

NEW YEAR, NEW ACTIONS TO BE TAKEN:

What's changing regarding
French labour law in 2020



KEY FIGURES AS OF 1 JANUARY 2020:

- **EUR 10.15:** amount of the gross hourly minimum wage from 1 January 2020 (D. n°2019-1387, 18 December 2019¹).
- **EUR 3,428:** monthly social security ceiling for 2020, i.e. an annual ceiling of EUR 41,136 (D. 2 December 2019²). The social security ceiling is a reference amount taken into account when calculating the maximum amount of certain social benefits (e.g. daily allowances for sickness, accident at work, maternity, paternity, invalidity pensions, etc.).
- **EUR 171:** max amount for vouchers and gifts granted by the new employee representative body called the "Social and Economic Committee" ("CSE") for 2020 exempt from social security contributions (D. 2 December 2019³). This means that employers do not pay social security contributions on gift vouchers offered to employees by the CSE up to a maximum of EUR 171 per employee.

MAIN FRENCH NEWS IN 2020:

- The new French employee representative body called the CSE has now replaced the current "Employee Delegates" ("Délégués du Personnel") in companies with at least 11 employees and the three bodies, "Employee Delegates", "Works Council" and "Health, Safety and Working Conditions Committee" in companies with at least 50 employees.
- Introduction of a **EUR 10 TAX TO BE PAID BY EMPLOYERS FOR EACH FIXED-TERM EMPLOYMENT CONTRACT** concluded as from January 1st, 2020 (Art. 145 of Act n° 2019-1479, 28 December 2019⁴). Exceptions are provided by the law for certain sectors of activity (in particular for employment contracts concluded by film production firms, entertainment companies, etc.) and for professional insertion contracts (i.e., specific employment contracts to promote the recruitment of certain categories of unemployed persons such as people experiencing social difficulties, elderly employees, etc. Moreover, this tax does not apply to sectors of activity covered by an extended collective bargaining agreement.
- Possibility of concluding "**MULTI-REPLACEMENT FIXED-TERM EMPLOYMENT CONTRACTS**" ("*CDD multi-remplacement*") on an experimental basis and in certain sectors of activity (D. n° 2019-1388 18 December 2019⁵). This new employment contract allows the employer to conclude a single fixed-term contract for the replacement of several absent employees. Sectors concerned include the food industry, collective catering and wholesale retail trade. The experiment is scheduled to run until 31 December 2020.
- Appointment of **A SEXUAL HARASSMENT CONTACT PERSON AND A DISABILITY CONTACT PERSON IN COMPANIES WITH AT LEAST 250 EMPLOYEES** (D. n° 2019-1388 18 December 2019⁶). These contact persons are appointed by the employer from among the company's staff who are experienced in occupational health and safety issues.

TO GO FURTHER... :

- **REFORM OF FRENCH CIVIL PROCEDURE:** much awaited by lawyers, the entry into force of the reform of the French Code of Civil Procedure (D. n° 2019-1333, 11 December 2019⁷) has given rise to many questions in social matters, in particular concerning the referral of cases to the Labour courts and the provisional enforcement of their decisions. **WE LOOK FORWARD TO DISCUSSING THIS FURTHER IN OUR FEBRUARY NEWSLETTER!**
- Creation of the "**JUDICIAL COURT**" ("*Tribunal Judiciaire*"), a single jurisdiction merging the current first level of jurisdictions courts, (i.e. Tribunaux d'Instance and Tribunaux de Grande Instance) (Act n°2019-2222, 23 March 2019⁸).

¹ <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000039638018&categorieLien=id>

² <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000039440180&categorieLien=id>

³ <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000039440180&categorieLien=id>

⁴ <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000039683923&categorieLien=id>

⁵ <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000039638033&categorieLien=id>

⁶ <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000039638033&categorieLien=id>

⁷ <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000039480084&categorieLien=id>

⁸ <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000038261631&categorieLien=id>

MAIN DEVELOPMENTS TO BE RETAINED REGARDING FRENCH LABOUR LAWS FOR 2020:

- **NEW VERSION OF THE “EXCEPTIONAL PURCHASING POWER BONUS”** (“*Prime exceptionnelle de pouvoir d’achat Macron*”): now reserved for companies that have previously entered into a voluntary profit-sharing agreement (Act n° 2019-1446, 24 December 2019⁹). The bonus will still be exempt from all social security contributions and income tax up to a maximum of EUR 1,000 and will benefit all employees present in the company at the time of its payment and having a remuneration over the last 12 months, less than three times the annual amount of the annual gross minimum wage.
- **EXTENSION OF THE EXEMPTION FROM EMPLOYER’S CONTRIBUTIONS APPLICABLE TO YOUNG INNOVATIVE COMPANIES** for companies to be created until 31 December 2022 (Act n°2019-1479, 28 December 2019¹⁰).
- **MANDATORY COLLECTIVE BARGAINING NEGOTIATION** on professional equality between men and women and quality of life at work: for companies with at least 50 employees on the same site, addition of the **TOPIC RELATING TO MEASURES AIMED AT IMPROVING THE MOBILITY OF EMPLOYEES BETWEEN THEIR PLACE OF HABITUAL RESIDENCE AND THEIR PLACE OF WORK** (Art. L. 2242-17, 8° of the French labour Code¹¹).
- **CALCULATION OF THE ANNUAL NUMBER OF EMPLOYEES**: now corresponds to the average number of persons employed during each month of the previous calendar year, including for legal entities with several establishments (Art. L. 130-1 of the French Social Security Code¹²).
- **HARMONISATION OF EMPLOYEE THRESHOLDS:**
 - **METHOD TO CALCULATE EMPLOYEE’S THRESHOLDS**: under French labour law, different method of calculation of employee’s thresholds were in force (i.e., 11 employees over the last 12 months, 50 employees over 3 consecutive years). As from January 1st, 2020 the rule is now common for certain obligations: in the absence of any legislative provision to the contrary in the Labour Code, the Social Security Code now provides that the crossing of an employee threshold upwards or downwards is now taken into account over **FIVE CONSECUTIVE CALENDAR YEARS** (Art. L. 130-1 II of the French Social Security Code¹³). However, certain exceptions to be considered, such as for setting up the CSE (i.e., when the company’s workforce reaches 50 employees for 12 consecutive months).
 - **OBLIGATION TO INTRODUCE “INTERNAL RULES OF PROCEDURE” (“RÈGLEMENT INTÉRIEUR”) FOR COMPANIES WITH AT LEAST 50 EMPLOYEES** for 12 consecutive months, which is an increase on the previous threshold of 20 employees (Art. L. 1311-2 of the French Labour Code¹⁴).
 - **COMPULSORY EMPLOYER CONTRIBUTION TO THE PROFESSIONAL TRAINING ACCOUNT (“Compte Personnel de Formation”) IN COMPANIES WITH AT LEAST 50 EMPLOYEES** (Art. 11 and 155 of Act n°2018-771, 5 December 2018¹⁵). This is a personal account for each employee, which enables him/her to accumulate hours of training financed by his/her various employers throughout his/her working life. The employee is free to use these hours in order to attend qualifying training.

⁹ <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000039675317&categorieLien=id>

¹⁰ <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000039683923&categorieLien=id>

¹¹ https://www.legifrance.gouv.fr/affichCodeArticle.do?sessionId=3DEEC4F564F3D32BD0D822D9906132DF.tplgfr28s_3?idArticle=LEGIARTI000039785096&cidTexte=LEGITEXT000006072050&categorieLien=id&dateTexte=

¹² <https://www.legifrance.gouv.fr/affichCodeArticle.do?idArticle=LEGIARTI000038610270&cidTexte=LEGITEXT000006073189&dateTexte=20200101>

¹³ <https://www.legifrance.gouv.fr/affichCodeArticle.do?idArticle=LEGIARTI000038610270&cidTexte=LEGITEXT000006073189&dateTexte=20200101>

¹⁴ <https://www.legifrance.gouv.fr/affichCodeArticle.do?idArticle=LEGIARTI000025578835&cidTexte=LEGITEXT000006072050>

¹⁵ <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000037367660&categorieLien=id>