**Notion of calculation base of contribution**

The contribution calculation base is referred to as the "base". This is the part of the remuneration on which contributions are deducted. This base of contributions is made up of all the sums and all the advantages attributed in return for or in connection with the work done. In some cases, this contribution base is different from the amount of gross remuneration (CSG-CRDS, social package, flat rate basis). The basis for calculating contributions can never be less than the minimum statutory remuneration, the SMIC, or the conventional remuneration. Note that some contributions are capped. That is to say that beyond a defined limit (the Social Security ceiling), the remuneration is no longer taken into account for their calculation.

The basis for calculating contributions is based on two notions:

* a minimum threshold, generally corresponding to the SMIC (minimum inter-professional growth wage), for all contributions,
* a maximum limit called the ceiling which only concerns certain contributions.

The minimum calculation basis for social security contributions concerns all employees who fall within the scope of the SMIC. This excludes multi-card VRP, all "personnel" who are not employees such as trainees or persons subject to the general social security scheme without having the status of employee in labor law because they are not related to the company by an employment contract (case of certain company managers).

The minimum tax base does not apply to situations where contributions are determined or calculated on a flat-rate basis.

The Social Security ceiling is the limit beyond which the remuneration does not give rise to so-called capped contributions. The ceiling also serves as a reference for calculating the installments on which other contributions or contributions are called (unemployment insurance, supplementary pension, etc.) and for certain benefits. The basis for calculating the unemployment insurance contribution is capped at 4 times the Social Security ceiling. The part of remuneration that exceeds 4 times this ceiling does not support the unemployment contribution.

Contributions due for multi-card VRP are also calculated on a limited basis at 4 ceilings of the Social Security. As the person concerned has several employers, this ceiling is assessed employer by employer and not all remuneration combined.

**The notion of ceiling**

For the calculation of certain contributions, the remuneration of employees is retained only up to an upper limit called the ceiling. Beyond the ceiling, remuneration is no longer taken into account for the calculation of so-called capped contributions. Even if the contributions are paid monthly or quarterly, the amount is calculated for each pay. To allow this calculation, the ceiling is divided according to the periodicity of the payrolls. The ceiling to be used is that corresponding to the time elapsed between two salary payments: a monthly pay corresponds to a monthly ceiling and to a weekly pay, a weekly ceiling. To see the amounts of the ceiling, refer to Rates.

As compensation may vary, regularization is provided. Until 31 December 2016, the regularization of the capped contributions may be carried out gradually, from one month to the next, or at the end of the year. From 1 January 2017, only the progressive regularization remains. Several situations make it necessary to reduce the ceiling: hiring or leaving during the year, unpaid absence extending over a period between two usual payroll periods ...

Similarly, special conditions will apply in the event of irregular pay, partial time, employees with multiple employers ...

**What ceiling to retain?**

Until 31 December 2017, the ceiling to be applied is that in force on the date of payment of salaries. Salary reminders are added to the payroll with which they are paid regardless of the period of work to which they relate.

Exceptions:

* Salary reminders paid after the termination of the employment contract may be linked to the last period of employment, up to the limit of the year of attachment. This solution leads to claiming the capped contributions on the recall only to the extent that the other earnings of the year have not already reached the ceiling of this year.
* Recalls ordered by court order give rise to contributions on the basis of the ceiling and rates applicable to the period to which they relate.
* Companies with up to 9 employees who shift the payroll with attachment to the period of employment may apply the value of the ceiling in force during the period of employment.

As of 1 January 2018, the ceiling applicable to the calculation of social security contributions is that applicable during the period of work for which the remuneration is due. This limit will also be applied to remuneration related to the same payroll due for other periods.

For remunerations of remuneration ordered by court decision, the rates and ceilings in effect during the periods of work giving rise to these reminders are applied (unchanged).

For sums paid after the departure of the employee, the applicable rates and ceilings will be applied during his last working period.

**Incomplete period: entry - exit during the year**

For an employee hired or whose employment contract is broken in the interval of two paydays, a reduced ceiling will apply to take into account his length of presence in the company. For employees who have been in or out during the month, the applicable ceiling is equal to as many as 30% of the monthly ceiling that the employee has been present on calendar days.

Example: for an employee hired on or after May 10, the maximum amount for that month is equal to the monthly limit for the year in question × 22/30.

For the calculation of the annual ceiling, the employer must add the monthly ceilings of each month of presence and the number of 1/30 corresponding to the calendar days of presence for the incomplete months. For an employee entered on May 10th whose contract ends on November 9th, the annual limit is the addition of 3 periods :

* May: monthly ceiling × 22/30
* June to October: 5 monthly ceilings
* November: monthly ceiling × 9/30

**Notice not made**

In the event of dismissal, the actual termination of the employment contract occurs upon expiry of the notice period, whether or not it has been worked. An exemption from notice at the initiative of the employer does not have the effect of advancing the expiry date of the employment contract. The ceiling must be calculated taking into account the length of the notice period.

Example: A dismissal is notified on January 4th. The company exempts the employee from giving his three-month notice, which normally expires on April 4th. The Social Security ceiling for the year will cover the period from 1 January to 4 April (3 x monthly ceiling) + monthly ceiling x 4/30.

**Part-time employee**

For the calculation of employer and employee contributions due for part-time employees whose "full-time equivalent" remuneration is higher than the Social Security ceiling, employers may benefit from a reduced ceiling. Other denominations are possible to designate this possibility: abatement of base, proration of the ceiling part time ...

Employees employed part-time within the meaning of Article L3123-1 of the Labor Code are concerned. Consequently,

* the hours of work of the employee, including overtime, must remain within the limits of the definition of part-time work. It must therefore be lower than either the legal working hours (35 hours per week) or the lower working hours, which is set conventionally by the branch, company or establishment;
* the part-time work contract must be written.

Employees under a flat-rate agreement in days during the year who do not have the status of part-time employees may not be subject to the "part-time tax deduction". Employees are also excluded from the scheme:

* whose base or amount of contributions are determined on a flat-rate basis,
* contributing on the basis of reduced rates or specific rates (performing artists, journalists, models ...),
* temporary employment agencies,
* affected by a reduction in the hours qualifying for partial activity compensation,
* working from home,
* paid at the tip.
* Employees who work regularly and simultaneously on behalf of several employers are already subject to a ceiling pro rata taking into account the remuneration paid by each of them. In theory, the reduced ceiling for part-time does not apply. Unless the employer has opted to apply this device in lieu of the "multiple employer" ceiling pro rata.

**Principle of calculation**

The basis for calculating the capped contributions is reduced in proportion to part-time pay compared to full-time pay:

(part-time salary × ceiling of the periodicity of the payroll) / full-time salary.

In order to calculate the allowance, account must be taken of the remuneration that the employee would have received if he had been employed on a full-time basis. For this are taken into account:

* all the elements entering into the base of the Social Security contributions,
* the duration of the work which must not exceed the legal duration or, if it is lower, the contractual duration fixed by the branch or company, or the duration applicable in the establishment. This duration must be expressed in hours.

The formula for calculating the full-time earnings of a part-time employee is:

Part-time earnings x [legal period (1) / number of hours paid for the same period]

(1) or, if it is lower, conventional term or duration applicable in the establishment.

The tax deduction for part-time work must be practiced at each pay and not at the end of the year. The employer may gradually adjust the contributions from one pay to the other, taking into account the combined remuneration of the part-time position and the full-time salary. It can also make an annual adjustment of contributions.

**Periods of full time and part time in the same year**

The capped calculation base is determined by totaling the applicable ceilings during each period.

Example: from January to June, full time then 28 hours from July 1st:

* from January to June: monthly ceiling × 6
* from July to December: [(monthly ceiling × reduced time salary / full time salary) × 6]

**Accumulation with other devices**

In particular, the base allowance may be applied at the same time as the general reduction.

**Possibility to contribute to the full-time salary for old-age insurance**

Part-time employees may, if they so wish and subject to the agreement of their employer, request that their old-age insurance contributions be calculated on the basis of their full-time equivalent salary. This allows them to neutralize the effects of a part-time activity on the future amount of their retirement. This option for the calculation of old-age pension contributions on full-time remuneration leads to the renunciation of the application of the ceiling.

The old-age pension supplement is assigned the standard staff code 288.

**CSG-CRDS contribution**

The general social contribution (CSG) is a tax intended to participate in the financing of social protection. Unlike social security contributions, which cover only business income, the CSG covers, in addition to income from activity and replacement (unemployment benefits, daily allowances, etc.), income from property, investment income or are engaged or redistributed by the games. It is deducted at source from most income. It is recovered by the Urssaf on income from activity and by the tax authorities on income from the assets.

The product of the CSG is donated to CNAM and CNAF, it also finances the old age solidarity fund.

CSG and CRDS are payable by all employees who fulfill both of the following conditions:

* they are domiciled fiscally in France,
* they are dependent on a French statutory health insurance scheme.

If one of the two criteria is not fulfilled, the CSG and the CRDS are not due, provided to prove it (tax proof or social insurance card).

**The CSG-CRDS calculation base**

The basis for calculating these two contributions is wider than that of Social Security contributions. The CSG and the CRDS are calculated on all elements subject to social security contributions as well as on the elements below:

* employers' contributions financing supplementary retirement and supplementary pension benefits, other than those paid into mandatory supplementary retirement plans,
* retirement benefits, dismissal or voluntary departure under a social plan, for the part which exceeds the conventional or legal amounts,
* bonuses linked to the participation and profit-sharing of employees in the results of the enterprise.
* Specific flat-rate deductions for professional expenses for certain professions are not applicable for the calculation of the CSG and the CRDS. Employers must base these contributions on salary before lump sum deduction.

CSG and CRDS are also due on replacement income:

* retirement and disability pensions,
* unemployment and early retirement benefits.

Unemployment and early retirement benefits, as well as retirement and disability pensions, may be exempt from CSG-CRDS or subject to a reduced rate depending on the resources of the beneficiary.

**Deduction for professional expenses**

For the calculation of the CSG-CRDS, a deduction for professional expenses of 1.75% is applicable. The CSG and the CRDS are therefore calculated on 98.25% of income falling within the scope of the abatement, including wages and bonuses attached to wages or unemployment benefits. This allowance is applicable to the fraction of the remuneration which does not exceed 4 times the annual ceiling of the Social Security. In addition, the CSG and the CRDS are calculated on 100% of the remuneration. This allowance is not applicable when contributions are calculated on a flat-rate basis. Some revenues do not benefit from the reduction of CSG-CRDS.

**Lump sum bases**

In certain situations, special provisions apply directly to the calculation base or the contribution rate. The most common form of these devices is that of the so-called "flat-rate" base. It has the effect of differentiating the basis chosen for the application of the rate of contributions by the amount of the real gross remuneration.

Lump sums used as a basis for calculating contributions and contributions may be applied in particular for:

* employees engaged in an accessory and non-sporting activity in an approved youth and popular education association,
* pupils in education who participate, for remuneration, in studies carried out by an association of students of an educational nature,
* sportsmen and certain employees of sports associations,
* persons recruited on a temporary and non-voluntary basis, to devote themselves exclusively to holiday centers - leisure centers for minors and family holiday homes, to supervision during school holidays and professional holidays,
* the bearers of the press,
* independent home sellers who are not registered in the commercial register or in the special register of commercial agents,
* occasional trainers,
* the trainees,
* hotel staff, cafes, restaurants paid only for tips,
* ...

**Contribution deductibles**

The flat rate base can be combined with a non-contributory and contributory measure called a "deductible". This is the case for remuneration paid on the occasion of sports events giving rise to competition when several conditions are cumulatively fulfilled.

It is also the case of the sums paid to the trainees (bonuses, benefits in kind ...) which are not subjected to contributions within the limit of the product of a percentage of the hourly ceiling of Social Security by the number of hours performed in an internship.