



Dear Readers,

as usual, we come to you with a selection of the most interesting HR news and topical issues of the past week.

### **INSPECTORS GET POWER TO CONVERT B2B CONTRACTS TO EMPLOYMENT CONTRACTS**

An amendment to the Polish Labour Inspectorate (PIP) Act is being considered. It would grant inspectors the power to transform contracts under the Civil Code into employment contracts if the work performed meets the criteria of an employment relationship. Employers could appeal such decisions to court. These amendments would also address situations where employment contracts are not concluded in writing, requiring written confirmation of terms and conditions.

### **EU REPORT FINDS ISSUES WITH WHISTLEBLOWER PROTECTION IMPLEMENTATION**

A new report by the European Commission (EC) reveals that several member states have incorrectly transposed the Whistleblowers Directive. The report identifies a problematic trend where some countries consider a whistleblower's motive when offering protection. The EC emphasizes that a whistleblower's motive should be irrelevant when it comes to safeguarding them from retaliation.

### **POTENTIAL HEALTH INSURANCE SYSTEM REVAMP COMING IN 2025**

A proposed bill outlines new rules for health contributions starting from 1st January 2025. The aim is to simplify the system and restore the health contributions to its original function of financing sickness insurance. The proposed contributions would be based on annual income, with three tiers: PLN 300, PLN 525, and PLN 700. Additionally, the contributions would be subject to annual adjustments. Notably, the bill proposes that individuals only pay one health contribution, regardless of the number of health insurance titles held. Link to the bill: [here](#).

### **PAYING YOUR ADULT CHILD AS A COMPANY REPRESENTATIVE MIGHT BE TAX-DEDUCTIBLE**

According to a recent interpretation by the Director of the National Tax and Customs Information Office (KIS), appointing your adult child as a company representative with a tax-deductible salary is possible. The justification for the remuneration would be "remaining available to perform their duties." While the KIS approves of this arrangement, they emphasize the importance of a genuine contract with actual work performed and market-rate compensation. Head of KIS's decision no. 0112-KDIL2-2.4011.408.2024.1.IM.

### **POLISH LEFT PROPOSES 9% HEALTH TAX STARTING IN 2026**

The Left Party has proposed replacing the current health contribution with a 9% health tax starting in 2026. This tax would apply to both personal income tax (PIT) and corporate income tax (CIT) payers. For salaried employees and some entrepreneurs, the impact would likely be minimal as the 9% tax would be equivalent to their current contribution. However, the change could significantly affect the payers of flat-rate income tax (podatek liniowy) or flat-rate revenue tax (ryczałt) because a new health tax would have to be paid just as standard taxes. Large CIT payers would be particularly affected by the change.

### **HOT TOPIC: WORKING IN HEAT**

Employers are raising concerns about regulations for working in high temperatures. The need for clear guidelines and concrete measures is emphasized, such as paid exemption from work or reduction of working hours. While solutions in other countries include maximum temperature limits and paid breaks when temperatures exceed a specific threshold, Polish legislation on this issue is still under development. Employers should anticipate the need to implement measures to protect employees from excessive heat.

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### **UPCOMING EVENTS**

- **Webinar: Transparency and equality in employment – a practical guide to pay disclosure directive and ESG reporting** – 23 July, 11:00-11:45, online. More: [here](#).
- **Webinar: Whistleblowers in corporate groups: addressing employer concerns** – 31 July, 11:00-12:00, online. More: [here](#).
- **Let's talk about money: Company cars for personal use and personal cars for company use – a road map** – 1 August 2024, 11:00-11:45, online. More: [here](#).
- **Webinar: How to manage employee internet activity?** - 22 August 2024, 11:00-12:00, online. More: [here](#).
- **HR Lab Gdańsk: Employer today and tomorrow: Whistleblowers and the conflict of company and employee values** - 10 September 2024, 11:00-14:00, Gdańsk. More: [here](#).
- **HR Lab Kraków: Managing employee underperformance and AI in employment** - 27 September 2024, 11:00-14:00, Kraków. More: [here](#).