

**LAW & POLICY GROUP****GRIST****POLAND'S PENSION AUTO-ENROLLMENT SCHEME NEARS FINAL IMPLEMENTATION**

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The final implementation phase of Poland's pension auto-enrollment scheme (PPK) will commence in January 2020 for employers with between 50 and 250 employees. The largest employers — approximately 4,000 entities that each have more than 250 employees — recently selected their PPK asset managers, finalized PPK contract negotiations and implemented employee communication strategies.

**HIGHLIGHTS OF PPK IMPLEMENTATION FOR LARGE EMPLOYERS**

- Although an estimated 20 institutions are offering PPK services, a few organizations seem to dominate the PPK asset-management market. The top asset managers so far are PKO TFI (chosen by approximately 1,500 companies), PZU TFI (1,000 companies), NN PTE (550 companies), Aviva TFI (380 companies), AXA TFI (220 companies) and NN TFI (180 companies).
- All financial institutions are offering management fees less than the statutory limit of 0.5% per year. However, employers don't currently have enough information to make detailed cost comparisons, and some employers have disregarded certain costs.
- Investment performance analysis won't be possible until the PPK funds are established. To benchmark fund performance, employers will have to compare portfolios with similar investment strategies and take into account other factors, such as management fees and other cost differences.
- Initial experiences indicate employers can negotiate only limited aspects of PPK contracts, suggesting that group negotiations could offer better value. Whether financial institutions will adjust their current positions when smaller employers start implementing PPK plans is uncertain at this stage.
- The task of administering the PPK could become a major burden for employers. Some employers are considering different outsourcing options but should take care to compare service offerings.

## RELATED RESOURCES

### Non-Mercer Resources

- [PPK Website](#) (Polish) (Polish Government)
- [PPK Law](#) (Polish) (Polish Official Journal, 28 Nov 2018)

### Mercer Law & Policy Resources

- [Polish Parliament Considers PPK Pension Changes](#) (21 May 2019)
- [Poland Proposes Pension Auto-enrollment Contribution Change](#) (22 Mar 2019)

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