

Amendments to the Act on the State Labour Inspectorate – key legal and tax changes and their implications for businesses

On 8 July 2026, amendments to the Act on the State Labour Inspectorate are to come into force and will significantly broaden the powers of labour inspectors. The new regulations have one clear objective: to identify so-called hidden jobs more effectively and to increase oversight of the use of civil law contracts. These changes will have a direct impact on businesses that use mandate contracts, B2B contracts or specific work contracts.

Most important changes

State Labour Inspectorate (*Państwowa Inspekcja Pracy – PIP*) inspectors may decide on the nature of an employment relationship themselves by issuing an order or an administrative decision, or by bringing an action in court for an employment relationship to be found to exist

New court proceedings – businesses or individuals covered by a decision will be able to appeal to the courts. Court proceedings will also be initiated as a result of an action brought by a PIP inspector for an employment relationship to be found to exist

Changes to how inspections are carried out – a broader list of businesses that may be subject to inspection has been introduced, as has the option for remote inspections and increased data sharing between authorities (National Revenue Administration [*Krajowa Administracja Skarbowa – KAS*], Social Insurance Institution [*Zakład Ubezpieczeń Społecznych – ZUS*] and PIP)

Tightened up labour market

If cooperation is carried out in conditions typical of an employment relationship, a PIP inspector may:

- › **issue an order** for the situation to be brought into compliance with the law by an employment contract being concluded or the existing civil law relationship being adjusted,
- › and if the order is not followed – **issue a decision confirming the existence of an employment relationship or bring an action in court for an employment relationship to be found to exist.**

An inspector's order and decision will have legal effect, including under tax law, from the **date on which they are issued**, without retroactive effect. An action for an employment relationship to be found to exist may, however, **relate to a past period**. From the moment an inspection is instigated, a person employed under a civil law contract will be protected from termination of the employment relationship as provided for in the Labour Code.

Both the employer and the employee will be entitled to appeal a decision made by a PIP inspector to a labour court. The appeal will suspend enforcement of the decision until the court has handed down its judgment, unless the decision is declared immediately enforceable.

Harsher penalties

Unfavourable treatment of an employee in connection with an employment relationship being found to exist will carry a **fine of between PLN 2,000 and PLN 60,000**. The maximum amount of a penalty notice issued by the PIP will also increase from PLN 2,000 to PLN 5,000.

However, there is a transitional period: entities which, within 12 months of the Act coming into force, **take the initiative to bring non-compliant contracts into line with legal requirements will not be subject to penalties.**

Changes to inspection procedures and cooperation between ZUS, PIP and KAS

The amendments allow inspections to be carried out **remotely** (e.g. through the submission of documents or interviews).

The PIP will cooperate more closely with the KAS and ZUS, which will make it much easier for the PIP to select companies for inspection, e.g. the KAS will be able to provide the PIP with information about individuals who, over a prolonged period, issue only one invoice to the same business or where the wording used in invoice descriptions indicates a relationship with the contractor comparable to an employment relationship (e.g. bonuses, overtime).

Individual rulings

Businesses will be able to apply to the Chief Labour Inspector for **an individual ruling** on whether a given cooperation arrangement constitutes an employment relationship, which may protect the business from adverse consequences from the PIP. The issued ruling is automatically forwarded to the KAS and ZUS.

Implications of the changes for businesses

These changes significantly increase the risks arising from the improper use of civil law contracts. It is advisable for **existing contracts and cooperation arrangements to be reviewed** as quickly as possible.

Businesses should, in particular:

- › review civil law contracts that have been concluded and check how tasks are actually being carried out,
- › raise awareness of the differences between an employment contract and a civil law contract among employees and managers (e.g. by organising webinars and providing information),
- › analyse the company's HR policies and decide where it is feasible to use civil law contracts and where the risk is too high,
- › to review the company's tax and accounting policies in order to assess whether employees and independent contractors are treated differently;
- › prepare managers for PIP inspections (e.g. a manual on how to behave during an inspection) and take inspectors' powers into account in compliance procedures,
- › determine the rights of persons employed under civil law contracts to benefits, time off, equipment, office space or company car.

Employment and Social Security Practice



Łukasz Górzny
Counsel

E: lukasz.gorzny@dzp.pl



Justyna Tyc-Brzosko
Counsel

E: justyna.tyc-brzosko@dzp.pl

Tax Practice



Jan Czerwiński
Partner

E: jan.czerwinski@dzp.pl



Joanna Ziemia
Tax Manager

E: joanna.ziemia@dzp.pl