

Upcoming challenges for non-employee forms of engagement and B2B contracts – draft bill extending the powers of PIP

• 5 SEPTEMBER 2025 •

The Ministry of Family, Labour and Social Policy has published long-awaited a draft act expanding the powers of the National Labour Inspectorate [PIP].

Who will be affected?

The new regulations will impact:

- entities engaging individuals under **civil law contracts** (including contracts for specific work and mandate contracts), and
- entities cooperating with independent contractors under a **B2B model** – in particular, self-employed individuals.

Key proposed changed

- **Administrative reclassification power** – PIP will be authorised to reclassify a civil law contract into an employment contract through an **administrative decision** if it determines that the conditions for recognising an employment relationship are met. The decision will be **immediately enforceable**.
- **Retroactive application** – the new rules will also apply to **contracts signed before the new regulations come into effect**, provided that they remain in force. As a result, agreements concluded **before 1 January 2026** may also be subject to inspection and reclassification.
- **Right to appeal** – both the engaging company and the individual classified as an employee will have the right to challenge the decision. However, the appeal period will be **extremely short – only 7 days** from the date of delivery.
- **Data sharing between authorities** – **PIP will obtain information from ZUS (Social Security Institution) and the National Revenue Administration (KAS)**, enabling faster exchange of inspection results and more advanced risk assessments.
- **Higher penalties** – fines for breaches of labour law will **increase significantly**.

Impact on tax and social security duties

A PIP decision reclassifying a contract means that, **from the date of the decision**, the engaging company must **treat the agreement as an employment contract**, with full **tax and social security contribution** obligations.

However, the retroactive effects of such a decision will be **suspended** until:

- the expiry of the appeal period, or
- the final judgment of the court, if an appeal is filed.

What this means for businesses

- The **expanded powers of PIP** may result in a **significant increase in inspections** of employment relationships.
- If PIP **challenges a contractor agreement**, the engaging company may be required to **correct and pay additional PIT, VAT, and ZUS contributions for up to five years retroactively**.
- Not only **mandate contracts and contracts for specific work** will be subject to review – **B2B agreements** will also be scrutinised. Inspectors will evaluate whether contractors truly operate as **independent entrepreneurs** or, in practice, work under the company's supervision.
- With **enhanced data exchange** between PIP, ZUS and KAS, this area is expected to become **one of the most closely monitored** by regulatory authorities.

Act now to safeguard your business and your contractors before the new rules take effect.

In light of the upcoming legislation, the extended powers of PIP, and the current practices of tax and social security authorities, **MDDP** provides comprehensive support to help you **manage employment and contractor relationships with confidence and compliance**.

We can assist you in particular with:

- Assessing risks in **B2B agreements, mandate contracts, and contracts for specific work**, identifying potential areas of concern.
- Reviewing your contractor engagement model and preparing **practical recommendations** to minimise dispute risks.
- Developing **internal procedures and company policies** to reduce the likelihood of PIP or ZUS challenges.
- Preparing your business for **PIP inspections** – including **team training**, compliance checklists, and ready-to-use document templates.
- Representing you in **administrative and court proceedings** in the event of disputes over contract reclassification.

- Providing **tax and social security advisory support**, including preparation of **PIT and ZUS corrections** resulting from PIP decisions.

With our expertise, you can continue running your business with confidence, **reduce the risk of inspections**, and focus on sustainable growth.

In case you are interested in the above information and its impact on your business, please contact:

Ania Misiak

anna.misiak@mddp.pl

+48 500 046 024

[Linkedin](#)

Rafał Sidorowicz

rafal.sidorowicz@mddp.pl

+48 506 788 582

[Linkedin](#)

Agnieszka Telakowska-Harasiewicz

agnieszka.telakowska-harasiewicz@mddp.pl

+48 503 971 849

[Linkedin](#)

or your adviser from MDDP.

This Tax Alert does not provide legal or tax advice. MDDP Michalik Dłuska Dziedzic & Partners spółka doradztwa podatkowego spółka akcyjna is not responsible for the use of the information provided in the Alert without the prior consultation with legal or tax advisers.

#MORE about MDDP: [link](#)

