

# Amendment to the State Labour Inspection Act signed by the President

NEW STATE LABOUR INSPECTION POWERS REGARDING THE RECLASSIFICATION OF CIVIL LAW CONTRACTS ENTER INTO FORCE IN JULY 2026. MAKE SURE YOU DO NOT HAVE MORE EMPLOYEES THAN YOU THINK BEFORE THE STATE LABOUR INSPECTION FINDS OUT FOR YOU

Civil law contracts, particularly B2B contracts, are a market standard in Poland. The State Labour Inspection's (Polish: Państwowa Inspekcja Pracy or PIP) new power to reclassify civil law contracts by way of an administrative decision may disrupt current practice and create complications for both businesses and contractors.

## FROM DECISION TO EMPLOYMENT – THE NEW REALITY OF PIP INSPECTIONS

A labour inspector will be able to convert a civil law contract into an employment contract by issuing an administrative decision. Businesses will have only one month to appeal the decision, and the risk of fines for improperly concluding civil law contracts is set to double. The PIP will also be strengthened organisationally through an increased budget, hiring of new inspectors, implementation of IT tools and closer cooperation with the Social Insurance Institution (Polish: Zakład Ubezpieczeń Społecznych or ZUS) and National Revenue Administration (Polish: Krajowa Administracja Skarbowa or KAS). All this means inspections will become more frequent, better targeted and more thoroughly prepared.



## CONTRACT RECLASSIFICATION – CONSEQUENCES THAT ARE HARD TO IGNORE

When a civil law contract is deemed to be an employment relationship, the consequences are felt by both the company and the contractor. For the company, it means increased employment costs, the need to maintain full employee documentation and the application of the entire employment law regime. Additional risks may include liability for misdemeanours, fiscal offences and even criminal liability. There is also the risk of foreign nationals losing the legality of their employment. Reclassification is not merely a formality – it is a powerful chain reaction of consequences that should be addressed early.

## DO NOT WAIT FOR AN INSPECTION – PREPARE BEFORE IT IS TOO LATE

In a world where the boundary between employment and the provision of services is often blurred, it is crucial not only to have proper documentation, but also

to structure the actual working relationship correctly. This may determine the legal and tax assessment during an inspection. We recommend effective measures that will materially strengthen organisational security:

- » **Audit of contracts and the actual cooperation model**, meaning not only a review of documents but also verification and assessment of how daily cooperation with contractors actually looks.
- » **Building a defence file**, a set of arguments and business justification for the cooperation models used, as well as documents and evidence that may prove crucial in the event of an inspection or dispute.
- » **Individual rulings**, meaning official confirmation of the correctness of the assessment of whether civil law contracts may be used and the rules for their taxation and social security contributions.
- » **Manual/guide**, being practical dos and don'ts on concluding and operating civil law contracts.
- » **Training for management and HR teams**, which will not only raise awareness but also teach them how to recognise risks and act before they become real issues.
- » **Training for contractors**, to help them understand the cooperation framework and avoid misunderstandings – a wellinformed partner means a more stable relationship.

## BENEFITS OF WORKING WITH US

- » Identification and mitigation of risks
- » Alignment with the changed regulatory environment
- » Maintaining competitiveness on the labour market
- » Preserving the flexibility and attractiveness of your cooperation offer
- » Organising and systematising cooperation principles and processes
- » Anticipating and properly preparing for inspections

## WHY TRUST US? A PARTNERSHIP THAT CHANGES THE RULES OF THE GAME

- » **Tailored to your business**: We offer solutions tailored to your needs, aligned with your business situation and objectives.
- » **Precise and proven solutions**: We quickly identify key challenges and propose optimal strategies, saving your time and costs.
- » **Proactive risk management**: We know the most common hazards and act effectively to minimise them.
- » **A foundation for effective strategies**: We have many years of domestic and international experience in advisory services from the perspective of both Polish and international regulations.

## LET'S MEET



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