

France

1. Government requirements

Registration requirements

Social security registration

Every French employer is required to have a social security registration. The institution in France responsible for this registration is called the Organizations for the Collection of Social Security and Family Benefit Contributions (URSSAF). There are multiple URSSAF centers in the country. Employers need to register with the organization based on their permanent establishment address. Employers without a permanent establishment in France will be assigned to a specific URSSAF center, wherever their employee's workplace is located in the country. To register and be recorded as a tax collector, employers need to open an account via the dedicated section on the tax administration's website and fulfil the required process.

Tax registration

As of January 2019, French employers are required to withhold income tax from their employees who are French taxpayers. Moreover, each employer needs to make itself known to the French tax administration.

In practice, when a permanent establishment exists, this is the same local tax administration where the employer fulfils its corporate obligations (e.g., value added tax and corporate income tax).

To register and be recorded as tax collector, the employer needs to open an account via the dedicated section of the tax administration's website and fulfil the required steps. The registration needs to be done before the hiring date of the first employee.

Ongoing compliance requirements

Every month, French employers declare all related wages and withholdings to each organization through a unique and concentrated declaration called "déclaration sociale nominative" (DSN).

Excluding a clearly specified exception, all payroll declarations are made via this channel.

DSN is issued monthly, even if it is nil, and the payments are generated on a monthly or quarterly basis depending on the employer's head count.

It is strictly regulated, and the related clarifications, specifications and explanations are available on dsn-info.fr. *

2. Pension requirements

Registration requirements

The pension rights in France are held by two regimes:

- The basic right is held by URSSAF (the organization that covers the social security). No additional administrative requirements are requested for this registration. Once the social security registration is performed, the basic pension rights are registered.
- The complementary right is a compulsory fund, despite its name. It is a pension fund in which a single employer needs to register depending on its activity and location. Each pension fund has its own registration procedure.

Ongoing compliance requirements

The process is the same as the ongoing compliance requirements indicated under section 1 - Tax registration.

3. Employment obligations

Coverages, health and medicine at work

Employees are entitled to several coverages as per the French Labor Law. They are detailed below:

4. Life coverage - Depending on the collective bargaining agreement (CBA) or the status of the employees, life coverage may be required. The legal or CBA disposition that makes this coverage compulsory describes the modalities of setting it up. It is usually up to the employer to choose the life insurance organization that fulfils the best possible legal or CBA dispositions.
5. Health - Since 2016, the health coverage is compulsory for all employees. It does not depend on the activity of the employer
6. Medicine at work - The French Labour Law makes it compulsory for all French employers to ensure that there are no medical restrictions on their employees taking the position they are offered through an employment contract. The registration methodology is not regulated. It depends on each organization.

Employment contract

Any employment contract that does not follow at least one of the dispositions required by the French Labor Law needs to be written as some of them are legally required. These include the following:

- The French common employment contract is full-time and open-term.
- The labor law provides for a minimum wage, which is revised at least once a year.
- The legal duration of work in France is 35 hours a week.

Employees rights

French employees have a certain number of rights. The CBA or company agreement may grant more advantageous rights. Following are some of the main ones that are legal dispositions:

- Annual leave — Annual leaves are granted for five weeks.
- Sick leave — Depending on an employee's seniority, salary may be partially maintained by the employer
- Accident at work — Leaves can be provided in the event of an accident at work.
- Personal life authorized absences — Leaves can be granted for personal reasons as authorized absences.

4. Payroll requirements

Except CBA dispositions that are applicable to some nominative professions, French employees are paid once a month. Payslips needs to be sorted out at the time of each salary payment. They are delivered to French employees on an "opposable" way. It is recommended to set up a secured e-pay slip system, which is strictly regulated by the French Labor Law.

Social declarations are performed and sent to the French Administrations once a month. Related contributions payments are sent to them on a monthly or a quarterly basis, depending on the employee head count. In some cases, such as hiring, sickness or leavers, instant declarations are required.

The complexity of the French Labour Law makes it common to require specialist assistance to handle the payroll, while there is no specific legal requirement to do so.

5. Banking requirements related to payroll

For better control, it is recommended to perform salary payments in EUR under banking transfers. Depending on the level of the social contributions amounts, French payroll rules make it compulsory to process a bank transfer payment. In both the cases, there is no specific constraint on the location of the employer's bank.

Since the application of the income tax withholding in France as of 1 January 2019, the withheld amounts need to be refunded to the French tax administration through direct debit and this is strictly regulated.