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France: Employers obligation to support redundant employees

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France

Phase:

Management

Type: Employers obligation to support redundant employees

Last modified: 22 March, 2023

Native name:

Code du travail Avenant n°5 du 8 janvier 2020 à la Convention du 26 janvier 2015 relative au contrat de sécurisation professionnelle

English name:

Labour Code Amendment n ° 5 of January 8, 2020 to the Agreement of January 26, 2015 relating to the professional employment security contract

Article

Employment security plan (plan de sauvegarde de l'emploi, PSE) : L.1233-57 to L.1233-57-8, L. 1233-61 to L. 1233-64; Professional employability agreement (contrat de sécurisation professionnelle, CSP): L. 1233-65 to L.1233-70; Redeployment leave (congé de reclassement): L. 1233-71 to L.1233-76, R. 1233-17 to R.1233-21; R. 1233-22 to R. 1233-36

Description

Employment security plan (plan de sauvegarde de l'emploi, PSE)

Companies employing 50 staff or above and planning to dismiss at least 10 employees over a 30-day period have to determine the content of a so-called employment security plan either by negotiating a collective agreement or by the employer's unilateral decision. The aim of this plan is to avoid or limit the number of redundancies and assist employees in finding new employment, for instance through redeploying employees internally or externally, the creation of new jobs or the provision of training.

The employment security plan has to be approved by the regional employment authority (PES) on the basis of whether or not the tools provided to limit dismissals are sufficient. Any employment security plan must also include methods to monitor to what extent the proposed measures are implemented. The monitoring is subject to regular and detailed information and consultation with employee representatives. In addition, the regional employment authority plays a crucial role in monitoring the implementation of the PSE.

Redeployment leave (congé de reclassement)

An employer with more than 1,000 employees planning to announce redundancies is obliged to offer each affected employee a redeployment leave to avail of redeployment, retraining and reskilling opportunities or a job search programme. These services are provided by a re-employment unit ('cellule d'accompagnement'), which is generally staffed by external consultants and trained professionals. The redeployment leave runs at the same time as the notice period, and it lasts a minimum of 4 months and a maximum of 12 months (the period previously being between 4-9 months). For the duration of the notice period, the employee receives full pay, without being expected to fulfil their contractual duties. This reemployment leave is to be taken during the notice period and employees continue to receive remuneration. The law allows the suspension of the reemployment leave so that the employee can work for short periods under fixed-term or temporary contracts. In case the redeployment leave exceeds the contractual notice period, the employee receives an allowance of 65% of the last average gross wage based on the last 12 months' remuneration, or 85% of the index-linked minimum growth wage. The employer does not pay social contributions on this amount as it is not considered a salary; however, some social charges are to be paid, namely the Contribution Sociale Généralisée or CSG (0.5%) and the Contribution au Remboursement de la Dette Sociale or CRDS (6.2%). Furthermore, the State supports 50% of the allowance during the first 10 months.

Professional employability agreement (contrat de sécurisation professionnelle, CSP)

If the company does not meet the criteria to provide for reemployment leave, a Professional employability agreement has to be put in place entitling employees to personalised redeployment services (for example, skills assessment, retraining or support for business creation/takeover) provided by the French public employment agency for up to 12 months. During this period they receive an allowance, amounting to 75% of their basic daily wage. If at the end of the 12-month period the employees are still seeking durable employment, they will be entitled to unemployment indemnities (Allocation d'Aide au Retour à l'Emploi - ARE allocations). If employers fail to offer this redeployment scheme to all employees who are about to be dismissed for economic reasons, they are liable to pay to the public employment agency a specific contribution corresponding to 2 months of gross salary or 3 months of gross salary if the employee agrees to avail of the CSP offered directly by the public employment agency. Furthermore, if the company is facing serious difficulties (for instance bankruptcy), the government may intervene via the national employment fund aiming at workers' redeployment.

Comments

According to DARES (2020), the 2015 reform fostered the return to employment of CSP beneficiaries: within 24 months after joining the scheme, 67% of the beneficiaries of the '2015 CSP' became employed, compared with 62% under the previous regulation. This acceleration in access to employment is more marked in the first ten months of the scheme, a period during which the job seeker can, since 2015, obtain the payment of a redeployment grant if he or she finds sustainable employment. Those positive assessments explain the extension of the measure decided by social partners up to June 2021 (Amendment n° 5 of January 8, 2020 to the Agreement of January 26, 2015 relating to the professional security contract).

According to DARES (2019), in 2017, 143,900 people registered at Pôle Emploi following a dismissal for economic reasons, representing a decrease of 12% compared to 2016.

According to DARES (2016), in 2014, 175,500 people were registered with Pôle Emploi (the French Unemployment Authorities) after dismissal for economic reasons (8% less than in 2013). Almost two out of three signed a professional employability agreement (contrat de sécurisation professionnelle - CSP). In 2014, 728 employment security plans were implemented. 39% of these plans result from the validation of an agreement concluded between the company and the trade unions (the rate amounts to 50% if cases of liquidation or receivership are excluded).

Cost covered by

Employer
National government

Involved actors other than national government

Employer organisation
Public employment service
Trade union

Thresholds










Company size by number of employees:

50

Number of affected employees:

10

Sources

-  [Labour Code](#)
-  [Governmental website \(Contrat de sécurisation professionnelle \(CSP\), in French](#)
-  [Governmental website \(Congé de reclassement\), in French](#)
-  [Ministry of Labour website \(Licenciement économique : plan de sauvegarde de l'emploi - PSE\), in French](#)
-  [Clauwaert, S., Schömann, I., Büttgen, N. and Rasnača, Z. The crisis and national labour law reforms: a mapping exercise. Country report: France Last update: October 2016](#)
-  [ERM Restructuring Supports Instruments Database: Redeployment leave](#)
-  [DARES \(2016\) Les dispositifs publics d'accompagnement des restructurations en 2014, Dares Résultats 2016-003](#)
-  [DARES \(2019\) Les dispositifs publics d'accompagnement des restructurations en 2017, Dares Résultats 2019-039](#)
-  [Avenant n°5 du 8 janvier 2020 à la Convention du 26 janvier 2015 relative au contrat de sécurisation professionnelle](#)

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