

Insurance for medical expenses

With this insurance, employees will be reimbursed of most of their medical expenses (private practice doctors and pharmacy, hospitalization, optical costs, dental costs, etc), that would otherwise only be reimbursed to a very limited extent by Social Security.

Optional implementation

The health insurance plan is not at all mandatory and is not governed by collective bargaining agreements (contrary to death & disability insurance).

Therefore there is a large choice of possibilities.

Coverage

Each health insurance policy determines to what extent the different kinds of medical expenses will be reimbursed.

A given health insurance policy may reimburse some kinds of expenses comprehensively (e.g. optical costs), while others may be poorly reimbursed (e.g. dental costs).

Therefore it is difficult to compare the coverage offered by the health insurance plans, and to know which one will meet the specific needs of your employees.



Contribution rate and employees' family status

This insurance may benefit the employees' family as well.

There are 2 kinds of contribution rates systems:

- Some health insurance plans have one unique rate for all company employees working in France, whether they are single or not.
- Some health insurance plans have 2 different contribution rates: one for single employees, and one for employees with family.

The "family rate" applies to all employees with family; these employees cannot choose to be covered as "singles".

The same "family rate" will apply to all employees with family, whether the employees have 4 children, or 1 child, or no child but a spouse. It is not proportional.

For a single employee, the rate in this case ("rate for singles") will be lower than with a unique rate plan.

Cost distribution

The health insurance contributions may be supported partly by the employee (up to 50% of the total additional cost) and partly by the employer. It may also be supported entirely by the employer.

The percentage of the employer's contribution to the costs of the health insurance policy should be the same for all the employees (or at least for all the employees of the same category). When the insurance plan stipulates different contribution costs depending on the employees' family status, it is safer to consider that the percentage of cost supported by the employer should be the same, whether the employees are single or not (For example, if the employer pays 50% of the insurance cost for single employees, he should pay 50% of the insurance cost for employees with family).

Same insurance contract for all employees

The same insurance contract has to be applied to all company employees working in France (or at least to all employees belonging to the same category: executives, non-executives, etc.).*

Only “objective categories” may be distinguished. The employer cannot discriminate between single employees and married ones, between young employees and old ones, between engineers and salesmen, between short term contract employees and open-ended contract employees, etc.

Please note that the definition of “objective categories” is not well defined by French employment law; it depends on most recent court ruling, and may vary in the future. Usually the following categories may be distinguished: executive employees and non-executive employees (i.e. an insurance policy may apply only to executive employees).

Moreover, the employer may specify that the health insurance plan will be applicable only to employees with a certain number of months of service within the company (this number of months cannot exceed 12 months).

If the insurance contract is not applied to all employees (e.g. one employee turns down this insurance), then the contribution paid by the employer to the health insurance fund is considered as a fringe benefit for the employees, and results in the payment of additional payroll taxes.

* Except for some rare exceptions during the implementation of the insurance contract.

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

Formalities required for the implementation of a health insurance scheme or for its modification

When implementing a health insurance scheme, the employer must follow the mandatory procedure and fill in the required paperwork.

If the employer wants to change from the scheme in effect to another one, he should be careful to respect French law, to choose a suitable new insurance and to follow the mandatory procedure.

In both cases, please consult us so that we may assist you with the choice and the procedure.

Please note that welfare coverage in France includes also:

- Social Security coverage (basic coverage for sickness, for pension, etc.)
- Unemployment Fund coverage (in case the employee becomes unemployed)
- Pension (for when the employee is retired)
- Death & disability insurance (Provident fund insurance)

