

Apprenticeship tax (“Taxe d’apprentissage”) and Training tax (“Formation professionnelle continue”) have been established by the French government to support vocational training of employees and apprentices.

These taxes are based on salaries, but there are quite different from other payroll taxes:

- they are paid once a year (and not on a quarterly/monthly basis)
- they are paid to Registered Collection Agencies (and not to social funds)
- the payment obligation is part of French tax law (and not of French Social Security law)
- failing to comply with this obligation, the employer would be liable to penalties (100% of the tax amount due) to be paid to the French tax administration (and not to the French Social Security or to any other social fund).

## Payment by the 28th February

Every employer in France has to pay by the 28th February the Apprenticeship tax and the Training tax based on the gross salaries paid during the previous calendar year.

Each tax has to be paid to a Registered Collection Agency (“OPCA” in French), who gathers the funds at company level and distributes them to various schools. Then the Registered Collection Agency will issue a payment certificate (“Reçu libérateur” in French), so that the employer may prove he has fulfilled his obligations.

The company activity determines which Registered Collection Agencies can collect the training tax funds of this company.

*If the employer has had 10 or more employees in France throughout the preceding 3 years, he may pay only part of the training tax to a Registered Collection Agency and use the remainder of the training tax to carry out “direct training actions”: in other words he may use a certain proportion of the training tax budget to pay schools directly for his employees’ courses, etc. Please consult us for more information.*

## Apprenticeship tax

Apprenticeship tax amounts to 0.68% of the gross salaries paid during the previous year.

On the Apprenticeship tax return, the employer may specify which school he would like the funds to be transferred to. The school has to be qualified to receive training tax funds.



## Training tax

Training tax rate depends on the number of employees working in the company and on the collective bargaining agreement applying to the company.

If the collective bargaining agreement does not stipulate specific rates, training tax rate for a company employing less than 10 people is 0.55%.

If a company is under SYNTEC CBA and employs less than 10 employees, training tax rate amounts to 0.65%.

## Use of training budget / subsidy for employees’ courses

When an employer has paid training tax to a Registered Collection Agency, the following year he may request the Agency to finance part of his employees’ training course.

The employer has to submit a preliminary request to his Registered Collection Agency, before the beginning of the course to be financed. The Registered Collection Agency may accept or not to finance the course, depending on the following factors:

- whether the course is eligible for financing by the Registered Collection Agency (for example, a simple “conference” is not eligible) ;
- whether the training budget that the Registered Collection Agency has allocated to the company, based on the previous year tax collection, is sufficient ;
- whether the company can produce the necessary supporting documents, such as a “preliminary training agreement” with the training centre.

Your Chartered Accountant is your best consultant.  
**Don’t hesitate to contact us!**

This information is only a rough summary. It does not cover all the situations nor resume the whole French legislation- which is very intricate. Please contact us for accurate information adapted to your situation. We cannot be held responsible for any misinterpretation of this document. Edition Jun-11