension security. Because the scale of public funds that are passed on to the social security system is very large, pension reforms should be crucial for improving the state of public finances.

The aim of the paper is to present changes that took place in the Polish pension system between 1999 and 2017 and how those changes influenced the amount of public expenditures. The study reviews the research hypothesis: frequent changes in the pension system have a negative impact on the state of Polish public finance. The study covers the years 1999-2017, as well as the previous four years before the implementation of the pension reform. Basic research materials used to conduct the research analysis were reports on implementation of the state budget, data prepared by the Social Insurance Institution and the Agricultural Social Insurance Fund as well as statistical data obtained from the Central Statistical Office.

Key words: social security system, reform, public finance, Poland
JEL Codes: H55

Introduction

The social security system in each country, if it exists, plays a crucial role in supporting citizens and specific expenditures of the public finance system. Its importance in public spending depends on many factors, in particular, on its source and on its form of financing benefits or pensions.

The social security system in Poland is composed of a social insurance and welfare system, a health insurance system, unemployment and family benefits, from which are enumerated an old-age pension, invalidity pension, sickness and maternity insurance, insurance against accidents at work and occupational diseases, and health insurance1. The above-mentioned elements make up the social security system whose point is to guarantee social security. The national government organizes this system into

specialized institutions that perform specific tasks in their area of expertise. The key purpose of creating a social security system was to create security against all kinds of social risk, such as loss of a job, the added costs of parenthood, or death of the breadwinner.

The Polish social security system often changes, due to implementation of improvements or limits on public spending. The most famous reform took place in 1999 and introduced the largest number of changes in the sphere of pension security. Because the scale of public funds that are passed on to the social security system is very large, pension reforms are crucial for improving the state of public finances.

In 1999, the social insurance pay-as-you-go system was replaced by a notional defined contribution (NDC) system. Insured persons born before January 1, 1949, were still covered under the social insurance pay-as-you-go system. Insured persons born from January 1, 1949, to December 31, 1968, could choose the new NDC system only or the NDC and individual account system for old-age benefits. Until December 31, 2013, membership in the individual account system was mandatory for insured persons born after December 31, 1968. As of February 1, 2014, membership in the individual account system is voluntary for all insured persons².

The aim of the paper is to present changes that took place in the Polish pension system between the years of 1999 and 2017 and how those changes influenced the condition of public finances. In the study, there will be a review of the research hypothesis that frequently occurring changes in the pension system have a negative impact on the state of Polish public finance. The paper should answer the questions below:

1) How often is the social security system subject to change and what changes does it concern?
2) What was the state expenditure on the Social Insurance Fund (FUS)?
3) What was the direction of state expenditure after introducing changes to the social security system?
4) In what dimension did the pension reform influence the financial condition of the social security system, and the state of public finance?

The study covered the years 1999-2017, and the basic research materials that were used to conduct research analysis were reports on the implementation of the state budget, data prepared by the Social Insurance Institution (ZUS), as well as statistical data obtained from the Central Statistical Office. Some analysis was made by MA Magdalena Gromek in an unpublished thesis “Changes in the social insurance system and their influence on the management of public finance” (“Zmiany w systemie ubezpieczeń społecznych i ich wpływ na zarządzanie finansami publicznymi” [Siedlce University of Natural Sciences and Humanities, under direction od dr Anna Świrska].)

**Research results and discussion**

Social security systems appeared in Europe in the 19th century. Up until that time, different institutions and organizations took care of citizens among which can be

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enumerated for example, communes, gilds, and churches. Currently, almost each state and society has its own regulations and (mostly) public organization which delivers social security to citizens. The social security system is a major pillar of the modern economy. Its role is to satisfy the basic needs of the members of a society and guarantee some standards of living. Due to economic and social changes such as aging of societies, changes in the economy (maintaining high unemployment and small GDP growth), changes in society and politics, growing individualism, changes in family life, and a growing mobility of employees and employers, the social security system needs reforms and adjustments to the current economy.

The most discussable part of the social security system is the part concerning pension insurance. It consists of putting aside financial surpluses that appear during the period of intense work for such a time when there are generally financial shortages, more specifically for the period of old age. The purpose of this insurance is to provide people who are retired the standard of living similar to that which they achieved during their period of professional activity. In Europe, which is the precursor of this type of security, there are different functioning models of pension systems. In most EU countries, the core of the pension system is based on the statutory earnings related to old-age pension schemes. The public pension system often provides also a minimum-guaranteed pension to those who do not qualify for the earnings-related scheme or have accrued only a small earnings-related pension. Minimum guarantee pensions are usually means-tested and are provided either by a specific minimum pension scheme or through a general social assistance scheme. For example, in Denmark, the Netherlands and Ireland, the public pension system provides in the first instance a flat-rate pension, which can be supplemented by earnings related to private occupational pension schemes.

There can be enumerated three types of financing pension security systems:
- Pay-as-you-go,
- Private (capital),
- Combination of pay-as-you-go and private.

Nearly all Western European countries have implemented the system called pay-as-you-go (PAYG) based on compulsory insurance, which is an intergenerational agreement. Benefits are paid out of contributions from current workers who, after reaching retirement age, will receive money from the next generation. In most countries, minimum guarantee pensions are covered by general taxes. Earnings-related schemes are often subsidized by the state budget.

Occupational and private pension schemes are introduced as well. Here, the future pension benefits can be related either to the salary and career length (defined-benefit system) or to paid contributions (defined-contribution system).

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The Polish pension system is a kind of combination of both PAYG and private, and its basic postulation is presented below.

The Polish PAYG system is strictly connected with public institutions responsible for the social security system, i.e. the Social Insurance Institution (ZUS) and the Agricultural Social Insurance Fund (KRUS which services farmers). The system functions correctly when the number of insured who pay contributions is significantly greater than the number of beneficiaries. When contributions are insufficient to pay benefits, the deficient amount is supplemented by subsidies from the state budget, thus it affects the amount of state expenditures. Due to the fact that the pay-as-you-go system is "sensitive" to demographic problems, and due to the increasing amounts that are transferred from the state budget to the system every year, changes and reforms are implemented. The basic purpose of these changes is to reduce the growth rate of amounts coming from the state budget.

![Image of Polish pension system diagram](https://emerytura.pzu.pl/abc-emerytury)

**Figure 1.** Current Polish pension system

The private system is related to both the second and third pillar. It consists of the fact that paid contributions are not earmarked for the current pensioners, but are invested and serve to finance future benefits for the insured who paid them. In the capital system, the employee throughout his professional activity postpones contributions that are invested in interest-bearing bank accounts. After retirement, the employee may have all capital together with interest or only monthly benefits from interest on capital, paid out for life. After death, capital may be inherited by the employee's family. As can be seen in
the chart, there is also some PAYG element to the second pillar. Although the employee
decides on an Open Pension Fund (OFE), he is still obligated to transfer some
contributions to the Social Insurance Institution. This is why the Polish pension system is
often described as a mixed system.

The scale of public funds transferred from the state budget to the Insurance
Institution is relatively significant if we compare the public expenditures to the deficit.
Therefore, any changes introduced to the rules regarding the functioning of social
insurance, to some extent are reflected in the amount of state expenditure, and
sometimes in the size of the deficit or public debt.

The pension system had become a serious social and economic problem even before
the political transformation. The legal act regulating pensions, passed in December 1982,
was changed during the years 1983-1989 up to twelve times. Those changes were
implemented by a trial and error method: increasing old pensions and later – newer ones,
and everything depended on what effects the previous changes brought. These changes
in the pension system carried out in the 1980's led to huge chaos: there were no
proportions of benefits granted in different periods.

The regulations of the pension security system that were in force until 1998 were
subject to constant criticism. It was believed that this system was unfair and expensive. It
was predicted that after a dozen or so years a financial collapse would occur. According
to available sources, it can be concluded that one of the main disadvantages of the
previous system was a number of incentives for early retirement and pension privileges
for various professional groups.

In order to repair the social insurance system in force at that time, the Act of 13
October 1998 on the social insurance system and the Act of 17 December 1998 on
pensions and disability benefits from the Social Insurance Fund were implemented.
Thanks to these laws, on January 1, 1999, one of the most important reforms of the
social insurance system in Poland took place. However, not all citizens and politicians
were enthusiastic about the changes introduced by the reform. The biggest fear was how
the introduced reform would affect the state budget, even though one of its tasks was to
improve the state's financial situation. The so-called pension reform introduced by the
government of Prime Minister Jerzy Buzek consisted of the fact that the existing pay-as-
you-go system was replaced by a new mixed-capital pay-as-you-go system. In order to
introduce the new system, universal pension companies were established to manage open
pension funds. However, the changes introduced in 1999 did not take into account all
citizens. Persons who in the year of the reform's implementation had not yet reached 30
years of age had to submit to the new system, which in turn was associated with
obligatory access to pension funds. A second group of citizens between 30 and 50 years
of age could choose whether to join the new system or whether they would prefer to
remain in the old social security system. The last group of people, aged over 50, had no
choice but to remain in the old system. The year 1999 was the beginning of the evolution
that took place in the pension security system in the following years. Table 1 contains a
summary of all significant changes that were introduced in years 1999-2017.

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All shown in Table 1, changes were introduced in order to improve the functioning of the current social security system, as well as to improve public finances and the financial condition of the Polish pension system; however, as statistics reveal, the effectiveness of these changes is not satisfactory. Regarding the social security system as an element of the public finance system, it is the largest expense item of the state budget each year, nearly 22% of total expenditures. All these expenses are subsidies to cover the deficit in ZUS and KRUS, and subsidies to cover pensions of soldiers, judges, prosecutors and police officers who are not in the general pension system (about 20 billion PLN)\(^8\).

<table>
<thead>
<tr>
<th>Year</th>
<th>Change</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>Social security system reform</td>
<td>This marks the beginning of the evolution of the entire social security system. The current system was transformed and four funds were separated out within it: pension, sickness, disability benefit and accident insurance. The entire pension system was divided into a pay-as-you-go system and a capital system. Established Open Pension Funds (OFE) were managed by the Universal Pension Society (PTE). With the creation of the OFE, part of the pension contribution was transferred to the Universal Pension Society account. The reform also introduced provisions on the functioning of employee pension programs.</td>
</tr>
<tr>
<td>2000</td>
<td>Attempt to increase the attractiveness of employee pension programs</td>
<td>Due to the Act of March 2, 2000 amending the Act on Employee Pension Programs and certain other acts, financing of the basic contribution was changed; previously it was paid from the employee's salary, but since 2000 it began to be financed by the employer.</td>
</tr>
<tr>
<td>2003</td>
<td>Changes regarding uniform services</td>
<td>Uniform services were excluded from the general system and returned to the supply system.</td>
</tr>
<tr>
<td>2004</td>
<td>Changes in OPF functioning</td>
<td>The Act of August 27, 2003 amending the Act on the Organization and Operation of Pension Funds and certain other acts initiated a number of changes, such as changes in provisions concerning fees, the possibility of differentiation of fees due to the membership period being annulled or expired. Another change concerned the benefits collected by PTE on OFE assets. The act on individual retirement accounts also became applicable. The implementation of this law aimed to increase incentives for voluntary savings.</td>
</tr>
<tr>
<td>2005</td>
<td>Benefits for miners</td>
<td>Introduction of privileges for miners: they pay contributions as a society within the general system; however, their pension is not linked to the amount of contributions.</td>
</tr>
<tr>
<td>2009</td>
<td>Creation of &quot;bridging&quot; pensions</td>
<td>It allowed for paying a pension to people working in special conditions that end their professional activity before reaching the effective retirement age.</td>
</tr>
<tr>
<td>2011</td>
<td>Changes regarding OFE</td>
<td>Lowering the amount of premiums to OFE from 7.3% to 2.3%.</td>
</tr>
<tr>
<td>2012</td>
<td>Changes in retirement age</td>
<td>Starting from January 2013, the retirement age was planned to be systematically increased by 1 month for every 4 months until the age of 67 for both women and men was reached.</td>
</tr>
<tr>
<td>2014</td>
<td>Further changes regarding OFE</td>
<td>Transferring 51.5% of OFE assets to a sub-account in ZUS (sub-accounts were introduced in May 2011), changes in the investment profile of OFE, liquidation of the minimum rate of return and reducing fees.</td>
</tr>
<tr>
<td>2017</td>
<td>Changes in the general pension system</td>
<td>Retirement age was lowered for women to 60, for men to 65. Changes in the amount of pensions: raising the minimum pension amount and valorizations.</td>
</tr>
</tbody>
</table>

Source: Author's own study on the basis of M. Gromek thesis and available Internet sources.

In order to analyse the influence of pension system reforms on state expenditures, it is worth presenting transfers from the state budget to the Social Insurance Fund (FUS), which is the state special purpose fund established on 1 January 1999. The Fund is administered by the Social Insurance Institution. Incomes of the Social Insurance Fund come from:

- social insurance contributions not subject to transfer to Open Pension Funds,
- funds compensating contribution amounts transferred to Open Pension Funds,
- payments from the State Budget and other institutions, intended for benefits that ZUS has been commissioned to pay, with the exception of benefits financed under other budgetary chapters and payments from foreign institutions,
- interest on the FUS bank account,
- a state budget subsidy,
- resources of the Demographic Reserve Fund,
- payments from Open Pension Funds as a result of the insured person reaching an age lower by 10 years than the statutory retirement age.

The FUS budget is in permanent deficit, regarding the difference between the amount of social insurance contributions and the total expenditures of this institution. Thus, the state budget subsidy can be treated as a “lifebuoy”. On the one hand, it is additional income of FUS, but on the other – it is a great expenditure of the state budget; thus it should be analysed both as an aspect of FUS budget and an element of state budget.

Table 2 allows for an analysis of the budget of the Social Insurance Fund and the role of the subsidy in the financial condition of this institution.

During the years 1999 to 2017, the amount of collected contributions was not high enough to cover all FUS expenses. The sufficiency of social insurance contributions ranges from 68-79%. Each year finished with a high deficit, which in a free market economy would lead to bankruptcy of the enterprise. Due to the element of state interventionism and subsidy transferred to the FUS account, the FUS deficit could be reduced. Four times (in 2004, 2006, 2007, and 2017) even a surplus was noticeable. A very high surplus in 2017 was caused not only by a high subsidy from the state budget, but also by a cancelling of the nearly 39.15 billion PLN loan which the state budget gave to the Social Insurance Fund in 2009-2014.

The data presented above in Table 2 show that the FUS financial condition was not positive and it was characterized by a deficit in almost every year throughout the analysed period. Although the amounts of subsidy from the state budget fluctuated, it showed an upward tendency in general. Despite high subsidies from the state budget, the Social Insurance Fund was unable to cover all current expenses.

The main reforms introduced during the years 1999 – 2017 did not positively affect the financial situation of the Social Insurance Fund.

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Table 2. Finance of Social Insurance Fund (mln PLN, 1999-2017)

<table>
<thead>
<tr>
<th>Year</th>
<th>Incomes from social insurance contributions</th>
<th>Subsidy from the state budget</th>
<th>Total incomes</th>
<th>Total expenditures</th>
<th>Deficit</th>
<th>Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C=A+B+other</td>
<td>D</td>
<td>A-D</td>
<td>C-D</td>
</tr>
<tr>
<td>1999</td>
<td>63 726.30</td>
<td>9 459.00</td>
<td>73 707.80</td>
<td>80 375.70</td>
<td>-16 649.40</td>
<td>-6 667.90</td>
</tr>
<tr>
<td>2000</td>
<td>65 051.30</td>
<td>15 366.00</td>
<td>80 417.30</td>
<td>85 684.00</td>
<td>-5 266.70</td>
<td>-4 716.50</td>
</tr>
<tr>
<td>2001</td>
<td>69 655.70</td>
<td>21 157.00</td>
<td>90 812.70</td>
<td>96 150.50</td>
<td>-6 337.80</td>
<td>-4 586.80</td>
</tr>
<tr>
<td>2002</td>
<td>67 751.40</td>
<td>26 987.90</td>
<td>94 739.30</td>
<td>98 834.20</td>
<td>-4 094.90</td>
<td>-3 406.50</td>
</tr>
<tr>
<td>2003</td>
<td>69 725.80</td>
<td>28 265.30</td>
<td>98 091.10</td>
<td>102 070.50</td>
<td>-3 979.40</td>
<td>-3 607.60</td>
</tr>
<tr>
<td>2004</td>
<td>73 392.60</td>
<td>22 959.20</td>
<td>96 351.80</td>
<td>107 713.30</td>
<td>-11 361.50</td>
<td>-145 60</td>
</tr>
<tr>
<td>2005</td>
<td>77 426.20</td>
<td>20 112.10</td>
<td>97 538.30</td>
<td>111 075.50</td>
<td>-3 537.20</td>
<td>-94.70</td>
</tr>
<tr>
<td>2006</td>
<td>80 547.00</td>
<td>24 483.40</td>
<td>105 030.40</td>
<td>119 233.00</td>
<td>-4 202.60</td>
<td>8 253.30</td>
</tr>
<tr>
<td>2007</td>
<td>88 397.90</td>
<td>23 893.00</td>
<td>112 290.90</td>
<td>121 374.80</td>
<td>-9 083.90</td>
<td>-36.90</td>
</tr>
<tr>
<td>2008</td>
<td>81 646.70</td>
<td>33 230.00</td>
<td>114 876.70</td>
<td>136 096.50</td>
<td>-21 219.80</td>
<td>-54 486.70</td>
</tr>
<tr>
<td>2009</td>
<td>85 300.20</td>
<td>30 503.30</td>
<td>115 803.50</td>
<td>136 133.40</td>
<td>-10 329.90</td>
<td>-36 936.70</td>
</tr>
<tr>
<td>2010</td>
<td>88 961.70</td>
<td>38 111.70</td>
<td>127 073.40</td>
<td>167 480.80</td>
<td>-30 407.40</td>
<td>-12 966.70</td>
</tr>
<tr>
<td>2011</td>
<td>101 520.20</td>
<td>37 513.40</td>
<td>139 033.60</td>
<td>167 859.90</td>
<td>-8 826.30</td>
<td>-5 750.10</td>
</tr>
<tr>
<td>2012</td>
<td>120 421.80</td>
<td>39 520.80</td>
<td>159 942.60</td>
<td>176 439.90</td>
<td>-6 497.30</td>
<td>-4 447.00</td>
</tr>
<tr>
<td>2013</td>
<td>121 392.40</td>
<td>37 113.90</td>
<td>158 506.30</td>
<td>183 785.80</td>
<td>-5 279.50</td>
<td>-10 256.60</td>
</tr>
<tr>
<td>2014</td>
<td>131 129.30</td>
<td>30 362.80</td>
<td>161 492.10</td>
<td>195 014.20</td>
<td>-33 522.10</td>
<td>-8 427.00</td>
</tr>
<tr>
<td>2015</td>
<td>143 995.90</td>
<td>42 065.70</td>
<td>186 061.60</td>
<td>201 717.40</td>
<td>-5 655.80</td>
<td>-5 602.60</td>
</tr>
<tr>
<td>2016</td>
<td>151 837.30</td>
<td>44 847.80</td>
<td>206 685.10</td>
<td>208 075.00</td>
<td>-12 389.90</td>
<td>-3 393.80</td>
</tr>
<tr>
<td>2017</td>
<td>166 547.90</td>
<td>40 978.70</td>
<td>207 526.60</td>
<td>212 943.00</td>
<td>-5 416.40</td>
<td>47 772.60</td>
</tr>
</tbody>
</table>


The FUS subsidy is at the same time an expense of the state budget and influences the condition of the public finance system in Poland. Table 3 presents the FUS’s subsidy as a transfer from the state budget.

Analyzing the above research, subsidies to the Social Insurance Fund account, as well as the total spending of the country, are becoming higher each year. Since the introduction of pension reform in 1999, total state expenditure has more than doubled, and state subsidies for the Social Security Fund have more than quadrupled. Although the amounts of subsidies are fluctuating, they are characterized by an upward trend. It can be stated that to a certain extent, the increasing amounts of subsidies allocated to the Social Insurance Fund have a negative impact on the general state of public finances, because if the subsidies increase, then the state's expenses also do so.

Reforms introduced in the years 1999-2017 have not brought satisfactory results. Their effects are short-lived and can be limited to up to one year. The changes introduced in 2014 in no way solved the problems of the Social Insurance Fund and did not reduce the demand for subsidies from the state budget. In 2017, although the share of
public subsidies decreased, it should be recalled that the budget "lost" the amount of 40 mln PLN, because it redeemed the FUS loan.

Summing up, all changes introduced in the functioning of the entire social security system result in ever-increasing financial requirements on the system, which in turn have a negative impact on the overall state of public finances.

Table 3. The share of transferred subsidy in total state expenditures (1999-2017)

<table>
<thead>
<tr>
<th>Year</th>
<th>Subsidy from the state</th>
<th>State expenditures</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>mln PLN</td>
<td>bln PLN</td>
<td>%</td>
</tr>
<tr>
<td>1999</td>
<td>9459.0</td>
<td>138 401.2</td>
<td>6.8</td>
</tr>
<tr>
<td>2000</td>
<td>15 366.0</td>
<td>151 054.9</td>
<td>10.2</td>
</tr>
<tr>
<td>2001</td>
<td>21 157.0</td>
<td>172 885.2</td>
<td>12.2</td>
</tr>
<tr>
<td>2002</td>
<td>26 987.9</td>
<td>182 922.4</td>
<td>14.8</td>
</tr>
<tr>
<td>2003</td>
<td>28 265.3</td>
<td>189 153.6</td>
<td>14.9</td>
</tr>
<tr>
<td>2004</td>
<td>22 959.2</td>
<td>197 698.3</td>
<td>11.6</td>
</tr>
<tr>
<td>2005</td>
<td>20 112.1</td>
<td>208 132.9</td>
<td>9.7</td>
</tr>
<tr>
<td>2006</td>
<td>24 483.4</td>
<td>222 702.9</td>
<td>10.9</td>
</tr>
<tr>
<td>2007</td>
<td>23 893.0</td>
<td>252 323.9</td>
<td>9.5</td>
</tr>
<tr>
<td>2008</td>
<td>33 230.0</td>
<td>277 893.5</td>
<td>11.9</td>
</tr>
<tr>
<td>2009</td>
<td>30 503.3</td>
<td>298 028.5</td>
<td>6.9</td>
</tr>
<tr>
<td>2010</td>
<td>38 111.7</td>
<td>294 893.9</td>
<td>12.9</td>
</tr>
<tr>
<td>2011</td>
<td>37 513.4</td>
<td>302 681.6</td>
<td>12.4</td>
</tr>
<tr>
<td>2012</td>
<td>39 520.8</td>
<td>318 001.9</td>
<td>12.4</td>
</tr>
<tr>
<td>2013</td>
<td>37 113.9</td>
<td>321 345.3</td>
<td>11.5</td>
</tr>
<tr>
<td>2014</td>
<td>30 362.8</td>
<td>312 519.5</td>
<td>9.7</td>
</tr>
<tr>
<td>2015</td>
<td>42 065.7</td>
<td>331 743.4</td>
<td>12.7</td>
</tr>
<tr>
<td>2016</td>
<td>44 847.8</td>
<td>360 843.1</td>
<td>12.4</td>
</tr>
<tr>
<td>2017</td>
<td>40 978.7</td>
<td>375 768.5</td>
<td>10.9</td>
</tr>
</tbody>
</table>


Conclusions and implications

The Polish social security system underwent a great transformation in 1999. The key change that resulted from the reform was replacing the system with a defined benefit with a defined contribution system in the first pillar and applying the principle of a defined contribution also in the second pillar of the new system. Since the implementation of the above-mentioned reform, numerous changes have been made to the pension system which were aimed at improving the financial status of the social insurance and public finance spending. Unfortunately, changes introduced to improve

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the current situation have not always been positively reflected in the finances of the 
social security system and the state budget.

On the basis of the conducted research it can be said that:

- frequently introduced changes have not positively impacted the condition of 
  state expenditures, as the subsidies for the Social Insurance Fund and the total 
  spending of the country are becoming higher each year in the analysed period; 
  the consequence of such an allocation of public finance is the still increasing 
  budget deficit.
- change in the year 2017 seems to be a merely political answer for the reform of 
  2012 and may cause a considerable growth in state expenses in the near future,
- such frequent changes cause confusion within society and may raise problems 
  with the calculation of future pension for current employees,
- the character of introduced reforms (especially those of 1999, 2011, 2014) 
  demands careful data collection of the contributions paid to ZUS, the OFE, or 
  to both ZUS and the OFE. What is more, such frequent changes demand 
  employees keep up with all legal acts that refer to the social security system in 
  order to be aware of a proper calculation of their pensions. That is time 
  consuming and makes unnecessary activity for ordinary people.

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Streszczenie

System zabezpieczenia społecznego w każdym kraju, jeśli istnieje, odgrywa kluczową rolę we wspieraniu obywateli, jednocześnie stanowi duże obciążenie finansowe dla wydatków budżetowych państwa. W Polsce składa się on z systemu ubezpieczeń społecznych i opieki społecznej, systemu ubezpieczeń zdrowotnych, zasiłków dla bezrobotnych i świadczeń rodzinnego, z których wyliczono emeryturę, rentę inwalidzką, ubezpieczenie chorobowe i macierzyńskie, ubezpieczenie od wypadków przy pracy i choroby zawodowe i ubezpieczenie zdrowotne.

Celem artykułu jest przedstawienie zmian, jakie zaszły w polskim systemie emerytalnym w latach 1999–2017 oraz wpływu tych zmian na wysokość wydatków publicznych. W badaniu dokonano weryfikacji hipotezy badawczej: często występujące zmiany w systemie emerytalnym mają negatywny wpływ na stan polskich finansów publicznych.


Słowa kluczowe: System zabezpieczenia społecznego, Reforma, Finanse publiczne

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Information about author:

Dr Anna Świrska
Siedlce University of Natural Sciences and Humanities
Faculty of Economic and Legal Sciences
Ul. Żytnia17/19
08-110 Siedlce
e-mail: anna.swirska@uph.edu.pl
ORCID: 0000-0003-1363-2296