

Employee Capital Plans in 2023

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181,6

Annual dynamics of total net assets of target date funds in 2023

The net assets of the target date funds of Employee Capital Plans (ECP) at the end of 2023 amounted to PLN 21.8 billion, compared to PLN 12.0 billion at the end of 2022.

Net assets under ECP management increased by PLN 9.8 billion in 2023

Employee Capital Plans (ECP)

Employee Capital Plans (ECP) is a voluntary, long-term saving program in which contributions are collected jointly by employees, employers and the state¹.

The funds collected in ECP are invested in investment funds, so-called target date funds². Individuals starting to save in ECP are automatically assigned to a specific category of target date funds based on their date of birth. Each of the target date funds has its own investment policy, which changes over time due to the need to reduce the level of investment risk as fund participants age.

Employee Capital Plans managing institutions

At the end of 2023 the number of financial institutions managing ECP was 17 (18 in 2022), with most (14) run by investment fund companies, the other by general pension societies and insurance company.

In 2023 the number of financial institutions managing ECP was 17

Target date funds

The number of target date funds managed by financial institutions at the end of 2023 amounted to 163, unchanged compared to 2022. Investment fund companies managed 83.4% of all target date funds.

There were 163 target date funds managed by financial institutions in 2023

Table 1. Employee Capital Plans target date funds

As of December 31

Specification	2022		2023	
	number of funds		in percent	
Total	163	163	100.0	
of which in ECP operated by investment fund companies	136	136	83.4	

¹ www.mojepk.pl

² The year assigned to the name of a given fund (the fund's target date) determines the year in which age 60 is reached by persons born in the year that is the middle of the age range for which a given target date fund is appropriate.

Employee Capital Plans participants

At the end of 2023, the number of Employee Capital Plans participants³ was 3 892.1 thousand, i.e. 892.4 thousand more than in 2022.

The number of participants in ECP run by investment fund companies in 2023 increased by 762.8 thousand and accounted for 84.2% of all ECP participants in total.

In 2023, the number of ECP participants increased by 29.7%

Table 2. Employee Capital Plans participants

As of December 31

Specification	2022	2023	
		number of participants	in percent
Total	2 999 679	3 892 072	100.0
of which in ECP operated by investment fund companies	2 514 771	3 277 560	84.2

Employee Capital Plans net assets

The value of net assets of employee capital plans under management amounted to PLN 21.8 billion at the end of 2023. Compared to the end of 2022, the assets accumulated in the ECP as of December 31, 2023 increased by PLN 9.8 billion.

The value of ECP net assets under management in investment fund companies at the end of 2023 amounted to PLN 19.0 billion and increased by PLN 8.6 billion during the year.

ECP net assets increased by 81.6% in 2023

Table 3. Employee Capital Plans net assets

As of December 31

Specification	2022	2023	
		in PLN million	2022=100
Total	11 994.3	21 783.4	181.6
of which in ECP operated by investment fund companies	10 342.4	18 962.8	183.4

Contributions and withdrawals

In 2023, ECP recorded contributions of PLN 7.2 billion, compared to the previous year, the amount of payments was higher by PLN 1.8 billion, which was a 34.5% increase over the year. In 2023, basic contributions made by the employing entity and PPK participants accounted for 97.9% of total accepted payments, and additional contributions - 2.1%. Basic contributions in 2023 increased by 34.3%, and additional by 44.5%.

In 2023, the amount of contributions accepted by ECP increased by 34.5%

³ The (aggregate) values of the number of participants presented in this news release were calculated as sums from the number of ECP participants operated by individual financial institutions. In accordance with the provisions of the Employee Capital Plans Act (Journal of Laws 2024, item 427, as amended), an individual may simultaneously be a party (and thus be a participant) to more than one ECP agreement.

ECP operated by investment fund companies recorded contributions of PLN 6.3 billion compared to PLN 4.7 billion in 2022. Basic contributions accounted for 97.9% of total payments accepted, and additional contributions for 2.1%.

Table 4. Employee Capital Plans contributions and withdrawals

Specification	2022		2023	
	Total ECP		Total ECP	
		of which investment fund companies		of which investment fund companies
	in PLN million			
Total contributions	5 326.3	4 652.8	7 164.0	6 265.5
Basic contributions	5 220.0	4 562.3	7 010.4	6 136.0
made by employer	2 238.0	1 956.1	3 005.6	2 630.8
made by the employee	2 981.9	2 606.3	4 004.8	3 505.2
Additional contributions	106.3	90.4	153.6	129.5
made by employer	64.2	54.5	97.5	81.7
made by the employee	42.1	35.9	56.1	47.8
Withdrawals	23.3	20.1	70.0	60.5
Transfer withdrawals	62.7	56.4	108.1	96.8
Returns	562.9	462.9	1 544.2	1 289.3
Exchanges and conversions	27.3	23.7	42.9	37.0

In 2023, the amount of withdrawals of funds accumulated in ECP increased three times

Rate of return

The rates of return of target date funds varied depending on the managing financial institution as well as on the target date. Among all groups of target date funds, at the end of 2023, the highest rate of return for the 12-month period was recorded for a fund belonging to the 2055 target date fund group (33.56%), while the lowest was for a fund from the 2025 target date fund group (13.91%).

The rates of return of the target date funds for the 24-month period were both the highest and the lowest for the funds included in the 2065 target date fund group and amounted to 35.59% and 1.90% respectively.

Table 5. Employee Capital Plans rate of return
As of December 31, 2023

Specification	Min.	Me- dian	Max.	Min.	Me- dian	Max.	Number of participants
	12-month rate of return			24-month rate of return			
	%						
Fund 2025	13.91	17.22	20.47	6.98	10.08	14.54	215 714 ^a
Fund 2030	17.02	22.00	25.18	7.97	10.96	15.71	401 564
Fund 2035	20.24	25.33	29.84	5.91	11.55	18.23	533 474
Fund 2040	22.40	26.42	30.32	7.65	11.78	18.85	606 460
Fund 2045	23.85	28.86	33.35	5.75	11.60	20.49	635 918
Fund 2050	24.59	29.12	33.41	6.10	11.71	20.55	581 222
Fund 2055	24.86	29.12	33.56	8.48	11.91	20.58	536 405
Fund 2060	25.23	28.86	33.45	6.62	11.26	20.91	346 068
Fund 2065	20.36	27.91	33.12	1.90	13.90	35.59	35 247

^a Including the number of participants in one remaining 2020 target date fund.

As of the end of 2023, the largest number of participants was in funds included in the 2045 target date fund group

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