

**The LAW of DECEMBER 29, 1989
on Employment**
(*Journal of Laws of December 31, 1989, No. 75, item 446*)

CHAPTER 1

General Provisions

Art. 1. 1. The Law regulates the State's activity in the sphere of employment.

2. The Law shall apply to persons who look for and take up a job based on employment relationship. Provisions of the Law shall apply respectively to persons employed on the grounds of a contract for home industry or an agency contract.

Art. 2. 1. Whenever the Law mentions :

1) an employing institution, that term stands for a workplace in the interpretation of the Labour Code, and a natural person who employs workers for profit,.

2) employment agencies, that term stands for local agencies of State administration of the appropriate level, with a special competence in matters of employment,

3) the minimum wages, that term stands for the minimum wages paid to workers employed by the socialized employing institutions, published by the Minister of Labour and Social Policy in the Official Gazette of the Polish People's Republic *Monitor Polski* on the grounds of separate provisions,

4) the average wages, that term stands for the average monthly wages paid to employer of the units of socialized economy, published by the President of the Chief Statistical Office in the Official Gazette of the Polish People's Republic *Monitor Polski* on the grounds of separate provisions,

5) wages, that term, with the reservation of Para 2, stands for the monthly wages earned at the last employing institution, calculated according to the principles provided for the calculation of the financial equivalent for the annual leave, the remuneration for overtime work excluded,

6) benefit, that term stands for the unemployment benefit,

7) training benefit, that term stands for the benefit paid to the unemployed during their training in a profession or requalification,

8) an unemployed person, that term stands for a person who is able to work and willing to take up a job based on employment relationship but finds himself out of job and is registered at his local employment agency of the basic level,, provided that person :

a) does not receive the old-age pension ;

b) is not owner or possessor (whether independent or dependent) of a farm ;

c) does not pursue economic activities or is not entitled to social insurance by any other right ;

9) additional post, that term stands for a post created by the employing in-

stitution on motion, of the employment agency of the basic level and intended for the unemployed,

10) intervention works, that term stands for performance, for a period of up to six months, of work initiated or organized for the unemployed by the employment agency of the basic level,

11) college graduates, that term stands for college graduates who completed intramural studies, in the period of 12 months from the day of graduation, to the exclusion of graduates from colleges administered by the Minister of National Defence or the Minister of Internal Affairs, and of persons directed to college by military agencies as candidates for soldiers in professional service,

12) vocational school graduates, that term stands for :

a) graduates, in the period of 12 months from the day of graduation, from intramural studies at : higher vocational schools, post-secondary studies included, vocational grammar schools, and elementary vocational schools ;

b) persons who during the last 12 months graduated from evening elementary vocational schools for young persons, or grammar-school graduates with certified professional qualifications, to the exclusion of graduates from schools administered by the Minister of National Defence or the Minister of Internal Affairs ;

13) foreigners, that term stands for persons with neither the Polish citizenship nor the right of permanent residence in Poland ;

14) an appropriate job, that term stands for a job suiting the unemployed person's educational level, a job in which that person has been trained or which can be performed after a training or requalification, provided that job is suitable in view of the unemployed person's state of health, and the overall daily travel to work and back by public means of transport does not take longer than 3 hours.

2. The provision of Para 1 Point 5 shall not apply to wages mentioned in Art, 13 Para 1 Point 1, Art. 15 Para 6, Art. 18 Point 3, and Art. 24 Para 1 Point 2.

CHAPTER 2

Employment Agencies and Councils of Employment

Art. 3. 1. The duties stated in the Law shall be fulfilled by the Minister of Labour and Social Policy, and by the local agencies of State administration with a special competence in matters of employment.

2. The head of the provincial employment office shall be the local agency of State administration with a special competence in matters of employment of the provincial level.

3. Having consulted the local agencies of State administration of the basic level with the general competence, the voivode (head of province) shall set up district employment offices whose heads shall fulfil the duties of the local agency of State administration of the basic level with a special competence in matters of employment for several territorial units of the basic level.

Art. 4. The duties of the head of provincial employment office shall include in particular :

1) co-ordination of the activities of heads of district employment offices in the province,

2) preparation of analyses and appraisals of the problems related to employ-

ment in the province for the Minister of Labour and Social Policy and councils of employment,

3) co-operation with the council of employment and heads of district employment offices in activities aimed at prevention and mildening of the negative effects of dismissals from work, in particular at procuring the appropriate posts, training and retraining courses for the unemployed, and posts for the disabled,

4) submission to the Minister of Labour and Social Policy of suggestions concerning the plans of the Labour Fund, and of accounts of the use of the Fund's resources,

5) allocation to heads of district employment offices of resources from the Labour Fund, and supervision of the use of those resources,

6) direction of persons to work abroad on the grounds of international agreements mentioned in Art. 26 Point 1,

7) reception of notifications from persons employed abroad on the grounds of individual contracts with foreign employers,

8) licensing the employment of foreigners by employing institutions, with consideration to the situation in the labour market in the province,

9) organization and supervision of translocation of personnel.

Art. 5. 1. The Chief Council of Employment is hereby set up attached to the Minister of Labour and Social Policy as an advisory and consultative body in matters of employment.

2. The competences of the Chief Council of Employment shall include in particular :

1) assessment of draft legal acts concerning employment and moving for the passing of new provisions or changes in the valid ones,

2) assessment of the plans of the Labour Fund and of the Fund's yearly reports,

3) giving opinions about the purchase of shares or bonds or the contribution of shares from the Labour Fund's resources to companies, and also about credits and loans to be negotiated by the Labour Fund,

4) submission to the Minister of Labour and Social Policy of periodic accounts of the Council's activities and the activities of provincial councils of employment.

Art. 6. 1. Provincial councils of employment are hereby set up attached to the heads of provincial employment offices as advisory and consultative bodies.

2. The competences of provincial councils of employment shall include in particular :

1) assessment of employment trends in the province,

2) appraisal of rationality of administration of the Labour Fund's resources,

3) giving opinions about financial plans prepared by the provincial employment offices and about the accounts of fulfilment of those plans,

4) inspiring steps aimed at a full and rational employment in the province,

5) assessment of periodic accounts of the activity of provincial and district employment offices, and submission to the Chief Council of Employment of periodic reports and motions in matters of employment.

Art. 7. 1. The Chief Council of Employment shall be made up of 24 persons, including equal proportions of representatives of : all-national inter-trade union organizations and national trade unions that represent the employees of most employing institutions, organizations of employers, agencies of State administration, and local self-governments.

2. Provincial councils of employment shall be made up of 16 persons, including equal proportions of representatives of the following, bodies that operate in the given

province : trade union organizations, employers' organizations, agencies of State administration, and local self-governments.

3. Members of the Chief Council of Employment and provincial councils of employment shall be appointed by the Minister of Labour and Social Policy for the period of 4 years. Members of the Chief and provincial councils of employment shall perform their functions without pay.

4. The Minister of Labour and Social Policy shall define the organization and procedure of the Chief Council of Employment and provincial councils of employment.

CHAPTER 3

Labour Exchange and Services of Employment

Art. 8. 1. Labour exchange consists in assisting persons who look for a job in finding an appropriate job, and employing institutions—in finding adequate workers. Labour exchange shall be carried out by employment agencies of the basic level.

2. Labour exchange shall be free of charge and based on the following principles :

1) access to employment services for all persons looking for a job and for employing institutions,

2) voluntary character, that is discretionary use of employment services for both parties concerned,

3) equality, that is the employment agencies' duty to render assistance to all persons looking for a job, irrespective of their nationality, membership of political and social organizations, sex, religion and other circumstances,

4) openness which means that all vacancies of which the agency mentioned in Para 1 has been informed should be made known to persons looking for a job.

Art. 9. Employment agencies of the basic level shall keep a register of the unemployed.

Art. 10. In case it proves impossible to provide the unemployed with appropriate jobs, employment agencies of the basic level shall :

1) organize professional training or requalification of the unemployed, grant and pay training benefits during that training or requalification, and finance those activities,

2) initiate the creation of additional jobs at employing institutions, and assist those institutions financially in this sphere,

3) initiate or organize, as well as finance intervention works,

4) grant and pay benefits.

Art. 11. 1. The professional training or requalification mentioned in Art. 10 Point 1 shall be organized for the unemployed in the following cases :

1) lack of professional qualifications,

2) the need to requalify due to a lack of jobs which would suit the unemployed person's qualifications and state of health,

3) loss of capability to work in the former profession.

2. The professional training or requalification should not take longer than 6 months ; that period may be extended by the employment agency to 12 months in cases justified by the training programme.

Art. 12. 1. The training benefit shall amount to 80 per cent of wages, and to 100 per cent of wages for persons who lost the capability to perform their former

job as a result of an accident at work or on the way to or from work, or an occupational disease.

2. The benefit mentioned in Para 1 shall not amount to less than 40 per cent of the average wages.

3. The training benefit paid to persons who have never been employed before shall amount to 125 per cent of the minimum wages.

4. The benefit mentioned in Para 1 shall be raised each time, from the day of publication by the President of the Chief Statistical Office of data concerning the average wages in the preceding three months, by the proportion of raise in those wages.

5. The following services shall be due to persons who receive training benefits according to the principles provided for employees :

- 1) family allowances,
- 2) benefits in virtue of accidents at work and occupational diseases,
- 3) performances rendered by the public health service on the grounds of entries in the social insurance cards made by employment agencies of the basic level..

Art. 13. 1. Employment agencies of the basic level shall grant the following loans from the resources of the Labour Fund :

1) to employing institutions, for organisation of additional posts, and in particular for the purchases or hire of machines and for salaries and social insurance rates for the unemployed directed to those posts,

2) granted once to the unemployed who wish to go in for economic activities..

2. The loans shall be granted to the amount of twenty times the average wages,, according to principles defined in contracts.

3. The loans shall be remissible in 50 per cent provided that :

1) the employing institution gives work to the unemployed person for 24 months« (Para 1 Point 1), or

2) the unemployed person pursues economic activities for 24 months (Para 1 Point 2).

Art 14. Employment agencies of the basic level shall refund the costs borne by employing institutions in relation to intervention work given to the unemployed ; the refunding shall amount to the rate of basic pay in the job the unemployed person held, the social insurance rate, and any additions and other performances due to that person while employed at that institution.

Art. 15. 1. An unemployed person shall be entitled to receive benefit on the expiry of a period of 7 days from the day of registration provided that no appropriate job, professional training, or requalification can be offered to him and he cannot be directed to intervention works or a specially created additional post.. The benefits shall be paid monthly on the last day of the month.

2. The benefit shall amount to :

- 1) 70 per cent of wages during the first three months of unemployment,
- 2) 50 per cent of wages during the further 6 months, and
- 3) 40 per cent of wages after 9 months of unemployment.

3. The benefit shall not amount to less than the minimum wages or exceed the average wages.

4. The unemployed who have not been employed before are entitled to benefit to the amount of the minimum wages, with the reservation of Para 5.

5. Unemployed graduates who have not yet worked are entitled to the following amounts of benefit :

- 1) college graduates :
 - a) 200 per cent of the minimum wages during the first 3 months of unemployment,
 - b) 150 per cent of the minimum wages during the further 6 months, and
 - c) the minimum wages after 9 months of unemployment ;
- 2) vocational school graduates :
 - a) 150 per cent of the minimum wages during the first 3 months,
 - b) the minimum wages after 3 months of unemployment.
6. The benefit shall be reduced by 50 per cent if the unemployed person has taken up a job part time as compared to the full-time standards of the given employing institution, or home work, and his wages do not exceed the minimum wages. No benefit shall be due in the case of higher wages.
7. The unemployed who receive benefits shall be entitled to performances mentioned in Art. 12 Para 5 Points 1 and 3.

Art. 16. 1. An unemployed person who :

- 1) fails to appear on the appointed day at the employment agency of the basic level in order to be offered a job, and cannot justify that failure,
- 2) in a period of 30 days, declines two- consecutive offers of an appropriate job, professional training, or requalification necessary to find a job,
- 3) refuses, without justification, to perform intervention works,
- 4) receives pension resulting from social insurance,
- 5) receives pecuniary allowance resulting from social insurance due to illness or maternity, or
- 6) receives an allowance paid to mothers- of small children, shall not be. entitled to a benefit.

2. In case the unemployed person has lost the right to benefit for any of the reasons mentioned in Para 1 Point 2, he may reapply for benefit on the expiry of a period of 30 days from the day he was offered a job, professional training, or requalification the last time.

Art. 17. The periods of drawing the benefits mentioned in Art.

Art. 12 and 15 shall be included in the period of employment required to acquire or preserve the employee's rights to the maximum extent of 24 months, provided the unemployed person drawing the benefit has taken up a job within one month from the day of completion of professional training or requalification, or within 12 months from the day he was granted the benefit

Art. 18. Persons who come within the provisions of the Act of December 28, 1989 on the special rules of termination of employment contracts for reasons arising from the employing institutions, and on amending other laws (*Journal of Laws*, No. 4, item 19) shall be entitled to :

- 1) a training benefit mentioned in Art. 12 Para 1, to the amount of 100 per cent of wages during professional training or requalification, the provision of Art. 12 Para 4 included,
- 2) a benefit to the amount of 75 per cent of wages but not less than the minimum wages, if those persons are aged at least 55 bn the case of women and 60 in the case of men ; the benefit is due provided the unemployed person cannot be offered an appropriate job ; provisions of Art. 12 Para 4 and Art. 15 Paras 6 and 7 shall apply respectively,
- 3) a salary differential (a compensatory supplement) paid for a period of up to 3 months if the employee has been engaged in professional training or requalification, and amounting to the difference between the sums of the training benefit and

the wages at the new institution ; the amount of that differential shall be determined basing on the last training benefit paid, raised according to the principles defined in Art. 12 Para 4.

Art. 19. 1. Employment agencies shall run vocational guidance aimed at assisting adolescents out of school and adult candidates for jobs in choosing or changing their profession or job.

2. In particular, vocational guidance shall consist in :

1) informing about professions, the working conditions in employing institutions, the possibilities of professional improvement,

2) individual vocational guidance according to the needs of persons about to take up a job or professional training,

3) cooperation with employing institutions in organizing posts for the disabled according to the indications and contraindications given by commissions for disability and employment.

3. Medical certification required by the agencies of vocational guidance shall be carried out by the public health service.

Art. 20. 1. The Minister of Labour and Social Policy shall define the detailed rules of labour exchange and employment service.

2. The Minister of Labour and Social Policy may :

1) appoint agents for the fulfilment of specific tasks resulting from the Law,

2) authorize other agencies or organizations to carry out labour exchange, defining the conditions and scope of that exchange and the related duties.

3. In case of inobservance of the conditions and duties specified in the authorization mentioned in Para 2 Point 2, the Minister of Labour and Social Policy may withdraw the authorization.

4. Labour exchange and employment service carried out as economic activity shall be banned.

CHAPTER 4

Allowances Due to Persons Who Take up Jobs away from Their Place of Residence

Art. 21. 1. The following allowances may be granted by the competent local self-government to persons who take up jobs forcing them to leave their former place of residence :

1) unreiterated loan for settling down,

2) a loan covering a person's own contribution which conditions the grant of credit according to the provisions on the general principles of crediting housebuilding, if the employing institution fails to provide an apartment for that person.

2. An employment agency of the basic level shall reimburse the local self-government for one fourth of the loan mentioned in Para 1 Point 1, but not more than three times the average wages, after the borrower has been employed for at least 12 months.

3. The loan mentioned in Para 1 Point 1 shall be remissible on the grant of a loan by a local self-government.

Art. 22. An employment agency of the basic level shall issue to a person directed to work away from his place of residence a credit ticket for a journey to the future place of work with the cheapest means of public transport.

CHAPTER 5

Stimulation of the Disabled to Professional Activity

Art. 23. Employment agencies of the provincial level shall prepare annual projects of employment of the disabled, co-operating in this sphere with employing institutions, organizations of the disabled, welfare institutions and other bodies operating in their territory and involved in the fulfilment of such projects.

Art. 24. 1. Employment agencies of the basic level shall reimburse the employing institutions for the following expenses :

1) expenses related to the creation of posts for disabled persons directed to work, to the amount of thirty times the average wages for each post created,

2) the wages paid to disabled persons directed to work and their social insurance rates for 18 months from the day of employment.

2. An employing institution which gives work to disabled persons directed to work shall employ those persons for at least three years.

3. An employing institution shall be obliged to separate or create posts for its employees who lost capability to work in their former job due to an accident at work or an occupational disease and have been included in any of the three disability classes.

4. In case an employing institution fails to separate or create a post for the person mentioned in Para 3, it shall be obliged to make a payment to the Labour Fund to the amount of forty times the average wages.

5. Employing institutions run on a self-supporting basis shall make the payment, mentioned in Para 4 from their profit after taxes or from the balance surplus.

6. Employing institutions which give work to the disabled shall be exempt, to the extent of such persons' wages, from tax on salaries, tax on wages, and tax on the raise in wages, according to principles specified in separate provisions.

7. In cases justified by the kind of disability of the unemployed, employment agencies of the basic level may purchase equipment required to adjust a specific post to that type of disability, and turn that equipment over free of charge to employing institutions within the limits of the reimbursement mentioned in Para 1 Point 1.

Art. 25. The Minister of Labour and Social Policy, in consultation with the Minister of Health and Social Welfare, shall specify the requirements to be met by posts for the disabled.

CHAPTER 6

Employment of Polish Citizens Abroad at Foreign Employers and Employment of Foreigners in Poland

Art. 26. The employment of Polish citizens abroad at foreign employers shall be based on :

1) international agreements,

2) contracts negotiated by the authorized directing bodies with the Polish citizens directed by those bodies to work abroad at foreign employers,

3) contracts negotiated by Polish citizens with foreign employers.

Art. 27. 1. The directing of Polish citizens to work abroad at foreign employers shall take place on the grounds of authorizations granted to the directing bodies by the Minister of Labour and Social Policy.

2. In case of inobservance of the conditions and duties resulting from the authorization mentioned in Para 1, the Minister may withdraw that authorization.

3. The directing to work abroad by directing bodies shall take place on the grounds of contracts negotiated by those units with the citizens directed to work abroad and regulating :

- 1) the period of employment abroad,
- 2) duties of the directed person and the directing body,
- 3) reimbursement of the expenses related to directing to work abroad, particularly of :
 - a) the formalities related to going abroad,
 - b) insurance of the directed persons against accidents and tropical diseases,
 - c) expenses related to the handling of other matters commissioned by the person directed to work abroad.

Art. 28. 1. The period of employment of Polish citizens abroad on the grounds of the contracts mentioned in Art. 26 Points 1 and 2 shall be treated as a period of employment in Poland as regards those persons' employees' rights and in the meaning of provisions on old-age pensions for employees and their families, on social insurance and family insurance, and on pecuniary allowances in case of accidents at work and occupational diseases.

2. The benefits mentioned in Art. Art. 12 and 15 for persons returning from work abroad (Art. 26) shall be calculated basing on the average wages with the reservation of Para 3.

3. The provision of Para 2 shall apply to the persons mentioned in Art. 26 Point 3 provided they meet the requirements specified in Art. 30.

Art. 29. The directing body which effects employment on the grounds of the contracts mentioned in Art. 26 Point 2, shall be obliged to pay :

- 1) to the account of the Social Insurance Institution, the social insurance rate for each of the persons directed to work abroad, assessed from the average wages to the amount provided for workers employed in Poland,
- 2) to the Labour Fund, a sum amounting to 12 per cent of the average wages for each consecutive month of duration of the social insurance of a person directed to work abroad, according to the procedure and principles provided for social insurance rates.

Art. 30. 1. Unless otherwise provided by international agreements, the periods of employment of Polish citizens abroad on the grounds of the contracts mentioned in Art. 26 Point 3 shall be recognized, with the reservation of Para 2, as periods of employment in the territory of Poland in the interpretation of provisions on old-age pensions for employees and their families, on social and family insurance, and on pecuniary performances in case of accidents at work and occupational diseases.

2. The periods mentioned in Para 1 shall be recognized provided the relevant documentary evidence of those periods has been supplied, and the employees' social insurance rates have been paid to the amount required of workers employed in Poland from the declared amount which shall however not be lower than the average wages.

Art. 31. The period of documented employment abroad on the grounds of the contracts mentioned in Art. 26 Point 3, negotiated by Polish citizens with foreign

employers, shall be treated as a period of employment in Poland as regards the employees' rights from the day the person concerned has informed his local employment agency of the provincial level of his employment abroad at a foreign employer, and provided that person makes monthly payments to the Labour Fund of a sum amounting to 12 per cent of the average wages.

Art. 32. The Minister of Labour and Social Policy shall specify, by way of an ordinance :

1) the procedure of making the payments mentioned in Art. Art. 20 Point 2 and 31,

2) the procedure of paying the social insurance rates mentioned in Art. Art 29 Point 1, 30 Para 2, and 37 Para 1 Points 2 and 5.

Art. 33. 1. Employing institutions may employ foreigners in the territory of the Polish People's Republic provided they secure the consent to do so of an employment agency of the provincial level ; passing its consent, that agency shall give due consideration to the situation in the labour market.

2. Whenever separate provisions condition the practising of a profession on a consent of a competent agency, the employing institution shall be obliged to secure such consent previous to approaching the agency mentioned in Para 1.

3. The Scientific Secretary of the Polish Academy of Sciences shall specify the conditions of employing foreigners at agencies of the Polish Academy of Sciences.

4. The provisions of Paras 1 and 2 shall not violate any separate regulations concerning the conditions of employing foreigners or involving a ban on the employment of foreigners.

CHAPTER 7

The Labour Fund

Art. 34. 1. The Labour Fund, called the Fund further on, is hereby set up.

2. The Fund shall be administered by the Minister of Labour and Social Policy.

Art. 35. 1. The Fund's proceeds shall include :

1) obligatory rates paid by employing institutions from payments basing on which the social insurance rates are assessed, to the amount specified by the Council of Ministers by way of an ordinance,

2) payments made by employing institutions, mentioned in Art. 24 Para 4,

3) grants-in-aid from the central budget as supplementation of the Fund's resources reserved for the payment of obligatory allowances, after the means from the rates mentioned in Point 1 have been used up,

4) proceeds from the Fund's shares in companies,

5) proceeds from economic activities,

6) means from other sources according to separate provisions,

7) other proceeds.

2. The Fund may add to its means through the negotiation of credits and loans.

3. The rates mentioned in Para 1 Point 1 shall be paid to the Fund by employing institutions from their own resources for the period of duration of social insurance of every individual employee, according to the procedure and principles provided for social insurance rates. The rates to the Fund shall be collected by the Social Insurance Institution together with the social insurance rates, and the amounts

collected by virtue of rates shall be transferred to the Fund quarter-yearly in the first month of the next quarter.

4. Co-operatives of the disabled and of the blind, as well as the training and production works of the Polish Association of the Deaf shall be exempt from the rates mentioned in Para 1 Point 1.

Art. 36. 1. The Fund's proceeds shall include also :

1) payments made by directing bodies and by citizens employed by foreign employers in cases mentioned in Art. Art. 29 Point 2 and 31,

2) payments made by foreign partners by virtue of recruitment of Polish workers employed on the grounds of international agreements.

2. The means mentioned in Para 1 Point 2 shall be accumulated on the foreign currency account administered by the Fund.

Art. 37. 1. The Fund's resources shall be allocated to finance :

1) the costs of professional training or requalification of the unemployed,

2) the training benefits mentioned in Art. Art. 12 and 18 Point 1, and the social insurance rates,

3) the loans mentioned in Art. 13,

4) the costs of organizing the intervention works mentioned in Art. 14,

5) the benefits mentioned in Art. Art. 15 and 18 Point 2, and the social insurance rates for the persons who draw those benefits,

6) the repayment of a loan according to the principles specified in Art. 21 Para 2,

7) the salary differentials mentioned in Art. 18 Point 3,

8) the credit tickets mentioned in Art. 22,

9) the costs of creation of posts, wages, and social insurance rates mentioned in Art. 24,

10) salary differentials due to persons who come within the Law on the special rules of termination of employment contracts for reasons arising from the employing, institutions, and on changes of other acts,

11) the introduction and development of a data system and vocational information, necessary for the accomplishment of labour exchange and vocational guidance, and the tasks related to the employment of candidates away from their place of residence,

12) the wages paid to adolescent workers employed on the grounds of contracts of employment in order to receive professional training, and social insurance rates for those workers,

13) the financial equivalents paid to students of vocational schools who study in the intramural system, during the practical professional training at school workshops or employing institutions where such training takes place on the grounds of a contract negotiated by the school and the employing institution,

14) additions and bonuses paid to employees for the performance of functions of apprentices' tutors,

15) the shares contributed to companies,

16) the purchase of shares or bonds.

2. The expenditure mentioned in Para 1 Points 12 and 13 shall be financed from the Fund to the amount of the lowest payments specified in separate provisions.

3. The Minister of Labour and Social Policy, after consultation with the Chief Council of Employment and in agreement with the Minister of Finance, may specify purposes to which the Fund's resources are to be allocated other than those mentioned in Para 1.

4. The payment of wages financed from the Fund shall not be included in the

tax assessment basis as regards the tax on salaries, on wages, and on the raise in wages.

Art. 38. The Fund's takings shall be exempt from income tax.

Art. 39. In cases not regulated by the present Chapter, provisions of the budget law concerning the administration of funds for specified purposes shall apply respectively.

CHAPTER 8

Transitional and Concluding Provisions

Art. 40. In 1990, the Minister of Labour and Social Policy shall create, for a period of 2 years, the Chief Council of Employment made up of 18 persons, including equal proportions of representatives of : national trade union organizations and national trade unions representing the employees of most employing institutions, organizations of employers, and agencies of State administration.

Art. 41. The Fund shall take over the means assigned in 1990 for the State Fund for Professional Activation together with the replenishment proceeds on the day of that Fund's liquidation.

Art. 42. Until the establishment of provincial and district labour offices, but for not longer than 6 months from the day of the coming into force of the Law, the tasks resulting from the Law shall be fulfilled by the existing local agencies of State administration with special competence in matters of employment.

Art. 43. 1. The Minister of Labour and Social Policy shall submit to the Council of Ministers a settlement of accounts of the resources administered by the State Fund for Professional Activation for the period till the coming into force of the Law.

2. The obligations of the State Fund for Professional Activation which arose "before the day of coming into force of the Law shall be met from the Labour Fund.

3. Female college graduates drawing benefits from the State Fund for Professional Activation according to the rules specified in regulations concerning leaves for mothers of small children on the day of coming into force of the Law shall be repaid those benefits from the Labour Fund according to the hitherto valid principles.

Art. 44. Provisions of the Law shall not apply to persons looking for a job to the extent regulated by the Law on employment on board the merchant sea vessels.

Art. 45. 1. Repealed are :

1) decree of August 2, 1945, on employment offices (*Journal of Lazos*, No. 30, item 182 ; of 1948, No. 24, item 161 ; of 1950, No. 13, item 124 ; and of 1956, No. 13, item 95),

2) Law of October 26, 1982, on the treatment of persons evading work (*Journal of Laws*, No. 35, item 229),

3) Law of December 14, 1982, on the employment of graduates (*Journal of Laws*, No. 40, item 270),

4) Law of December 29, 1983, on the State Fund for Professional Activation (*Journal of Laws*, No. 75, item 334 ; of 1985, No. 37, item 174 ; and of 1989, No. 35, item 192).

2. The still unclosed administrative proceedings in cases mentioned in the act quoted in Para 1 Point 2 are hereby discontinued, and the final decisions passed in those cases shall expire on the day of coming into force of the present Law.

Art. 46. This Law shall enter into force on the day of its publication.