

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 contributions are payable in France, at French rates. (Cf: *Main Issues: Social Contributions*)-as per Convention de Rome 19.06.1980.

The “Déclaration Préalable à l’Embauche” (DPAE /DUE) form

This form must be completed and transmitted online within 24 hours at the very latest, BEFORE starting date to the URSSAF. The SIRET Number (French employer number) has to be available to allow this employment return to be filed online.

The employment Contract

When hiring an employee in France, the employer is obliged to present a French employment contract to his/her new employee. The eventual translation is only issued as information but has no legal recognition.

Several clauses must appear in the work contract:

- The identity of the parties
- The Collective Bargaining Agreement applicable to the company & the hierarchical coefficient of reference.
- The place of work, the title, Status & Job title
- The starting date of work and the duration of the trial period, if there is one : he trial period is not mandatory but highly recommended.
- The various elements of the salary
- The periodicity of the remuneration
- Working time: 35 hours or more per week OR annual package in days OR weekly package in hours ...)

Different Type 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.

BE careful to renewal's conditions and notices.

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 in accordance with the statutory termination procedures (see Focus on different types of termination).

We recommend to set-up a trial period for this type of contract, appropriate to employees' profiles (from 1 to 4 month with the possibility of renewal).

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 Life Insurance & Income protection and a Complementary Health Scheme (compulsory in France since 2016 for all their employees). See MI Group Schemes)
- Maintain a Staff Register.
- Visit to the Occupational Medecine within 3 months of hiring. This visit is carried out by the occupational health doctor or by an occupational health professional whose purpose is to question the employee about his/her state of health.
- Inform staff of preventive actions related to their position (DURP).

Collective Bargaining Agreement = CBA / CCN

The company newly registered as an employer in France will get **APE/NAF number** linked to the sector of activity that normally determines which category of Collective Bargaining Agreement the company must obey.

The CBA/CCN **gives details about the employment conditions** (level of wage, rank coefficient, compulsory bonuses or complementary schemes), as well as the applicable **social guarantees**.

If no CBA is defined by the sector of activity, then the labor code applies.

Employee Categories

Labor law in France distinguishes two categories of employees: **“Cadres”(executive)** and **“Non-Cadres”(Non executives)**

This distinction is defined during the pre-employment interview based on the level of education & Diplomas & seniority in the position, 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 in.

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

Specific case of posted workers in Europe (law 96/71/CE)

Before the employee starts, the employer established abroad must send the declaration to the territorial unit of “La Direccte”(labor inspection) of the place where the service will be performed via the SIPSI platform.

The appointment of a representative in France is mandatory . www.sipsi.travail.gouv.fr

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.

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. The new law (2018/957), which does not cover the road transport sector, has been in force since July 30, 2020, and strengthens the rules laid down by the 1996 law (96/71/CE).