



Industrial relations and social dialogue
**Poland: Institutions, policies and
practices for enforcing minimum
wage compliance**

[Minimum wages: Non-compliance and
enforcement across EU Member States](#)
[Comparative report](#)

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1. Legal framework and minimum wage enforcement institutions

Regulation of minimum wage enforcement

LEGAL/REGULATORY FRAMEWORK	<p>No specific regulation for the enforcement of Minimum Wage: the issue is regulated by cross-referencing different acts. The Act of 10 October 2002 regulates how minimum wage is set, determines fines for non-compliance and regulates any other issues regarding minimum wage.</p> <p>The Act of 13 April 2007 determines and regulates the activities of the National Labour Inspectorate (NLI).</p> <p>The Labour Code stipulates that the NLI is in charge of monitoring compliance with labour law.</p> <p>Since 2017, the NLI controls that companies respect the hourly minimum wage of workers with civil law contracts.</p> <p>A 2016 amendment to the Public Procurement Act provides that contractors and subcontractors must hire employees under an employment contract.</p> <p>A reform is planned to give new powers to labour inspectors to convert unauthorised civil law contracts into employment contracts.</p>
SPECIFIC REGULATIONS	<p>There is no specific regulation.</p>
DISPUTE RESOLUTION MECHANISMS	<p>Workers can refer the matter to the labour court although this solution is not common as trials are long. Otherwise, the matter can be reported to the NLI. If an officer finds a violation, the employer can be imposed a fine or can be required to compensate the worker. The case can also be referred to the labour court.</p>

Enforcement institutions and coordination system in place

ENFORCEMENT INSTITUTIONS	<p>The NLI is a generalist enforcement institution which supervises and inspects the observance of labour law. It controls companies, provides advice, training and legal counselling, raises awareness and cooperates with trade unions and other institutions. It can compensate the employees, impose fines, refer the matter to the labour court.</p> <p>Labour courts are also involved in MW enforcement and can impose sanctions. Workers can file lawsuits against their employers and labour inspectors can refer cases to the court if they find serious violations.</p>
INTERNAL ORGANISATION	<p>The NLI is composed of a Chief Labour Inspectorate, 16 District Labour Inspectorates (with 42 sub-districts) and the National Labour Inspectorate's Professor Jan Rosner Memorial Training Centre in Wroclaw.</p> <p>Labour courts are organisational units of the district courts.</p> <p>Labour and social insurance courts are organisational units of the district and appeal courts.</p>
COORDINATION	<p>The two bodies operate separately since they have different responsibilities and powers.</p>
MONITORING AND DATA COLLECTION SYSTEM	<p>The NLI is responsible for monitoring and collecting data on minimum wage enforcement. The Inspectorate publishes annual reports on its activities containing data and information on minimum wage enforcement.</p>

Resources and capacity of control/enforcement institutions in charge of MW compliance

FINANCIAL RESOURCES	<p>Increased from PLN 273.59 million in 2012 to PLN 361.10 million in 2020 (+30%)</p> <p>No information on resources specifically devoted to minimum wage enforcement. Assessment: increased, but not adequately, with Government rejecting requests for additional resources or allocating less than requested.</p>
HUMAN RESOURCES	<p>Staff decreased from 2,758 people (including 1,544 inspectors) in 2012 to 2,660 (including 1,486 inspectors) in 2020 (decrease by 3.5% and 3.7% respectively).</p> <p>Assessment: not adequate. The number of tasks has been growing while the number of staff has been decreasing.</p>

2. Enforcement measures

BALANCE BETWEEN DETERRENCE AND PREVENTIVE MEASURES	<p>Activities of the NLI are mainly deterrent, preventive measures are very few.</p> <p>Effectiveness is not high since fines are low and the NLI lacks human resources to carry out an adequate number of inspections. Inspections by request (after a worker's complaint) seem to be the most effective measure.</p>
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Deterrence measures

TYPE OF MEASURE AND CHANGE IN USE IN THE LAST DECADE	<p>Measures adopted: routine inspections; spot checks; inspections by requests; inspections targeted to specific sectors/territorial areas with higher risks of non-compliance; follow up of previous offenders; use of data matching and sharing of information with other authorities; sanctions.</p>
INSPECTIONS AND VIOLATIONS	<p>56,371 inspections related to 'remuneration and other paid benefits' (2020).</p> <p>6,568 inspections regarding the hourly Minimum Wage.</p> <p>Due to the pandemic, this number has decreased (in 2019 there were 73,341 inspections, in 2018 80,194 inspections). The number of inspections is partially adequate as the NLI has limited possibility.</p> <p>Inspections by size of company: inspections tend to focus on SMEs.</p> <p>Inspections by sector: inspections tend to focus on trade and repair; manufacturing; transportation and storage; construction; HORECA.</p> <p>Number of MW violations:</p> <p>11,151 referred to 'remuneration and other paid benefits'; about 1,950 referred to violations regarding the hourly MW (2020).</p> <p>Change over the last decade: the number of violations seems to be stable. In 2020 the number of violations detected declined due to the pandemic and the reduced number of inspections.</p>
SANCTIONS	<p>An employer is liable to a fine between 1,000 PLN and 30,000 PLN, but inspectors may also just order the employers to rectify and pay the wage due.</p>

	<p>The labour inspector may impose a PLN 2,000 fine, while a labour court a fine up to PLN 30,000.</p> <p>Fines are generally low and do not seem to have a deterrent function as they are not differentiated according to the size of the companies.</p> <p>No changes in the last decade.</p>
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Persuasion/preventive measures

TYPE OF MEASURE, INSTITUTION IN CHARGE, CHANGE IN THE LAST DECADE	NLI in general provides advice and counselling, but it is not known how many of these activities focus solely on minimum wage.
ROLE OF DIGITAL TOOLS	<p>Digital tools are used to provide information and collect complaints.</p> <p>The Covid-19 pandemic accelerated their use, decreasing the number of face-to-face counselling sessions while increasing the number of telephone advice, written advice and email.</p>

3. Role of social partners

Social partners

ROLE + FOCUS ON SPECIFIC SECTORS/TERRITORIES /WORKERS	Employers' organisations play a marginal role in minimum wage enforcement. Trade unions do not monitor or collect data, but they give workers advice on their rights and help them reporting to the NLI. Union representatives also collaborate with labour inspectors as they meet at the beginning of inspections and are updated with the results of the inspection. Trade unions have focused in particular on low-paid sectors and/or on sectors where civil-law contracts were abused, e.g. cleaning, security, retail, HORECA, construction.
CHANGE IN LAST DECADE	No relevant change in the role of social partners.
COORDINATION	<p>The Inspectorate cooperates with trade unions, employers' organisations, workers' self-government authorities, workers' councils.</p> <p>The three largest and representative trade unions signed an agreement with the NLI in 2007, while one of the largest and representative employers' organization signed it in 2004.</p>
STRENGTH/ WEAKNESSES	<p>Cooperation between the NLI and trade unions is good both at central level and at company level. Trade unions also intermediate between employees and the NLI to facilitate communication.</p> <p>However, one of the main weaknesses of the system is the marginal role of collective agreements and the marginal involvement of employers' organisations. Furthermore, union density is low and trade unions are rather weak in small companies.</p>

Role of other institutions/stakeholders

OTHER INSTITUTIONS/STAKEHOLDERS	The Inspectorate cooperates with many institutions including the police, Border Guard, the Central Institute for Labour Protection in the context of securing OSH system and legality of employment, employment agencies, local and regional authorities, Social Insurance Office, Tax Office. Cooperation mainly consists in the exchange of information, and the annual reports on the NLI's activities provide information on the number of joint inspections or inspections by request.
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EU cooperation

EXAMPLES OF EU COOPERATION	NLI is engaged in mechanisms at the European level, such as the SLIC, the Platform of Undeclared Work and the European Labour Authority (ELA). NLI also have bilateral agreements with other European countries and foreign labour inspectorates. The NLI also takes part in actions undertaken by ILO.
CHANGE IN LAST DECADE	Both the number of agreements reached with other labour inspectorates and the number of international projects have increased.
STRENGTH/WEAKNESSES	N/A

4. Enforcement challenges, strengths and weaknesses of the enforcement system

MAIN ENFORCEMENT CHALLENGES	The National Labour Inspectorate is understaffed and despite the attribution of more competences its financial resources had not been increased. The legal framework is not consistent and there are gaps in the law. New jobs and new forms of employment also represent a challenge to enforcement.
STRENGTHS AND WEAKNESSES	The main strength of the legal system is the introduction of the hourly MW. The system should be reviewed, pursuing simplification and unification, as it can be difficult to interpret the law. The enforcement system is based on information sharing and cooperation is good although institutions work separately. However, resources are insufficient to carry out tasks effectively. A first attempt to improve the legal system is represented by the establishment of the hourly MW in 2017 to guarantee a stronger protection of workers employed on civil law contracts.

Source: National Eurofound Correspondent for Poland

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