

# New regulations governing social insurance contributions payable in respect of mandate agreements

January 7, 2015

New rules are due to come into effect as of January 1, 2016 for the payment of social insurance contributions to the Social Insurance Institution (ZUS) in respect of mandate agreements, contracts of agency and other agreements for the provision of services. Under the new rules, social insurance contributions will have to be paid for revenue earned under multiple agreements of the kind referred to above, until the basis for the assessment of these contributions goes up to the minimum wage level. This change is also provided for in the Act of October 23, 2014 on Amendments to the Act on the Social Insurance System and Selected Other Acts.

## Social insurance contributions due in connection with the performance of mandate agreements

Until now persons working under several mandate agreements or other agreements of this kind were free to indicate the agreement for which they would be paying their social insurance contributions. The result often was that contributions were paid for agreements providing for the lowest remuneration.

The new regulations put an end to this practice by setting a minimum basis for the assessment of social insurance premiums. Once these new regulations come into force, the various assessment bases for the various mandate and similar agreements will have to be added up until the aggregate basis reaches the level of the minimum remuneration set for the given year. The same rules will apply if the person working under a mandate or similar agreement is already subject to insurance for other reasons, in which case the contributions will also be paid in respect of the revenue earned under such other arrangements—again, until the said threshold is reached.

## Inspections of the National Labor Inspectorate

As it follows from the information provided in the website of the National Labor Inspectorate (PIP), in 2015 PIP intends to conduct 88 thousand inspections. The purpose of the said inspections is to verify justifiability of conclusion of the civil law contracts and correctness of both conclusion and termination of the employment contracts. PIP is also to verify the observance of provisions governing payment of remuneration and employment of temporary employees.

## Your Key Contacts



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