

iGlobal Law 2024 Annual Alert : France

Legal Change	Effective Date	Action required
<p>Sick leave - acquisition of paid leave rights</p> <p>The French Supreme Court confirmed that all types of sick leave, whatever their cause and duration, entitle the employees to acquire the rights to annual paid leave as provided by French law, i.e. 5 annual weeks and 2.5 days per month (subject to additional rights provided in applicable collective bargaining agreements).</p>	September 13 th , 2023	Employees' sick leave must be treated as working time for the acquisition of their annual paid leave rights.
<p>Treatment of mutual termination agreement indemnity ("<i>indemnité de rupture conventionnelle</i>")</p> <p>Mutual termination agreements (MTAs) are subject to a 30% social security employer contribution that goes to the social security authorities. Previously, MTA's were subject to the 20% social security flat rate which is no longer applicable today. This results has resulted in a 10% increase in levies.</p>	September 1 st , 2023	Consider the increase of the cost of a mutual termination agreement before entering negotiations with employees.
<p>Information for employees on fixed-term contracts</p> <p>Employers must inform employees on fixed-term contracts ("<i>CDD</i>") and temporary workers of the list of positions to be staffed under open-ended contracts ("<i>CDI</i>") in the company.</p> <p>The employer has one month from receipt of the employee's request to provide them, in writing, with a list of open-ended positions to be filled in the company that correspond to their professional qualifications.</p>	November 1 st , 2023	Nothing at this stage but respond accordingly to any valid request from employees.
<p>Profit-sharing Bill ("<i>Loi sur le partage de la valeur</i>")</p> <p><u>Companies with under 50 employees</u>: will be allowed to implement voluntarily branch or company-level profit-sharing schemes possibly derogating, including negatively, from the legal profit-sharing calculation formula.</p> <p><u>Companies with 50 employees or more and who have one or more trade union delegates</u>: will be required to negotiate profit-sharing measures in</p>	Publication date has not yet been announced but anticipated in the end of 2023.	Keep an eye on the law to come.

<p>collective bargaining for situations of exceptional profit increases of “exceptional profit increase”.</p> <p>Companies already covered by a profit-sharing agreement at the date of the publication of the law will be required to start negotiations before June 30th, 2024, to define (a) what constitutes an exceptional increase in profits and (b) how it will be shared with employees.</p>		
<p>Profit-sharing bonus (“Prime de partage de la valeur - PPV”)</p> <p>As a reminder, since July 1st, 2022, employers could pay a profit-sharing bonus (“PPV”) to their employees that was exempt from taxes and social security contributions up to a limit of €3,000 per year and per employee (€6,000 if the company was covered by a profit-sharing or incentive agreement), for staff earning up to three times the monthly minimum wage.</p> <p>From January 1st, 2024, to December 31st, 2026, PPV payments will remain free of taxes and social security contributions but only in companies with fewer than 50 employees.</p> <p><u>In companies with 50 employees or more:</u> PPV payments will remain exempt from social security contributions but will be subject to income tax, CSG and CRDS, payroll tax and social security flat-rate tax.</p>	<p>January 1st, 2024</p>	<p>Exemption from taxes and social security contributions for companies with fewer than 50 employees is provided by the « Profit-sharing » Bill so keep an eye of the law to come.</p> <p>Review your existing profit-sharing bonus politic.</p>