

# Main issues

## Territoriality

**Social charges** must be paid where the employee effectively works = **place of work**. Then if the place of work is in France, the employees must be registered in France and social charges are payable in France, at French rates. (Cf: *Main Issues: Social Contributions*) - as per Convention de Rome 19.04.1980.

## The "Déclaration Unique d'Embauche" (DPAE) form

Employers must, before hiring a new employee, fill in a 'Déclaration Unique d'Embauche' form via internet - [www2.due.urssaf.fr](http://www2.due.urssaf.fr) - if SIRET Number is available.

The form must be sent **15 days prior to the starting date or at the latest 1 day before starting work**.

It enables the employer to carry out the procedures to be followed when hiring a new employee in one straight procedure.

## The Work Contract

Upon hiring an employee in France, the employer must draw up a work contract in writing and not orally.

Several clauses must appear in the work contract:

- Identity of parties involved
- Place of Work
- Title and rank of employee
- Starting date and Trial period
- Wage figures and remarks
- Periodicity of the wage
- Work hours to be carried out (daily, weekly or monthly)
- The Collective Bargaining Agreement

## Different Types of Contracts

### **Short-term Employment Contract (CDD)**

This contract is drawn up in order to conclude a precise and **temporary task and only in the following situations**:

- To replace an absent employee (ex: maternity leave)
- To face a temporary increase in activity
- For seasonal employment
- For the waiting period of the assumption of duties of a new employee

The duration of CDD depends on the type of CDD established.

### **Permanent Employment Contract (CDI)**

The **most widespread** contract. It is concluded without a fixed end of term. The employer and/or the employee reserve the right to terminate the contract at any given time accordance with the statutory dismissal procedures.

### **Part Time Contract (possible for CDI & CDD):**

The employee has the same benefits as full-time employees.

## Other formalities to carry out

- Register with the 'Médecine du travail' (compulsory medical visits), before the end of the Trial Period.
- Register with Complementary Retirement Scheme, Life Insurance: **compulsory for 'cadres' by law** (for 'non-cadres' refer to the Collective Bargaining Agreement) and Complementary Health Scheme - *from 01.01.2016, employers will be required to establish a Complementary Health Scheme for all their employees ("Cadres" & "Non-Cadres")*
- Update a Personnel register

## Collective Bargaining Agreement

Unlike in the UK and in most of European countries, the company, depending on its activity, gets an **APE/NAF number** that determines which category of Collective Convention the company must subscribe to.

The Conventions **define the employment conditions** (level of wage, rank coefficient, compulsory bonuses or complementary schemes), as well as the applicable **social guarantees**.

## Employee Categories

Labor and Social Security law distinguishes individuals: **"Cadres" and "Non-Cadres"**.

This distinction is defined in the pre-employment interview in accordance with the level of education, the degree of skills and wage level.

The employer must subscribe for the "Cadres": a pension and life insurance ; for "Non-Cadres": a supplementary pension fund. Regarding the life insurance, please refer to the Collective Bargaining Agreement.

## Dismissal

The reasons for dismissal must be real and based on a fact, which is to say:

- Grave Fault (« Faute grave »)
- Very serious misconduct ("Faute lourde")
- Personnel reason (ex: professional insufficiency or medical reason)
- Economic factor ('CSP' form to be filled in)

**Very strict procedures have to be followed. Please feel free to contact us.**

## Specific case of detached employees

Detachment duration is limited to 2 years (A1 form) renewable up to 5 years - art. 17 from CEE regulation N°1408/71 (subject to prior authorization by the competent authorities of the two states involved).

The detached employee has to prove a minimum of 6-month experience within the company. Above it, he will have to demonstrate specific skills & be a current employee of the firm, without having his work contract ever ended with the latter.

**IF YOU NEED ADVICE OR ASSOCIATED SERVICES: PLEASE CONTACT US!**

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