

Instruments and the level of support provided to farmers by the Agricultural Social Insurance Fund (KRUS) during the COVID-19 pandemic*

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Abstract

The COVID-19 pandemic was a major challenge for the entire Polish economy, including agriculture. The purpose of the study was to identify and evaluate the main instruments related to the benefits paid, as well as the level of support for farmers by the Agricultural Social Insurance Fund (KRUS) during the COVID-19 pandemic. The study covers tasks and functions of the Fund, its instruments and their changes during the COVID-19 pandemic, as well as the level of support provided to farmers by KRUS during this period. In 2020–2021, the expenditures of KRUS on pensions and agricultural income due to incapacity for work decreased in comparison to 2019. Due to the COVID-19 pandemic, some existing ones have been modified and new allowances for people insured in KRUS have been introduced. In 2020–2021, the largest Covid-related expenses were incurred for care allowances paid in connection with COVID-19 (PLN 247.4 million), and the lowest for sickness benefits in connection with COVID-19 (U07). This amount was PLN 3.3 million. The amount spent on allowances for mandatory quarantine, epidemiological supervision or hospitalisation in connection with COVID-19 amounted to PLN 114.1 million. KRUS also provided assistance to farmers in other forms, e.g. by financing the rehabilitation of farmers, including after the COVID-19 disease.

Keywords: pension, KRUS, COVID-19 pandemic, farmer, insurance, benefit.

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Introduction

After the global financial crisis that took place in 2008, the COVID-19 pandemic became the most important challenge for entire economies as well as individual sectors. The Covid crisis did not spare the sector of agriculture either¹. Although agriculture in developed countries produces a negligible part of gross domestic product, it performs important tasks in social and economic development². Firstly, agriculture plays a key role in ensuring food security. Agricultural production must be done continuously, regardless of external conditions. It cannot be stopped or reduced. It is impossible to introduce a lockdown in agriculture, as in other sectors of the economy, without putting food security at risk. Secondly, agriculture is an important part of agribusiness and has links with the economy as a whole. It supplies raw materials to the food industry and many other sectors and creates demand for means of production. Thirdly, agriculture is an important supplier of environmental, social and cultural public goods. The consequences of interrupting or disrupting their delivery may be significant. Fourthly, the situation in agriculture affects food prices through the supply of agricultural products. Their changes affect the overall level of prices in the economy.

The impact of the COVID-19 pandemic on agriculture occurred from both the demand and supply perspectives³. The situation was particularly difficult in the first period of the pandemic crisis. The enormous uncertainty about the scale and speed of the spread of the coronavirus caused many governments to impose far-reaching restrictions. This had a negative impact on agricultural activity. Food supply chains have been severed or heavily complicated⁴. Restricting the export of agri-food products has worsened the situation of farmers. Closing restaurant businesses has led to a reduction in the demand for food. There have also been problems with availability of workers, particularly in labour-intensive sectors.

In Poland, as in the entire European Union, the level of state influence on agriculture is significant. Numerous instruments and programmes are used to support

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1. D. Štreimikienė et al., *Negative effects of covid-19 pandemic on agriculture: Systematic literature review in the frameworks of vulnerability, resilience and risks involved*, "Econ. Res.-Ekonomiska Istraživanja" 2021, Vol. 35(1), p. 529–545.
 2. D. Žmija, *Zrównoważony rozwój rolnictwa i obszarów wiejskich w Polsce*, "Studia Ekonomiczne – Zeszyty Naukowe" 2014, nr 166, p. 149–158.
 3. G. Gruère, J. Brooks, *Viewpoint: Characterising early agricultural and food policy responses to the outbreak of COVID-19*, <https://www.sciencedirect.com/science/article/pii/S0306919220302232?via%3Dihub>, access 11.10.2022.
 4. J.E. Hobbs, *Food supply chains during the COVID-19 pandemic*, "Canadian Journal of Agricultural Economics" 2020, Vol. 68(2), p. 171–176.

farms⁵. The COVID-19 pandemic contributed to the development of new forms of aid to minimise the negative impact on farmers' income levels. The main activities were carried out by the Agency for Restructuring and Modernisation of Agriculture (ARiMR). Polish agriculture was also supported by other institutions, including the Agricultural Social Insurance Fund (KRUS).

The objective of the study is to identify and evaluate the main instruments related to the benefits paid, as well as the level of support of farmers by the Fund during the COVID-19 pandemic.

In order to achieve the objective of the work, as a research method, an analysis of the subject literature, analysis of legal acts, descriptive and comparative method, verbal logic and statistical indicators were used. The data come from the Agricultural Social Insurance Fund and the Central Statistical Office (GUS). The research period covers 2018–2021.

Tasks and functions of KRUS

The Agricultural Social Insurance Fund is an institution performing tasks related to social insurance of farmers and their household members and farmer's helpers. The insurance scheme for farmers is separate from the general scheme. The President of KRUS is appointed by the Prime Minister at the request of the minister responsible for rural development.

The tasks and activities of KRUS are specified in Articles 62–66 of the the Farmers' Social Insurance Act of 20 December 1990. The basic activity of the Fund is to provide services to insured persons and beneficiaries in matters related to insurance coverage, insurance premiums, as well as granting and paying insurance benefits.

In addition, the Agricultural Social Insurance Fund⁶:

- carries out activities aimed at preventing accidents at work and occupational diseases;
- takes measures to assist insured persons and persons entitled to insurance benefits who show total incapacity for work on the agricultural holding but expect recovery as a result of treatment and rehabilitation or who are at risk of total incapacity for work on the agricultural holding;

5. J. Kulawik, *Wspólna polityka rolna Unii Europejskiej w perspektywie globalnej*, "Gospodarka Narodowa" 2015, nr 5(279), p. 119–143.

6. Ustawa z 20 grudnia 1990 r. o ubezpieczeniu społecznym rolników, Dz. U. 2022 poz. 933; KRUS, www.krus.gov.pl/krus/informacje-ogolne/, access 12.10.2022.

- provides insured persons and beneficiaries with information on their rights and obligations;
- handles the work of the Farmers' Council;
- may initiate and support the development of insurance for farmers and members of their families by mutual associations in accordance with the provisions on insurance business;
- since 1997, it has been operating a separate two-instance system of medical certificates in connection with determining the right of insured persons in KRUS to benefits dependent on incapacity to work on an agricultural holding or medical health assessment;
- since 2004, it has been performing tasks related to the coordination of social security in the European Union countries.

The tasks and functions of KRUS are the subject of many theoretical and empirical studies in various scientific disciplines. The key and at the same time the largest task of KRUS in terms of financing, is to support insured persons and beneficiaries in matters related to coverage of insurance, insurance premiums and granting and payment of insurance benefits. Research in this area regards, among others, the assessment of the functioning of the Pension Fund in comparison to the Social Insurance Fund⁷, the assessment of the activities of the Agricultural Social Insurance Fund and proposals for changes⁸, the analysis of the burden on farmers in Poland for paying social security contributions⁹ and the analysis of various types of benefits received by farmers and households¹⁰.

An important function of KRUS is prevention. It undertakes measures to prevent accidents at work and occupational diseases. Research in this area includes, among others, an assessment of this function and its impact on the increase in occupational safety in individual agriculture¹¹, an analysis of the level of occupational

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7. J. Pawłowska-Tyszko, *Ocena funkcjonowania Funduszu Ubezpieczeń Społecznych (FUS) i Funduszu Emerytalno-Rentowego (FER) w kontekście realizacji funkcji zabezpieczenia społecznego*, "Ubezpieczenia w Rolnictwie. Materiały i Studia" 2019, nr 71, p. 7–29.
 8. M. Podstawka, Ł. Podstawka, *XXX lat ubezpieczenia społecznego rolników w KRUS i co dalej?*, "Ubezpieczenia w Rolnictwie. Materiały i Studia" 2020, nr 74, p. 169–182.
 9. M. Soliwoda, *Obciążenie gospodarstw rolniczych w Polsce z tytułu składek na świadczenia społeczne na tle ubezpieczeń społecznych rolników w wybranych krajach*, "Ubezpieczenia w Rolnictwie. Materiały i Studia" 2019, nr 72, p. 7–29.
 10. D. Puślecki, *Zasilek opiekuńczy dla rolników i domowników ubezpieczonych w Kasie Rolniczego Ubezpieczenia Społecznego*, "Przegląd Prawa Rolnego" 2021, nr 1(28), p. 237–253.
 11. P. Kraska, *Działalność prewencyjna KRUS i wzrost bezpieczeństwa pracy w rolnictwie indywidualnym*, "Ubezpieczenia w Rolnictwie. Materiały i Studia" 2019, nr 69, p. 29–46.

accidents in agriculture¹² and consideration of insurance against accidents and illnesses for farmers' children¹³.

In addition to many other tasks, KRUS activities undertaken to enable them to be treated and rehabilitated are particularly important for farmers. The conducted analyzes relate to the assessment of the activity of KRUS in this respect¹⁴, the legal status of the person benefiting from medical rehabilitation in the social insurance system of farmers¹⁵ and the rehabilitation of people with disabilities¹⁶.

KRUS instruments and their changes during the COVID-19 pandemic

In accordance with the Act of 20 December 1990 on social insurance for farmers, the Agricultural Social Insurance Fund pays benefits from accident, sickness and maternity insurance as well as from retirement and disability insurance. Accident, sickness and maternity insurance benefits include: (1) one-off compensation for permanent or long-term damage to health or death as a result of an agricultural accident or occupational disease; (2) sickness benefit – the insured is entitled to the insured person who is unable to work continuously for at least 30 days, but not longer than 180 days as a result of the illness.

The pension benefits, on the other hand, are: (1) an agricultural pension or an agricultural disability pension; (2) a training agricultural pension; (3) family pension; (4) a pension and a social security pension for individual farmers and their family members; (5) pension supplements; (6) a death grant; (7) a maternity allowance.

The most important instrument of KRUS relating to the benefits paid is the agricultural pension. It belongs to an insured person who meets the following cumulative conditions: (1) has reached retirement age (women – 60 years, men – 65 years); (2) has been subject to pension insurance for a period of at least 25 years.

12. S. Stafijowski, *Działalność kasy rolniczego ubezpieczenia społecznego w zakresie zwiększania bezpieczeństwa pracy w rolnictwie*, "Journal of Research and Applications in Agricultural Engineering" 2011, Vol. 56(2), p. 139–143.

13. D. Puślecki, *Ubezpieczenie od następstw nieszczęśliwych wypadków i chorób dla dzieci rolników ubezpieczonych w KRUS*, "Przegląd Prawa Rolnego" 2020, nr 1(26), p. 141–161.

14. R. Liana, *XXX lat rehabilitacji leczniczej realizowanej przez Kasę Rolniczego Ubezpieczenia Społecznego*, "Ubezpieczenia w Rolnictwie. Materiały i Studia" 2020, nr 74, p. 261–272.

15. R. Tabaszewski, *Status prawny kuracjusza jako osoby korzystającej z rehabilitacji leczniczej w systemie ubezpieczenia społecznego rolników*, "Civitas et Lex" 2021, nr 4(32), p. 57–69.

16. A. Wilmowska-Pietruszyńska, *Rehabilitacja w systemie zabezpieczenia społecznego osób niepełnosprawnych*, "Studia BAS" 2015, nr 2(42), p. 47–65.

Average agricultural pensions are lower than those paid to insured persons in the Social Insurance Institution¹⁷. However, farmers' pension contributions are also lower. The total amount of contributions paid shall cover only the minimum amount of the pension paid to the farmer. The remaining amount is financed by the state budget. Discussions are underway to reduce these disparities. Solutions in this direction should be assessed positively. Improving agricultural profitability promotes more sustainable financing of pensions from KRUS through a greater share of the contribution paid by farmers. In this case, an interesting proposal was presented in the literature¹⁸. The authors of the study indicate that the current solutions are not adequate to the existing economic conditions in Poland. This is the approach we have to agree on. They indicate that the existing rules for the assessment of the supplementary pension component of KRUS are more favourable for insured persons with less seniority than for insured persons with more seniority. They also argue that it is inconsistent and illogical to separate special departments for KRUS purposes in terms of types and standards. They include both those that give the chance to maintain lives by people managing them, and those that do not.

During the COVID-19 pandemic, the rules for determining the amount of pensions from the Agricultural Social Insurance Fund have not changed. Also, the rules for determining the amount of other KRUS pension benefits remained the same. This approach should be assessed as reasonable. On the one hand, a greater link between the level of old-age and farming pensions and contributions would inevitably lead to lower benefits or a higher financial burden for farmers. In practice, smaller pensions are not an option for many different reasons, whether in a pandemic crisis or in better times. On the other hand, a discretionary increase in agricultural pensions due to the pandemic would further disconnect the amount of this benefit from the amount of the premium paid. This would be unfair to persons covered by the Social Insurance Institution.

One of the aid instruments used by KRUS during the COVID-19 pandemic related to pension insurance was the exemption of farmers and households from paying contributions to this insurance in KRUS. Such a solution was introduced by the Act of 31 March 2020 on amending the Act on special solutions related to the prevention, counteraction and fighting against COVID-19, other infectious diseases and the emergencies caused by them as well as some other Acts. Persons covered by pension insurance were exempted from paying contributions for the second quarter of 2020. This applied to all persons subject to pension insurance and paying

17. See: GUS, *Rocznik Statystyczny 2021*, Warsaw 2022.

18. M. Podstawka, Ł. Podstawka, op. cit.

contributions in this respect. The implemented solution started to be effective automatically, by operation of law. Farmers did not have to apply for the exemption from contributions. The period during which farmers did not pay direct contributions to the KRUS did not mean the lack of continuity of insurance. According to the Act, the pension contributions for the second quarter of 2020 were covered by the state budget through the Agricultural Social Insurance Fund.

The relief for farmers introduced in relation to the COVID-19 pandemic corresponded to the idea of the so-called anti-crisis shield. Similar exemptions from the payment of social security contributions for the second quarter of 2020 were also applied to persons insured in ZUS. The solution adopted in agriculture, as well as in other sectors, was to generally improve the economic conditions of entities, including farms, due to the unfavourable economic prospects caused by the restrictions imposed by the government as a result of the developing pandemic.

The new rules did not exempt farmers from the obligation to pay accident, sickness, maternity and health insurance premiums. These contributions had to be paid in accordance with the existing rules.

Due to the COVID-19 pandemic, the most changes regarded the payment of benefits for persons covered by insurance in KRUS. The care allowance paid in connection with COVID-19 and the allowance for compulsory quarantine, epidemiological supervision or hospitalization in connection with COVID-19 were introduced. In turn, the sickness benefit in connection with COVID-19 was modified (U07).

On the basis of the Act of 31 March 2020 and the Act of June 25, 1999 on cash benefits from social insurance in the event of sickness and maternity, the insured farmer and householder were entitled to care allowance. It was received by a person who took personal care of the child in connection with the closure of a nursery, children's club, kindergarten, school or other facility which the child attended, or the inability of the nanny or day carer to take care due to COVID-19. The care allowance was due to the need to personally take care of: (1) a child up to the age of 8 years; (2) a child with a decision with a significant or moderate degree of disability up to the age of 18 years or a child with a disability certificate or a decision on the need for special education. This benefit was due from 31 March 2020 to 25 June 2021 and in subsequent short periods. The insured received it for each day of care, including non-working days (e.g. Saturdays and Sundays), however, for a period not longer than 14 days.

The childcare allowance was granted at the request of the insured, where he/she declared that he/she was taking care of the child personally. If the application related to the care of a child with special needs, then it was also required to provide a disability certificate or a decision on the need for special education. Care allowance

from KRUS could also be received by persons conducting non-agricultural business activity and insured in ZUS as a result of work conducted on the basis of a mandate agreement. However, they had to declare that they did not receive an analogous benefit in ZUS. The care allowance was also granted to a person with a periodic pension and at the same time insured at KRUS¹⁹. The amount of the allowance was 1/30 of the amount of the basic pension for each day.

The extension of the catalogue of benefits due to the COVID-19 pandemic that are due to the insured in KRUS with care allowance should be assessed positively. This allowance constituted a compensation for lost work benefits resulting from the need to take personal care of a child due to the closing educational institutions. In the literature, however, doubts are raised as to the child's age limit. Katarzyna Maciejewska presents an interesting opinion, which is worth agreeing with: "The parents of older children have a real problem. It is hard to imagine that children between the ages of 9 and 14 can be left unattended. It seems that the question of the rationality of the adopted solutions regarding the age limit of children, whom parents will be able to take care of and receive benefits in situations of epidemic threat, remains open²⁰".

Other forms of state aid for farmers implemented by KRUS during the pandemic crisis are the sickness benefit for COVID-19 and the allowance for mandatory quarantine, epidemiological supervision or hospitalisation in connection with COVID-19. The Regulation of the Minister of Agriculture and Rural Development of 19 March 2020 amending the Regulation on determining the amount of one-off compensation for an accident at work or agricultural occupational disease and sickness benefit stated that "In the period specified in Article 36 (1) of the Act of March 2, 2020 on special solutions related to the prevention, prevention and combating of COVID-19, other infectious diseases and the emergencies caused by them (Journal of Laws, item 374) the insured person is entitled to sickness benefit in the amount of PLN 15 for each day of temporary incapacity for work lasting continuously for no more than 14 days, if this incapacity is caused by an infection or respiratory disease marked in the medical certificate as U07.1 COVID-19, in accordance with the International Classification of Diseases and Health Problems". After this time, when the farmer or householder was still unable to work continuously for at least 30 days, he/she was entitled to sickness benefit in the amount of PLN 10 for

19. D. Puślecki, *Zasilek opiekuńczy...*, op. cit., p. 237–253.

20. K. Maciejewska, *Rozwiązania tarczy antykryzysowej dla rolników realizowane za pośrednictwem Kasy Rolniczego Ubezpieczenia Społecznego*, "Ubezpieczenia w Rolnictwie. Materiały i Studia" 2020, nr 73, p. 181.

each day²¹. Such rates would apply until the end of 2021. From the beginning of 2022, the sickness benefit for up to 14 days related to COVID-19 is PLN 30, and from the 30th day of absence – PLN 20²².

The Act of 14 May 2020 amending certain acts in the area of protective measures in connection with the spread of the SARS-CoV-2 virus introduced more favorable conditions for mandatory quarantine benefit for farmers. The insured farmer and householder in a situation of mandatory quarantine, epidemiological supervision or hospitalisation in connection with COVID-19 is entitled to an allowance in the amount of 50% of the minimum wage for work in the national economy. Thus, the insured in KRUS received the same aid as persons insured in ZUS. Quarantine allowance under the new rules is due for a period not earlier than from 18 April 2020. It shall be paid in a single and indivisible amount, regardless of the length of that period²³.

In the event of a concurrence of the right to quarantine benefit with the right to sickness benefit, the entitled person is paid one benefit – the higher one or the one chosen by the entitled person. However, when a farmer or a householder acquires the right to a quarantine benefit and receives maternity benefit at the same time, he/she is not entitled to quarantine benefit. This benefit is financed from public funds through the Agricultural Social Insurance Fund and is not subject to personal income tax. There are also no enforcement activities and deductions for overdue farmers' social security contributions. This is only possible at the request of the farmer himself.

The mandatory quarantine allowance, as well as the sickness benefit related to COVID-19, was an important support for the insured farmers and households during the COVID-19 pandemic. While many of the instruments used by KRUS during this period must be assessed positively, the quarantine allowance in this form raises significant doubts. They relate to the fact that the farmer's stay in quarantine most often did not affect his duties. The nature of agricultural work meant that the farmer or householder was still at the place of work, obtaining additional funds from this benefit.

Pension recipients could also benefit from state support during the pandemic. Persons with decisions on: (1) partial incapacity for work; (2) total incapacity for work; (3) total incapacity for work and incapacity for independent living; and (4) incapacity for independent living, the validity of which expires during the period of

21. Rozporządzenie Ministra Rolnictwa i Rozwoju Wsi z 16 maja 2007 r. zmieniające rozporządzenie w sprawie określenia wysokości jednorazowego odszkodowania z tytułu wypadku przy pracy rolniczej lub rolniczej choroby zawodowej oraz zasiłku chorobowego, Dz. U. 2007 poz. 652.

22. Rozporządzenie Ministra Rolnictwa i Rozwoju Wsi z 20 grudnia 2021 r. zmieniające rozporządzenie w sprawie określenia wysokości jednorazowego odszkodowania z tytułu wypadku przy pracy rolniczej lub rolniczej choroby zawodowej oraz zasiłku chorobowego, Dz. U. 2010 poz. 2377.

23. K. Maciejewska, op. cit.

validity of the state of epidemic emergency or state of epidemic, or within 30 days following their cancellation, obtained the same rights as all other persons with the above-mentioned decisions. All those decisions remained valid for a further period of three months from the date of their expiry. As a result, the right to payment of benefits which are obtained on the basis of these decisions has been extended.

The COVID-19 pandemic obviously had a significant impact on limiting the rehabilitation of farmers. Only from 1 September 2020, the ban on conducting selected forms of rehabilitation was lifted, in particular, among others, rehabilitation carried out under the ZUS and KRUS pension prevention programs²⁴. Disbursement of funds from the KRUS prevention and rehabilitation fund was resumed. The Fund has also prepared and is in the process of implementing a new rehabilitation profile, in connection with the recent epidemic and the need for medical rehabilitation, which is addressed to patients who suffered from COVID-19²⁵.

Value of support provided by KRUS to farmers during the COVID-19 pandemic

During the COVID-19 pandemic, KRUS performed its most important task, i.e. granting pensions on the basis of the regulations that were in force before the pandemic. This means that the related expenditure should not differ significantly between 2018 and 2021. The above is confirmed by the data specified in Table 1. In 2020 and 2021, the annual expenditure of the Pension Fund was even lower than one year before the pandemic. This was due to a smaller number of beneficiaries, which was also impacted by the higher mortality level associated with the coronavirus. In 2020 and 2021, the value of the subsidy from the state budget to the Pension Fund in relation to 2019 decreased just slightly. However, the share of grants made to the Fund in its expenses increased (86.4% in 2021, 87% in 2020, 85.4% in 2019 and 84.8% in 2018). Among other things, this resulted from the coverage by the state budget of contributions to the pension insurance of farmers and households for the second quarter of 2020. The analysis of detailed expenditures indicates that in the period of the pandemic, compared to 2019, only KRUS expenditures on family pensions increased.

24. M.A. Mrożek-Gąsiorowska, P. Okarmus, *Ocena wpływu pandemii Covid-19 na realizację świadczeń rehabilitacyjnych finansowanych przez NFZ w Polsce w 2020 roku*, "Zdrowie Publiczne i Zarządzanie" 2021, nr 19(1), p. 165–175.

25. KRUS, <https://www.krus.gov.pl/aktualnosci/arttykul/rehabilitacja-lecznicza-dla-osob-po-przebytej-chorobie-covid-19/>, access 28.10.2022.

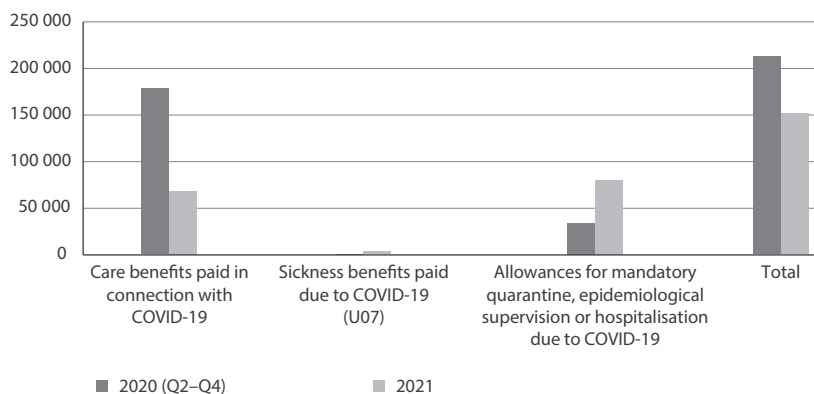
Table 1. Expenditure on KRUS pension benefits (in PLN million) and the number of beneficiaries

Specification	Year			
	2018	2019	2020	2021
Total expenditure FE-R	20,165	21,664	21,183	21,271
Number of beneficiaries	1,157,425	1,120,623	1,083,411	1,036,621
State budget subsidies to the FE-R	17,097	18,511	18,430	18,367
Pensions	13,632	14,714	14,175	13,978
Pensions due to incapacity for work	2,631	2,927	2,829	2,867
Family pensions	775	879	889	929
Other benefits	0.7	0.7	0.6	0.5

Source: GUS and KRUS data.

In 2020–2021, the total expenditure related to instruments directly associated with COVID-19 amounted to PLN 364.8 million. KRUS paid the highest value of Covid-related benefits (PLN 213.2 million) in 2020 (Q2-IV), i.e. during the period of the most severe pandemic. In relation to the total expenditure of the Pension Fund (FE-R) it was 1%. However, in relation to the expenditure of the Contribution Fund (FS) including the payment of sickness benefits and one-off compensation, it was 79.5%. In 2021, the total expenditure on these benefits amounted to PLN 151.6 million. They accounted for 0.7% – FE-R and 54.7% – FS, respectively. Such expenditure, both in absolute and relative terms, constituted significant aid granted by the State to farmers and their families during the pandemic.

Figure 1. Level of KRUS expenditure related to COVID-19 (PLN thousand)



Source: KRUS data.

During the entire period of the pandemic, the largest expenses were incurred for care benefits paid in connection with COVID-19 (PLN 247.4 million). A significant part of this amount was paid by the Treasury in 2020 (Figure 1). This is understandable due to the mass closure of educational facilities. Parents had to take care of the children at home. The total value of benefits for compulsory quarantine, epidemiological supervision or hospitalization in connection with COVID-19 amounted to PLN 114.1 million. Most of the funds were spent in 2021. On the other hand, the least amounts related to the expenditure on sickness benefits in connection with COVID-19 (U07). In 2020–2021, it was PLN 3.3 million.

Table 2. Allowances paid by KRUS related to COVID-19 in individual quarters (PLN thousand)

Period	Care benefits paid in connection with COVID-19	Sickness benefits paid due to COVID-19 (U07)	Allowances for mandatory quarantine, epidemiological supervision or hospitalisation due to COVID-19	Total
Q2 of 2020	52,456.9	1.6	1,202.5	53,673.0
Q3 of 2020	100,371.8	17.6	4,972.5	105,362.0
Q4 of 2020	26,162.3	427.0	27,596.4	54,185.6
Q1 of 2021	25,943.8	652.1	26,209.1	52,805.1
Q2 of 2021	39,755.2	1,454.3	37,650.7	78,860.2
Q3 of 2021	2,486.8	187.8	5,033.9	7,708.5
Q4 of 2021	175.2	595.9	11,477.1	12,248.2

Source: KRUS data.

Analysis of the data from Table 2 regarding the total payments of COVID-19 benefits in individual quarters indicates that the highest amount was spent by KRUS in the third quarter of 2020 (PLN 105.4 million). The amount was spent in the third quarter of 2021 (PLN 7.7 million). In the third quarter of 2020 (PLN 100.4 million), the most money was spent on care allowances in connection with COVID-19. For sickness benefits in connection with COVID-19 (U07) in the second quarter of 2021 – PLN 1.4 million, and for benefits due to mandatory quarantine, epidemiological supervision or hospitalisation in connection with COVID-19 also in the same quarter – PLN 37.7 million.

Table 3. Care benefits paid by KRUS in connection with COVID-19

Period	Number of days	Number of benefits	Number of people	Amount of benefits in PLN	Average per person in PLN
Q2 of 2020	1,618,541	54,418	35,690	52,456,921	1,469.8
Q3 of 2020	3,096,931	69,520	44,218	100,371,844	2,269.9
Q4 of 2020	807,265	21,520	16,621	26,162,252	1,574.0
2020 (Q2–Q4)	5,522,737	145,458	96,529	178,991,017	1,854.3
Q1 of 2021	800,033	23,500	18,133	25,943,843	1,430.8
Q2 of 2021	1,180,765	54,448	41,598	39,755,247	955.7
Q3 of 2021	73,794	2,622	2,708	2,486,777	918.3
Q4 of 2021	5,183	173	220	175,160	796.2
2021	2,059,775	80,743	62,659	68,361,026	1,091.0

Source: KRUS data and own calculations.

During the pandemic, the largest payouts related to care allowances in connection with COVID-19. They included a total of 159,188 people. The largest number (96,529 people) received the benefit in 2020 (Table 3). A total of 226,201 benefits were provided. The largest number of people received this benefit in the third quarter of 2020 (44,218). At that time, the greatest number of benefits was also provided. This was the time when children returned to schools and kindergartens, and the second wave of the pandemic began. Also in this quarter, the average benefit per person was the highest (almost PLN 2,270). This was an important support for farming families during childcare.

Table 4. Sickness benefits paid by KRUS in connection with COVID-19 (U07)

Period	Number of days	Number of benefits	Number of people	Amount of benefits in PLN	Average amount of benefit in PLN
Q2 of 2020	870	72	82	13,569	188.5
Q3 of 2020	1,120	157	144	17,612	112.2
Q4 of 2020	28,485	2,795	2,842	426,970	152.8
2020 (Q2–Q4)	30,475	3,024	3,068	458,151	151.5
Q1 of 2021	44,144	4,444	4,387	652,132	146.7
Q2 of 2021	98,634	10,072	9,995	1,454,306	144.4
Q3 of 2021	12,847	1,309	1,335	187,825	143.5
Q4 of 2021	40,247	4,175	4,159	595,905	1427
2021	195,872	20,000	19,876	2,890,168	144.5

Source: KRUS data and own calculations.

Out of the analysed benefits, the lowest amount of KRUS expenditure was related to the sickness benefit in connection with COVID-19 (U07). In 2020–2021, it was received by 22,944 people. 23,024 benefits were awarded. The largest number of people receiving this benefit and the number of benefits was in the second quarter of 2021 (Table 4), while the lowest in the second quarter of 2020. At that time, strict government restrictions significantly limited the spread of the coronavirus. In general, the amount of this benefit was very low.

Table 5. Allowances for mandatory quarantine, epidemiological supervision or COVID-19 hospitalisation paid by KRUS

Period	Number of benefits	Number of people	Amount of benefits in PLN	Amount of the benefit in PLN
Q2 of 2020	925	923	1,202,500	1,300.0
Q3 of 2020	3,825	3,807	4,972,500	1,300.0
Q4 of 2020	21,228	20,675	27,596,400	1,300.0
2020 (Q2–Q4)	25,978	25,405	33,771,400	1,300.0
Q1 of 2021	19,590	19,088	26,209,103	1,400.0
Q2 of 2021	27,068	26,627	37,650,672	1,400.0
Q3 of 2021	3,599	3,558	5,033,900	1,400.0
Q4 of 2021	8,199	8,161	11,477,099	1,400.0
2021	58,456	57,434	80,370,775	1,400.0

Source: KRUS data and own calculations.

The amount of the benefit for mandatory quarantine, epidemiological supervision or hospitalisation in connection with COVID-19 was incomparably higher in relation to the sickness benefit in connection with COVID-19 (U07). In 2020, it amounted to PLN 1,300, and in the following year PLN 1,400 (Table 5). The difference between these benefits is incomprehensible. During the pandemic, a total of 82,839 people received a quarantine benefit and 84,434 benefits were paid. In 2021, the number of people and benefits was more than twice as high as in 2020. The highest value of KRUS benefit was paid in the second quarter of 2021. The lowest in the second quarter of 2020, similarly to the case of sickness benefit.

Summary

The COVID-19 pandemic was a huge surprise for the functioning of economies and societies. It also impacted the sector of agriculture of many countries, including Poland. Restrictions imposed by governments complicated or completely broke the food supply chain, reduced the export of agri-food products, reduced the demand for agricultural products in the restaurant industry and created problems with the availability of agricultural workers.

The particularly difficult situation in the first period of the pandemic resulted in an increase in state aid for agriculture. One of the institutions providing support for agricultural holdings was the Agricultural Social Insurance Fund.

In 2020–2021, the expenditures of KRUS on agricultural pensions and due to incapacity for work decreased in comparison to 2019. This was due to a smaller number of beneficiaries during this period. Expenditure on family pensions increased. One of the forms of aid was for the state budget to cover contributions to the pension insurance of farmers and households for the second quarter of 2020.

Due to the COVID-19 pandemic, some existing ones have been modified and new allowances for people subject to KRUS insurance have been introduced. In 2020–2021, the largest expenses were incurred for care allowances paid in connection with COVID-19 (PLN 247.4 million), and the lowest for sickness benefits in connection with COVID-19 (U07). This amount was PLN 3.3 million. The amount spent on allowances for mandatory quarantine, epidemiological supervision or hospitalisation in connection with COVID-19 amounted to PLN 114.1 million. The first two benefits can be assessed positively. The biggest doubts relate to the last one. Payments for staying in quarantine were quite high, but this situation did not fundamentally change the work done by farmers. The total expenditure of KRUS at that time related to instruments directly associated with COVID-19 amounted to PLN 364.8 million.

Additional forms of assistance provided to farmers during the pandemic, in which KRUS participated, were the extension of the validity of disability and similar decisions as well as the resumption of suspended and new measures regarding the rehabilitation of farmers, including after the COVID-19 disease.

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