

GMS Flash Alert

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France - Various Social Security Measures (COVID-19)

At a time when many companies have seen their activity drop dramatically due to the COVID-19 crisis, the French government has announced a number of measures to ease companies' cash flow concerns and administrative burdens.

In particular, the government has extended social security contribution payment deadlines and issued a decree on the "partial work" scheme. Other measures include guidelines to disregard the changed working pattern of cross-border workers and access to health care of returning expatriates.

WHY THIS MATTERS

The optional deferral of social security contributions may be welcome relief to some employers, as might the modifications to the partial activity scheme, which has been extended to employees of foreign companies without an establishment in France if the employees are covered by the French social security and unemployment insurance system.

In addition, international coordination of social security laws will alleviate some concerns by providing assurance that the special situation of certain individuals, such as cross-border workers and multistate workers, will be taken into account.

Payment Deferral for Social Security Contributions Payable to URSSAF

Employers that normally pay their contributions on the 5th of the month can postpone all or part of the payment of their employee and employer contributions due on 5 April 2020.¹

Employers whose payment due date fell on the 15th of the month were able to postpone all or part of their contributions due on 15 March 2020.

Payment can be postponed for up to three (3) months and no penalty will be applied.

An agreement is also possible for supplementary pension contributions.

The French government has reminded employers that France's social protection system, and in particular the health-care system, is financed through these contributions and has indicated that it hopes that employers will use restraint and defer the payment of their contributions only when it is absolutely necessary.

Partial Activity Scheme ("Activité Partielle")

The partial activity scheme aims at encouraging employers to temporarily reduce employees' working time and avoid dismissals. It was recently modified by a decree published 26 March 2020² and an Ordinance published 28 March 2020.³

The scheme can be implemented for up to 1,000 hours per year per employee regardless of the industrial sector and activity. Employees are paid an allowance by the employer equal to at least 70 percent of their gross remuneration, i.e., approximately 84 percent of their hourly net salary, and which cannot be less than €8.03 per hour of work.

The employer will in return benefit from a lump-sum allowance which is co-financed by the state and UNEDIC (the organization overseeing France's unemployment schemes) equal to 100 percent of the amounts paid to the individuals up to 4.5 times the hourly minimum wage.

The scheme was extended to employees of foreign companies without an establishment in France with respect to employees who are covered by the French social security and unemployment insurance system.

KPMG NOTE

Companies are advised to seek help in implementing the scheme, as employers must consult their employee representatives (i.e., the Social and Economic Committee (CSE)) and request authorisation from the "Directe" who oversees, amongst others, employment matters at a regional level, within 30 days from the start of the partial activity.

International Social Security Coordination

France's international social security liaison body, the CLEISS,⁴ has published guidance on its website regarding various coordination matters linked to the current COVID-19 crisis.

The aim of the French authorities is to neutralise the effects of confinement measures and the massive use of working from home from a social security perspective.

In particular, the guidance provides assurance that the special situation of many individuals, such as cross-border workers and multi-state workers, will be taken into account and will not result in a change of the applicable social security legislation at EU level.

Special Case of French Residents Working in Monaco

Given the exceptional circumstances, an increase in the time spent by French residents working from home will have no impact and the limitations contained in the Franco-Monegasque Social Security Agreement, which provides that at least 1/3 of working time must be spent actually working in Monaco, are lifted.

Return of Expatriates to France / Access to Health Care

Article 13 of the emergency law to deal with the COVID-19 epidemic published on 24 March 2020⁵ suspended the waiting period (*délai de carence*) of three (3) months for expatriates with no professional activity returning to France from an assignment abroad between 1 March 2020 and June 2020. Returning expatriates during the coronavirus crisis will therefore have access to their health-care system in the same manner as the rest of the French population.

FOOTNOTES:

- 1 The URSSAF is the French social security collection body.
- 2 See (in French) [Décret n° 2020-325 du 25 mars 2020 relatif à l'activité partielle](#) published in the *Journal Officiel* (JORF n°0074 of 26 March 2020) on the Legifrance website. (Decree n° 2020-325 of 25 March 2020 relating to partial activity).
- 3 See (in French) Ordonnance n° 2020-346 du 27 mars 2020 portant mesures d'urgence en matière d'activité partielle published in the *Journal Officiel* (JORF n°0076 of 28 March 2020) on the Legifrance website. (Ordinance n° 2020-346 of 27 March 2020 on emergency measures in matters of partial activity.)
- 4 See the "[Covid-19 et coordination de sécurité sociale](#)" webpage (in French) published by the Centre des Liaisons Européennes et Internationales de Sécurité Sociale (CLEISS).
- 5 See (in French) [Loi n° 2020-290 du 23 mars 2020 d'urgence pour faire face à l'épidémie de covid-19 \(1\)](#) published in the *Journal Officiel* (JORF n°0072 of 24 March 2020) on the Legifrance website. Law n° 2020-290 of 23 March 2020 emergency to deal with the covid-19 epidemic (1.)

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Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG Avocats in France:



Alain Loehr
Partner

Tel. +33 (0)1 55 68 48 32
alainloehr@kpmgavocats.fr



Ann Atchade
Partner

Tel. +33 (0)1 55 68 48
annatchade@kpmgavocats.fr

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