

# HR IN THE KNOW 4/2025

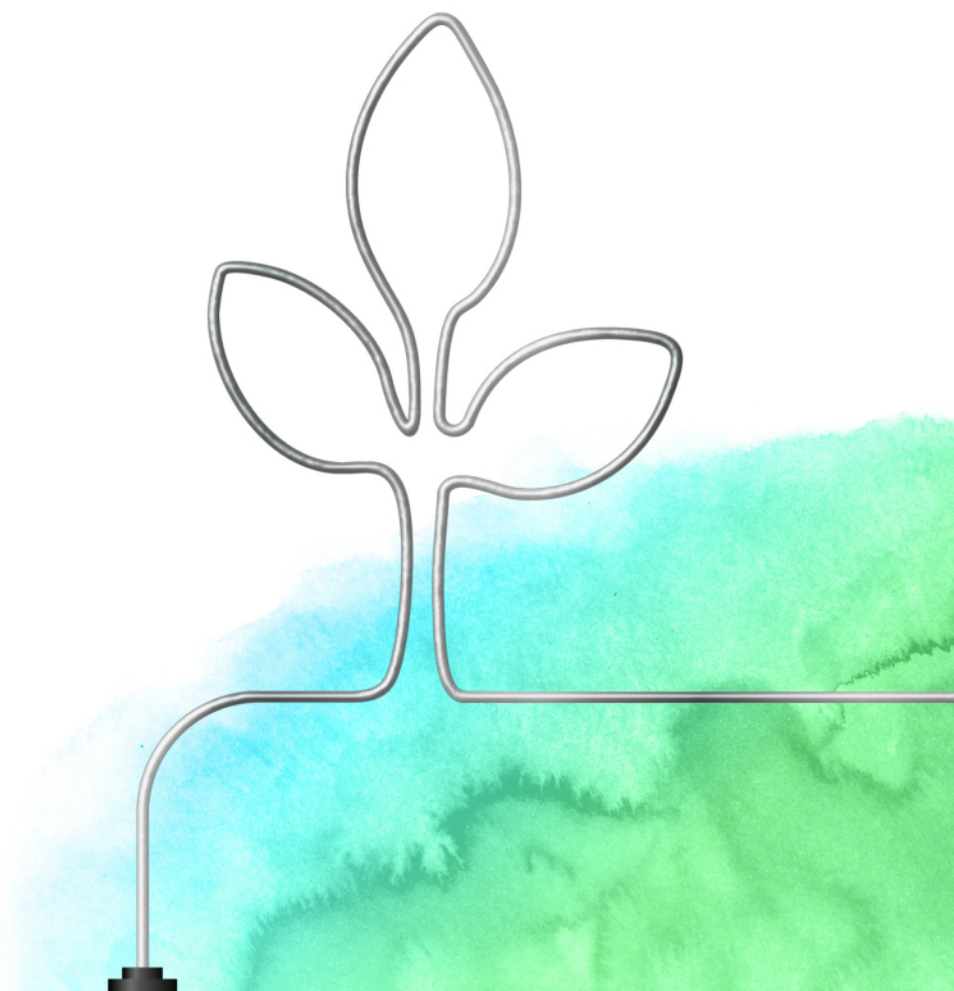
Draft Act on expanding the powers of the  
National Labour Inspectorate:  
reclassification of civil law contracts

SEPTEMBER 2025



# DRAFT ACT ON EXPANDING THE POWERS OF THE NATIONAL LABOUR INSPECTORATE: RECLASSIFICATION OF CIVIL LAW CONTRACTS

September marks not only the return to schools but also a period of intense legislative work at the Ministry of Family, Labour and Social Policy. One of the latest initiatives is the draft bill amending the Act on the National Labour Inspectorate and certain other acts, dated 1 September. Among other changes, it proposes expanding the powers of the National Labour Inspectorate (PIP) to issue administrative decisions reclassifying civil law contracts as employment contracts. The proposed changes are set to come into force on 1 January 2026.

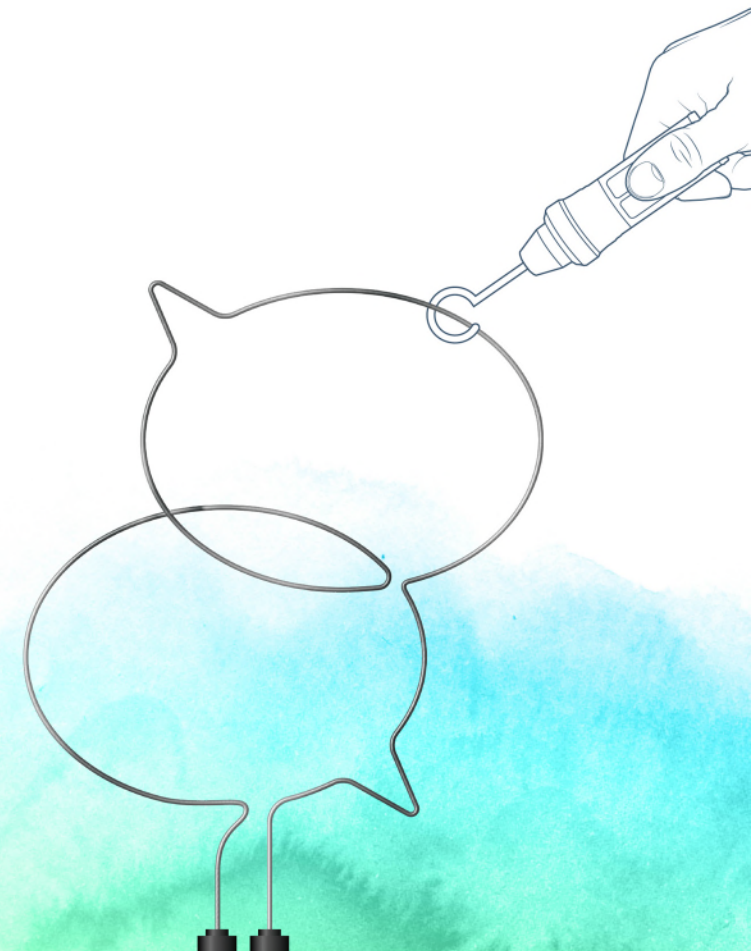




# A TURNING POINT IN THE LABOUR MARKET

The draft bill is part of the National Recovery and Resilience Plan and its implementation is expected to significantly impact the Polish labour market. These changes will particularly impact industries where civil law contracts are widely used, such as IT, healthcare, and transport. The government appears determined to ensure that the final version of the bill is as close as possible to the current draft, as this will enable the fulfilment of commitments under the National Recovery and Resilience Plan.

Importantly, the planned changes are intended to apply to civil law contracts concluded before the amendment comes into force, which are still in effect on that date. Therefore, we recommend reviewing existing mandate contracts, service provision contracts (B2B), and other civil law contracts, including analysing how they are performed in practice, and making appropriate changes. This will help prepare for the proposed changes and mitigate the risk of reclassification.



# NEW POWERS FOR PIP

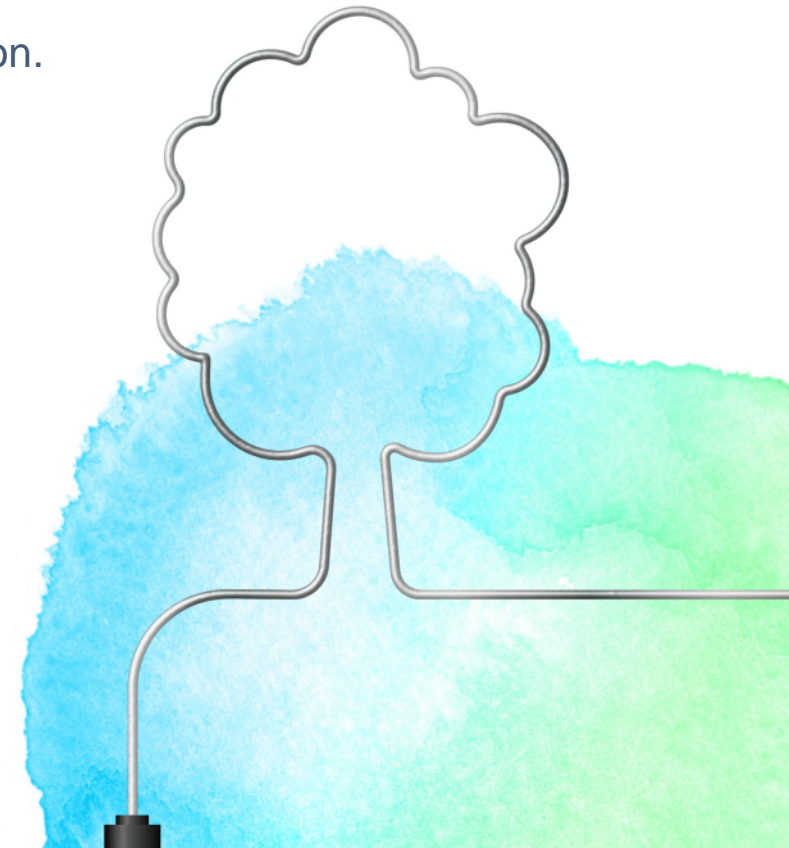
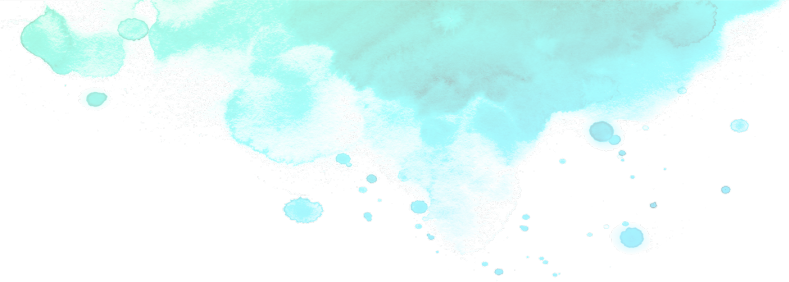
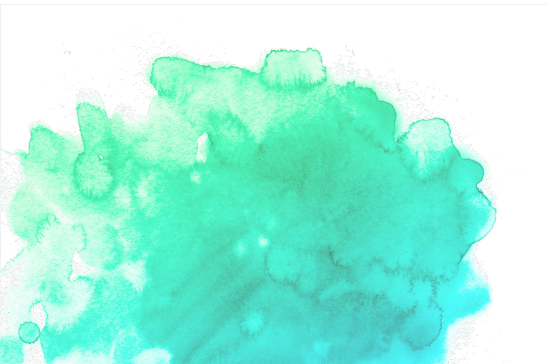
The draft provides that PIP will be authorised to issue administrative decisions establishing an employment relationship in cases where a civil law contract has been concluded under conditions that, according to Article 22 § 1 of the Labour Code, should constitute an employment contract. They will be issued by regional labour inspectors. The decision will specify, among other things, the type of employment contract, the date of its conclusion, the date of commencement of employment, the type of work, the place of work, the working hours, and the remuneration.

The most controversial aspect of the draft is that such decisions will be immediately enforceable in terms of the consequences associated with establishing an employment relationship and obligations regarding taxes and social security. Filing an appeal under the procedure described below will not suspend the execution of the decision in this respect. The enforcement of the decision will be suspended only for obligations concerning taxes and social security for the period before the decision was issued, until the deadline for filing an appeal or, if an appeal is filed, until the court's final ruling. This means that even if an appeal is filed, the civil law contract will become an employment contract as soon as the decision is issued, along with all consequences for the future.



# APPEAL PROCEDURE

The draft provides for an appeal process. Initially, the controlled entity or the person concerned by the decision may appeal to the Chief Labour Inspector within seven days of receiving the decision. The Chief Labour Inspector will have 30 days to review the appeal. A further appeal against the Chief Labour Inspector's decision can be lodged with the labour court under a new separate procedure added to the Code of Civil Procedure. The deadline for filing such an appeal is one month from the date of receiving the decision. The competent court in the first instance will be the district court in the jurisdiction of the regional labour inspector who issued the initial decision.



# HIGHER FINES AND OTHER CHANGES

The draft also introduces several other new measures. A significant change will be the doubling of the minimum and maximum fines for offences against employee rights under the Labour Code: from PLN 2,000 to PLN 60,000 in cases currently ranging from PLN 1,000 to PLN 30,000, and from PLN 3,000 to PLN 90,000 in cases currently ranging from PLN 1,500 to PLN 45,000. These changes aim to provide more effective protection for employees and serve as a deterrent for employers who do not comply with labour laws.

Another significant change will be granting PIP the authority to inspect the correctness of civil law contracts not only in respect of entities having the status of employer but also with entrepreneurs and other organisational units for whom work is or was performed within one year prior to the start of the inspection by individuals, including those running their own businesses, regardless of the basis for providing work—even if they do not have any employees.

Additionally, the draft provides for:

- streamlining PIP inspections by introducing remote inspections and the use of technical devices to conduct inspection activities remotely, as well as introducing electronic documentation for inspections, particularly inspection reports;
- information and data sharing between the Social Insurance Institution (ZUS), PIP, and the National Revenue Administration (KAS); and
- preparation of annual and multi-year inspection programmes by the Chief Labour Inspector based on risk analysis.

# CURRENT LEGAL FRAMEWORK

Under the current legal framework, if a civil law contract is concluded but the legal relationship exhibits characteristics of an employment relationship, PIP is not authorised to issue an administrative decision reclassifying it. Its available legal measures include issuing recommendations or requests to the employer to change the legal basis for providing work, or filing a lawsuit with the court to establish the existence of an employment relationship. Such a lawsuit can also be initiated by the individual performing the work—this typically happens in practice when the parties part ways. PIP can also initiate a misdemeanour procedure, as such conduct constitutes an offence under Article 281 § 1 point 1 of the Labour Code. The Social Insurance Institution (ZUS) may also potentially reclassify a contract in the context of social insurance contributions.

The Ministry believes that the legal measures currently available to PIP are not effective enough to counteract violations of labour law by entities in their choice of employment forms.

Currently, the recognition of a civil law contract as an employment contract may result in claims for employment-related benefits. These include monetary benefits, such as remuneration and overtime allowances, as well as non-monetary benefits, such as annual leave. Employers may also be required to pay outstanding social insurance contributions and taxes. Additionally, fines ranging from PLN 1,000 to PLN 30,000 may be imposed on individuals responsible for concluding civil law contracts under conditions that require an employment contract.



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