

DEFINITIONS & LEGAL GROUND :

« **PREVOYANCE** » : *this insurance contract includes income protection, critical illness & Life insurance all together. This insurance aims at compensating financially both the employee or/and his/her family in case incapacity or death.*

The Legal ground concerning the obligation for the employer to cover this risk is based on the following main regulations :

- Insurance LAW (Code des Assurances) : titre IV , and in particular article L 141-1
- Evin LAW dated 31 Décembre 1989
- Sectorial agreements and Collective Bargaining agreement including the one applicable for Senior positions(CADRES) imposing a minimum contributions at 1.5 % on Gross income Band A.

« **MUTUELLE** »: **Complementary Health Insurance covering medical costs when not reimbursed by the National Health Organization called Sécurité Sociale or CPAM in France. Some contracts also cover the whole family.**

The Legal ground concerning the obligation for the employer to cover this risk is based on the following main regulations :

- National agreement for the private sector : Accord National Interprofessionnel (A.N.I) dated 11 Janvier 2013
- Law dated 14 Juin 2013 relating to conditions of Employment.
- Decree n°2014-1374 dated 18 Novembre 2014 relating to the so called « Contrat Responsable » defining employer's liabilities.
- Sectorial agreements and Collective Bargaining agreement

ENFORCEMENT :

From 1st of January 2016, all private companies, irrespective of their size or sector of activity - will have to provide Group schemes for :

- Prevoyance and
- Complementary Health Insurance (Mutuelle)

These benefits will have to be made available to each employee whatever is their status, or seniority .**The cost can be shared between employer & employee with a minimum 50 % payable by the employer.**

An internal formal agreement called **DU (Déclaration Unilatérale)** will have to be drafted and communicated to the employees to clarify the new Law and the way the company is enforcing the Law internally. All employees will have to sign the remittance list in order to confirm they have received this DU. In this document, the employer will have to specify who is affected by the Law. For example are new employees included during their probation period ?

WARNING : *if the employer does not put in place these Group Scheme, it will be the financial liability of the employer to compensate to the employee and to their Family up to a minimum of 3 years' salary in the event of death or illness ! Please check that the contracts are in place carefully each time a new employee joins.*

Foreign firms having isolated employees in France under status **RFE & Representative offices**, can get quotations only from the following two Insurance companies : **AXA OR Humanis ESEF ex TAITBOU**

Stable establishments, such as subsidiaries, branches or any other types of French companies (SARL/ SAS/SA) must firstly check their Collective Bargaining Agreement (**CBA**) in order to find out which Insurance company has been nominated . If this is no such nomination, any existing Insurance company can be contacted in order to obtain quotations.

APPLICABLE CONTRIBUTIONS :

Contributions relating to Prevoyance & Mutuelle schemes are due to be paid at the same time as other contributions such as URSSAF, POLE EMPLOI & PENSION, on a quarterly basis.

- The Prevoyance contributions are calculated on the total gross salary divided into thresholds A /B/ C
- The Mutuelle contributions are calculated on a set basis called PMSS or Threshold A , whatever is the gross salary amount. **PMSS/TA is equal to 3218 Euros in 2016.**

| <u>Reminder :</u> | TA | TB | TC |
|-------------------|------------|-------------|-------------|
| 2016 | 3218 Euros | 12872 Euros | 25744 Euros |

RATES :

Prévoyance: Rates are based on the status of the employee (cadre or non-cadre), on age, on medical profile (medical questionnaire to be completed)and on CBA. The exact share of costs between employer and employee should be selected for Threshold B & C.

Ex for CBA 3018 IDCC 1486 SYNTEC (AXA quotation)

| | Non Cadres : | Cadres |
|----|--------------|------------|
| TA | 0.70 % | 1.50 % |
| TB | 1.08 % | 2 / 2.15 % |
| TC | 1.08% | 2 / 2.15 % |

Mutuelle: Rates are based on the scheme choosen (minimum dictated by Law OR additional reimbursement for dental, optical problems...The average age and the number of individuals joining the scheme may also affect the contribution rates. Whatever the gross salary, the scheme is calculated with the PMSS basis (3218 Euros 2016)

Ex for CBA 3018 IDCC 1486 SYNTEC (AXA quotation)

For a minimum level of reimbursement set by Law « Mini scheme», for an average age being less than 40, including children, we obtained a rate of 1.87 % of the PMSS. Cost to be shared between employer & employee.

EXEMPTIONS to join the company MUTUELLE

- Employees benefiting from ACS or CMU-C schemes,
- Employees already benefiting from a company MUTUELLE eventually thanks to their spouse. **Note that old contracts should be amended by the 31st Dec 2017.**
- Employees already covered by their own Complementary Health scheme must transfer to the company Mutuelle Year 2.
- Employees under a short term contrat are affected differently, depending on the length of contract and so this should be checked.
- .../...

Employees who may be exempt have to inform their employer and confirm that they have chosen not to join the Health scheme when signing the DU. These employees will also have to confirm that they are well covered by the exemption. URSSAF may make unannounced checks, and so it is important to follow up the full procedure carefully.