

### Territoriality

**Social charges** must be paid where the employee effectively works = **place of work**. Then if the place of work is in France, the employees must be registered in France and social charges are payable in France, at French rates. (Cf: *Main Issues: Social Contributions*)-as per Convention de Rome 19.04.1980.

### The “Déclaration Unique d’Embauche” (DPAE) form

Employers must, before hiring a new employee, fill in a ‘Déclaration Unique d’Embauche’ form via internet - [www2.due.urssaf.fr](http://www2.due.urssaf.fr) - if SIRET Number is available.

The form must be sent within 8 days prior to hiring.

It enables the employer to carry out the procedures to be followed when hiring a new employee in one straight procedure.

### The Work Contract

Upon hiring an employee in France, the employer must draw up a work contract in writing and not orally.

Several clauses must appear in the work contract:

- Identity of parties involved
- Place of Work
- Title and rank of employee
- Starting date and Trial period
- Wage figures and remarks
- Periodicity of the wage
- Work hours to be carried out (daily, weekly or monthly)
- The Collective Bargaining Agreement

### Different Types of Contracts

#### **Short-term Employment Contract (CDD)**

This contract is drawn up in order to conclude a precise and **temporary task and only in the following situations:**

- To replace an absent employee (ex:maternity leave)
- To face a temporary increase in activity
- For seasonal employment
- For the waiting period of the assumption of duties of a new employee

The duration of CDD depends on the type of CDD established.

#### **Permanent Employment Contract (CDI)**

The **most widespread** contract. It is concluded without a fixed end of term. The employer and/or the employee reserve the right to terminate the contract at any given time accordance with the statutory dismissal procedures.

#### **Part Time Contract (possible for CDI & CDD):**

The employee has the same benefits as full-time employees.

### Other formalities to carry out

- Register with the ‘Médecine du travail’ (compulsory medical visits), before the end of the Trial Period.
- Register with Complementary Retirement Scheme, Life Insurance and a Complementary Health Scheme for all their employees.
- Update a Personnel register

### Collective Bargaining Agreement

Unlike in the UK and in most of European countries, the company, depending on its activity, gets an **APE/NAF number** that determines which category of Collective Convention the company must subscribe to.

The Conventions **define the employment conditions** (level of wage, rank coefficient, compulsory bonuses or complementary schemes), as well as the applicable **social guarantees**.

### Employee Categories

Labor and Social Security law distinguishes individuals: **“Cadres” and “Non-Cadres”**.

This distinction is defined in the pre-employment interview in accordance with the level of education, the degree of skills and wage level.

The employer must subscribe for the “Cadres”: a pension and life insurance ; for “Non-Cadres”: a supplementary pension fund. Regarding the life insurance, please refer to the Collective Bargaining Agreement.

### Dismissal

The reasons for dismissal must be real and based on a fact, which is to say:

- Grave Fault (« Faute grave »)
- Very serious misconduct (“Faute lourde”)
- Personal reason (ex: professionn insufficiency or medical reason)
- Economic factor (‘CSP’ form to be filled in)

**Very strict procedures have to be followed. Please feel free to contact us.**

### Specific case of detached employees

Detachment duration is limited to 2 years (A1 form), after this period a special agreement is necessary.

Employers established outside the EU must obtain a work permit for the duration of the period of work in France.

Before the employee starts, the employer established abroad must send the declaration to the territorial unit of “La Direccte” of the place where the service will be performed.

**From the 1st October 2017**, this declaration must be made compulsory via the online reporting tool “Sipsi” on the Ministry of Labor’s website, under penalty of monetary penalty and eventual suspension of the provision of services.

**IF YOU NEED ADVICE OR ASSOCIATED SERVICES: PLEASE CONTACT US!**