This thesis treats on concept of compensation in the administrative law, defines its components and legal nature. The purpose of this work is to prove that compensation - unlike civil damages - is not a payment for the damage made by civil law entities. The intention of comparison of these legal concepts is to demonstrate the differences between the compensation and civil damages. In order to confirm stated hypothesis, the author presented the compensation as defined in the following acts: Act of 12 December 2003 on offsetting the value of property abandoned beyond the present borders of the Polish State against the price of State property or the fee for the right of perpetual use and act of 8 July 2005 on Exercising the Right to Compensation for Immovable Property Left outside the Borders of the Republic of Poland. The aim of this thesis is to illustrate that the similarity of aforementioned constructs results from the fact that they are ex gratia benefits executed in form of public law’s benefit of discretionary character. Polish state gives to the Second World’s War victims a financial benefit of symbolic character which does not have the form of the damages. In this thesis main points of view of doctrine representatives and the most important civil and administrative courts and Constitutional Tribunal rulings have been presented. Such analysis resulted in confirmation of the stated hypothesis that compensation in administrative law is does not equal damages in civil law terms. This work covers all concepts defining nature of Bug River property entitlements. It has been presented that Bug River Property entitlement had public, civil, and mixed law nature. The author also made an attempt to assess these concepts and to establish the legal nature of Bug River property entitlement. The author assessed also the possibility to process claims for Bug River compensation by the common courts. The important matter is assessment if it is possible to file a complaint against the National Treasure in common court in order to establish that plaintiff left his property on the former territory of Republic of Poland. Finally, the thesis ends presenting various standpoints - often contradicting – that whose purpose was to categorize the benefits as social benefit or mixed one (i.e. of both social and damages nature). The ending contains final conclusions with a summary of main problems which require further analysis.