



New Powers for PIP Inspectors – A revolution in determining forms of engagement

On 1 September 2025, the Government Legislation Centre published a bill amending the Act on the State Labour Inspectorate (PIP) and certain other acts (No. UD283). If adopted in its current form, it could signify a fundamental change in the functioning of the labour market in Poland – especially with regard to determining the forms of engagement.

Although the proposed changes are controversial, their entry into force – planned for 1 January 2026 – seems increasingly likely.

What is changing?

The most significant change is granting PIP inspectors the authority to issue administrative decisions confirming the existence of an employment relationship – without the need to refer the case to court. This applies to cases where individuals employed under civil law contracts (e.g. contracts of mandate or B2B contracts) actually perform work under conditions typical of an employment relationship, in accordance with Article 22 § 1 of the Labour Code.

The inspector's decision will include information confirming:

- the type of employment contract,
- the date of its conclusion and commencement of work,
- the place and type of work performed,
- the working time,
- the amount of remuneration – and if it cannot be determined, the inspector will assume the value of the minimum wage.

Consequences for employers

The inspector's decision will be immediately enforceable in terms of obligations arising from labour law and tax and social security contribution liabilities incurred from the date of its issuance. Importantly, the employer's filing an appeal against the decision will not affect its execution in this regard.

In the case of public law liabilities incurred before the date of the decision, their enforcement will be suspended until the court resolves the case.

In practice, this means that the employer will be obliged to immediately implement the inspector's decision – pay remuneration, pay tax and social security contributions (from the date of the decision), provide leave, and comply with working time standards – even if it disagrees with the decision and plans to file an appeal.

Appeal procedure

An appeal against the inspector's decision may be filed within seven days to the Chief Labour Inspector, who will then have 30 days to consider the case. Subsequently, an appeal may be filed with the district court – via the Chief Labour Inspector – within one month of the delivery of the decision. The court will be authorised to either annul the decision or amend it.

It is worth noting that, according to the current wording of the bill, it will not be possible to conclude a settlement or refer the case to arbitration in such situations.

Increased fines for employers

The bill also provides for a substantial increase in the size of fines that may be imposed under the provisions of the Labour Code. The maximum fine is to be doubled – from the current range of PLN1,000 to PLN30,000 to a new range of PLN2,000 to PLN60,000. This means that employers violating labour law provisions will face significantly higher financial penalties.

The size of fines that an inspector may impose in summary proceedings is also to be increased – according to the bill, the upper limit will rise to PLN5,000. The aim of these changes is to strengthen the preventive and deterrent function of sanctions and ensure more effective protection of employee rights.

Key issues for employers

- **Forms of employment** – special attention should be paid to civil law contracts, such as contracts of mandate and B2B contracts. If the manner of performing work under these contracts meets the criteria of an employment relationship as defined in Article 22 § 1 of the Labour Code, the risk of an inspector issuing a decision confirming the existence of an employment relationship will be real.
- **HR documentation** – employers should ensure that it is complete, correct, and kept up to date at all times. Inspectors will be able to conduct remote inspections using data provided by Social Insurance Institution (ZUS) and National Revenue Administration (KAS).
- **Readiness for immediate implementation of a decision** – even if an employer intends to appeal against the inspector's decision, it will be immediately enforceable in terms of obligations arising from labour law and public law liabilities.
- **Appeal procedures** – the short deadline for filing an appeal (seven days) will require a quick response and preparation of reliable factual and legal arguments.
- **Financial risk** – in addition to potential fines, employers will have to reckon with the need to settle unpaid social security contributions, taxes, and employee benefits.



Contact us:



Agnieszka Lechman-Filipiak

Partner
Head of Employment
agnieszka.lechman-filipiak@dlapiper.com



Hubert Hajduczenia

Counsel
Employment
hubert.hajduczenia@dlapiper.com



Justyna Helbing

Associate
Employment
justyna.helbing@dlapiper.com

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