

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

This form must be completed and transmitted within 24 hours before hiring via internet www2.due.urssaf.fr. This declaration can not take place only if the SIRET number is available.

The Work Contract

When hiring an employee in France, the employer is obliged to present a paper work contract to his new employee.

Several clauses must appear in the work contract:

- The identity of the parties
- The Collective Agreement of attachment & the hierarchical coefficient of reference.
- The place of work, the title, rank or quality of the employee
- The start date of the work and the duration of the probationary period
- The various elements of the salary
- The periodicity of the remuneration
- Working time: 35 hours or more per week - annual package in days - weekly package in hours ...)

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. Can be a CDD or CDI contract.

Other formalities to carry out

- Register with the ‘Médecine du travail’ (compulsory medical visits), and arrange the first medical visit within 3 months of hiring.
- Register with Complementary Retirement Scheme, Life Insurance and a Complementary Health Scheme for all their employees, compulsory since 1.01.2016
- Maintain a Staff register
- Inform staff of preventive actions related to their position (DURP).

Collective Bargaining Agreement CNN

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**.

Since the merger of the ARRCO AGIRC organisations, the retirement rates for executives and non-executives have been very similar (01.01.2019).

Employee Categories

Labor law in France distinguishes two categories of employees: “**Cadres**” and “**Non-Cadres**”.

This distinction is defined during the pre-employment interview based on the level of education, the level of skills, the level of salary and the position. The corporate benefits may be different within the same company between executive and non-executive employees.

Dismissal

Any reason for dismissal must be real and based on a concrete fact, namely:

- Grave Fault (« Faute grave »)
- Very serious misconduct (“Faute lourde”)
- *Professional insufficiency*
- Economic factor, CSP (professional security agreement) to fill.

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

Specific case of detached employees in Europe

EU Directive 2018/957 of the European Parliament.

Ordinance n ° 2019-116 of 20 02 19-Labor law France.

Detachment duration is currently 24 months-reduction envisaged to 12 months.

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

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 via the SIPS platform.

Mandatory appointment of a representative in France.

Obtaining the A1 form for each detached employee is a mandatory prerequisite prior to any detachment because it certifies the applicable social legislation. Contact the local social security well before the start of the mission abroad.

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