



## LAW / COLLECTIVE AGREEMENT/ EMPLOYMENT CONTRACT:

In most cases, a company depends on a collective agreement depending on its sector of activity.

This agreement makes it possible to know:

- to which pension and/or benefits organisation the employees will be affiliated,
- what the minimum salary for the employee's qualifications is...

## Employment contracts:

It is preferable to establish a written employment contract.

### 2 forms:

- Open-ended contract – CDI (*contrat à durée indéterminée*)
- Fixed-term contract – CDD (*contrat à durée déterminée*), which must be a written contract.

The CDI is the basic contract in France. The CDD can only be used for temporary assignments and in **3 main cases**:

- Temporary surplus activity;
- Replacement of a person temporarily absent;
- Seasonal employment.

### For information:

- A CDD must be a written contract;
- The employment contract of a person of foreign nationality must be drafted in French and in the employee's own language.

## Paid leave:

All employees are entitled to paid leave once they have worked for at least 10 days in the company.

The number of days of paid leave acquired is assessed according to the number of months worked during the reference period (usually 1 June to 31 May).

It is the employer who decides (based on certain rules) the order in which employees can choose to take their holidays.

## Generally:

A minimum of 5 weeks a year.

## Statutory working time:

The statutory working week has been set at a minimum of 35 hours for non executive employees and 5 days for executives (except for specific part-time "piece-work" contracts).

## Time Off In Lieu (TOIL = RTT):

Under certain conditions, overtime can lead to the establishment of TOIL – Time Off In Lieu (RTT – *récupération du temps de travail*).

## Benefits in kind:

Benefits in kind are liable to Social Security contributions and income tax. They may include:

- Provision of personal accommodation
- Meals
- A company car used for personal purposes
- A phone
- Stock options
- Any other personal benefit granted to the employee.

**Don't hesitate to contact your Chartered Accountant for the assessment of these benefits**

## Payslip obligation:

Your accountant will prepare a payslip for your employees every month according to the regulations and laws in force in France.

## Social Security contributions:

These are charged partly to the employer and partly to the employee but are actually paid by the company.

Social security declarations and payment are monthly, quarterly or annual.

Income tax is not deducted at source.

## Some ideas for reducing your employment costs:

Certain subsidies and tax incentives are available for some payroll expenses:

- ① The income tax credit for research can cover payroll expenses for engineers and researchers.
- ② Some training expenses can be reimbursed by social organisations.
- ③ The “gazelle” regime can apply to fast-growing companies (reduced tax and social security).
- ④ Young innovative companies can also benefit from significantly reduced tax and social security.

Employment of a person with a disability and conversion work to make their work station accessible may also attract subsidies.



**Your Accountant is  
your best consultant.**

**Don't hesitate  
to contact us!**