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# France

## Company

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### **Tax measures (deferrals, reductions)**

- Companies can request from their tax office deferral, without penalty, of their next instalments of direct taxes (corporate income tax and payroll tax).
- If companies have already paid these taxes for March 2020, they can either oppose the Single Euro Payment Area (“SEPA”) direct debit at their bank or request a refund from their tax office.
- Self-employed workers can vary the rate and instalments of withholding at source at any time. They can also defer the payment of withholding at source instalments on their professional income.
- It is possible to suspend monthly payments of corporate real property tax (the so-called “CFE”) or land tax. The remaining amount will be deducted from the balance without penalty.

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### **Social Security measures (deferrals, reductions)**

- Companies with 50 or more employees whose URSSAF due date falls on the fifth of the month were entitled to defer all or part of the payment of their employee and employer Social Security contributions which were due on 5 May 2020, for up to three months. A deferral was also possible for supplementary retirement benefit contributions which were due on 25 May 2020. No penalties will be applied in relation to these deferrals.
- Companies with fewer than 50 employees whose URSSAF due date falls on the 15th of the month were also entitled to defer all or part of the payment of their employee and employer Social Security contributions which were due on 15 May 2020, for up to three months.
- For self-employed workers, Social Security contributions that were due on 20 March 2020, 5 April 2020, 20 April 2020, and/or 5 May 2020 have not been levied and will be deferred until later deadlines. Social Security contributions due on 20 May 2020 will also not be levied. Self-employed workers may also request, in relation to their Social Security contributions: (i) payment extensions; (ii) an adjustment of their contribution schedule; (iii) the intervention of social action (i.e. payment by the URSSAF of part or all of the contributions due (as a last resort only)); or (iv) the allocation of exceptional financial aid.

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### **Profit sharing schemes**

- The payment deadline for mandatory and voluntary profit sharing schemes has been extended from 30 April 2020 until 31 December 2020.
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# France

## Employer

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### **Sick pay (eligibility, obligations to pay, recovery from Government)**

- Individuals who: (i) are suffering from COVID-19 (including employees and self-employed persons); (ii) have been quarantined due to actual or potential contact with COVID-19; or (iii) are staying at home or unable to work due to the quarantine of their child (where the child: (a) is under 16 years of age or (b) has a disability), may be eligible for daily sickness benefits (without a waiting period).
- In addition to the indemnities paid by the French Social Security, employees who are subject to a “work stoppage” due to COVID-19 (i.e. unable to work because they have been infected with COVID-19) are entitled to additional compensation from their employer, to compensate them for any loss of salary. A decree of 16 April 2020 provides that, for the period from 12 March 2020 to 30 April 2020, these employees will receive aggregate compensation equal to 90% of the remuneration they would have received had they continued to work.
- Under the Amending Finance Act 2020, an employee who is unable to continue working for one of the following reasons must be placed on “partial reduction of activity” (see “Reduction in pay and/or hours” section below):
  - the employee is one of the vulnerable persons at risk of developing a serious form of COVID-19, according to criteria set by a regulatory text (to be published);
  - the employee shares a home with a vulnerable person; or
  - the employee is the parent of: (i) a child under the age of 16 (if teleworking is not possible and no childcare solution is available); or (ii) a disabled person who: (a) is subject to isolation measures; (b) has been evicted; or (c) is entitled to home support.
- This measure applies from 1 May 2020, regardless of the start date of the work stoppage.
- The employer must make a request for partial reduction of activity (see “Reduction in pay and/or hours” section below), including where the employer company does not itself benefit from the partial reduction of activity scheme (i.e. where it has not been closed or reduced its working hours under the scheme).

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### **Enforced leave / use of holiday (paid vs unpaid)**

- In exceptional circumstances, employers may change the order and start date of employees’ holiday less than one month before the planned start date. Therefore, the employer may move an employee’s scheduled holiday to another period in the future, to cover the 14-day period of quarantine. However, subject to the below, if the employee has not scheduled any paid holidays, the employer cannot force the employee to take them.

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- Employers may require employees to take up to six days of paid holiday or change the date of up to six days of scheduled paid holiday on at least one full day's notice, provided that an in-house or an industry-wide collective agreement allows this. Employers may require employees to take this holiday in one block or in several periods without the employee's consent.
  - Some industry-wide agreements have already been concluded to allow companies to make use of this emergency measure (e.g. in the metallurgy, automotive, and insurance broking industries). For example, the collective agreement concluded in the metallurgical industry business sector provides that employers who are members of an employers' union that has signed the agreement may require employees to take up to six days of paid holiday, subject to a notice period of two working days during the containment period (extended to five working days after the end of the containment period).
  - An employer may require its employees to take up to 10 business days as rest days (i.e. days of reduction in working hours, days of rest affected on the employee time savings account, or days of rest of employees subject to a day-per-year scheme) or change the date of rest days already scheduled within the limit of 10 business days on one full day's notice, even in the absence of a collective agreement.
  - Any use of these emergency measures should be immediately reported to the employee representative bodies of the company which shall deliver a non-binding opinion on the measures within a one-month period.
  - The employer may also prevent a couple working in the same company from taking leave at the same time if the presence of one of the spouses is crucial for the business.

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### Temporary layoffs

- No specific temporary layoff measures have been put in place at this time.
- Employers have an obligation to provide their employees with work. If they cannot provide sufficient work, their employees remain eligible for full pay.
- However, in specific circumstances, an employer may apply for a partial reduction of activity scheme ("*activité partielle*") subsidized by the State and the "*Union nationale interprofessionnelle pour l'emploi dans l'industrie et le commerce*" ("UNEDIC") (see "Reduction in pay and/or hours" section below).

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### Reduction in pay and/or hours

- Unilateral reduction of pay or hours by companies is prohibited.
  - Businesses whose activity is affected by the COVID-19 pandemic may be eligible for the partial reduction of activity scheme which is implemented by reducing employee working time or closing all or part of the company.
  - Except for protected employees, employee consent is not required. However, an Ordinance of 26 March 2020 reinforces the powers of the company vis-à-vis protected employees: partial activity may be compulsory for a protected employee without their employer having to obtain their consent when it affects all employees of the company, establishment, service, or workshop to which the protected employee is assigned or attached.
  - Foreign companies with no place of business in France (i.e. where no company or branch is registered with the French Commercial Registry)
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can benefit from the partial reduction of activity scheme for any of its employees working permanently in France who are registered with the French Social Security system.

- Requests must be submitted on <https://activitepartielle.emploi.gouv.fr/> within 30 days of the partial reduction of activity, with retroactive effect, and implementation may require consultation with the company's Social and Economic Committee (the "SEC").
- The application must specify the reasons justifying recourse to the partial reduction of activity scheme (e.g. administrative closure of the establishment, decrease in activity, supply difficulties, or the impossibility of implementing the preventive measures necessary for the protection of the employees).
- An application for the scheme must set out its foreseeable duration which, for an initial application, may be up to 30 June 2020.
- If the company has already had recourse to the partial reduction of activity scheme during the 36 months preceding its application (initial or renewal, whether due to COVID-19 or not), it must subscribe to specific commitments specified in its application which will be definitively fixed by the labour administration.
- The maximum total duration of the administrative authorisation (including renewals) is in principle six months, but this duration has been extended to 12 months by decrees dated 25 March 2020 and 31 March 2020.
- During the partial activity period, the company will pay employees (whose employment contract is suspended due to the company's closure) 70% of their monthly gross remuneration. The State and Unemployment Fund will co-finance reimbursement of all or part of this to companies at €7.74 per hour (for companies with fewer than 250 employees) or €7.23 per hour (for companies with more than 250 employees).
- A decree dated 25 March 2020 increases the reimbursement allowance to 70% of gross hourly wage limited to four and a half times the minimum wage schedule (€4,847 per month for a full time employee) with a cap of 1.607 hours per employee for 2020. This hourly rate cannot be less than €8.03.

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### **Working hours and Sunday work**

- Certain companies (to be specified by a forthcoming decree) may depart from public policy rules on maximum daily and weekly working hours and daily rest periods. However, the weekly rest period of 24 consecutive hours per week remains unchanged.
  - Companies in "sectors of activity particularly necessary for the security of the Nation and for the continuity of economic and social life" (which will be fixed by decree), may also derogate from the principle of Sunday rest and have their employees work on Sundays.
  - Any use of these exemptions should be immediately reported to the employee representative bodies (but also to the labour administration for the working time exemption). The employee representative bodies will deliver a non-binding opinion on these exemptions within a one-month period.
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## Terminations

- Redundancies are not prohibited, but the Government encourages companies to implement partial activity as a remedy.
- If redundancies must be implemented, the company must comply with all French redundancy rules, including a valid economic justification, research of redeployment positions, and payment of severance indemnities. Notably, in the event of an ongoing economic dismissal procedure, the confinement situation will make it difficult, if not impossible, to comply with the prior internal redeployment obligation. If the company decides to make redundancies in this context, affected employees may seek damages in the labour court for non-compliance with this obligation.
- The Government has not announced any measures relating to ongoing dismissals. However, it is very likely that the ongoing procedures may be delayed due to lockdown.

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## Professional elections of Social and Economic Committee

- Ongoing professional elections of a company's SEC have been suspended from 12 March 2020 until 31 August 2020.
- Professional elections that did not start on 12 March 2020 were postponed. The election process must start between 24 May 2020 and 31 August 2020; however, the start date can be set by the employer within this period.
- Current mandates are then automatically extended during the sanitary urgent status and until the proclamation of the results of the first or, where appropriate, second round of professional elections.

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## Employee representative bodies

- Pursuant to an Ordinance of 1 April 2020, during the sanitary urgent status, the use of videoconferencing is allowed beyond the normal legal limit of three meetings per calendar year for any meeting of a company's SEC, provided that elected members have been informed. It is also possible to use audioconferencing. Where videoconferencing or audioconferencing is not possible, meetings of the employee representative bodies may be held by instant messaging.
- A company's SEC may carry out information and consultation requirements in relation to emergency measures regarding paid leave, working time, and rest days taken by the employee at the same time as (and no longer prior to) the implementation of such measures.
- An Ordinance of 15 April 2020 adjusts many deadlines under collective bargaining agreements to reduce the length of the procedure, where the collective bargaining situation relates to the economic, financial, and social consequences of the COVID-19 pandemic. A decree of 2 May 2020 defines the applicable shortened consultation period of the SEC, in particular when a company decides to restart its business at the end of the lockdown period. The decree provides that the SEC must give its opinion within a period which is reduced: (i) to eight days, in the absence of the involvement of an expert; and (ii) to 12 days, if an expert has been involved. The agenda must be communicated to the members of the SEC no later than two calendar days before the meeting (instead of the usual three days). Under the decree, these shortened consultation periods apply only to employer decisions "which are intended to deal with the economic, financial, and social consequences of the spread of the COVID-19 epidemic". However, the above does not apply to the following consultations: (i) redundancies of at least 10 employees within the same

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30-day period; (ii) the conclusion of a collective performance agreement;  
and (iii) recurrent consultations provided for by the Labor Code.

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# France

## Workforce

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### Teleworking

- Teleworking is mandatory until further notice for all positions that allow it.
- For jobs that are not eligible for teleworking, it is essential to respect social distancing rules: limiting meetings to what is strictly necessary, limiting grouping employees in small spaces, implementing team rotation, cancelling or postponing non-essential travel, and ensuring that the workplace barrier measures (see “Preventive actions” section below) are respected.
- Each company will have to adapt its prevention plan to this new way of working and consult with its SEC in connection with these safety adaptation measures.
- On 28 April 2020, the French Prime Minister announced that employers will be expected to allow teleworking to continue for at least three weeks after the end of the containment. Failure to comply with this request may lead to liability on the part of the employer.

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### Travel (business and personal)

- Business and personal travel: as of 11 May 2020 (i.e. from the end of the containment order), individuals may once again travel without a certificate (but, if travelling by car, they must carry proof of residence).
- However, individuals may not travel more than 100 km from their place of residence, (unless they are able to travel this distance whilst remaining within the same department). Derogations are, however, possible for compelling professional or family reasons, such as travel required: (i) in connection with a death; (ii) to provide assistance to a vulnerable person; or (iii) for work (e.g. transporting goods). The derogation certificate is available on the Government or Ministry of the Interior website (<https://media.interieur.gouv.fr/deplacement-covid-19/>).
- Public transport use: the supply of public transport will be gradually increased and normal services should resume at the beginning of June 2020.
- To limit the number of passengers during peak hours, employers are encouraged to stagger working hours.
- In the Paris region, during peak hours, access to public transport is reserved for people with a travel certificate, which is available, depending on the travel purpose, from the following websites:
  - for business purposes: [https://www.prefectures-regions.gouv.fr/ile-de-france/content/download/69388/451303/file/attestation%20professionnelle-PDF\\_VF.pdf](https://www.prefectures-regions.gouv.fr/ile-de-france/content/download/69388/451303/file/attestation%20professionnelle-PDF_VF.pdf); and
  - for other purposes (e.g. travel for medical appointments or to school): [https://www.prefectures-regions.gouv.fr/ile-de-france/content/download/69382/451279/file/Auto-attestation\\_VF.pdf](https://www.prefectures-regions.gouv.fr/ile-de-france/content/download/69382/451279/file/Auto-attestation_VF.pdf).

- This measure could be extended to other regions if the local authority responsible requests this.
- Travelling to France: with regard to France's borders with European countries, the Government announced that the restrictions will be extended until at least 15 June 2020. However, certain additional derogations will be made possible (e.g. for child custody or compelling economic reasons, in particular for seasonal and frontier workers (these will apply in addition to existing derogations which are available for Europeans residing in France, freight carriers, healthcare workers involved in COVID-19-related work, and family members separated by borders, who are allowed to return to France)). Borders with non-European countries will remain closed until further notice.

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**Preventive actions  
(reception policy,  
public interactions,  
management of  
infected employees)**

- Precautionary measures: in order to protect employees and the public, it is recommended to implement "barrier" measures such as regular hand washing, the use of hand sanitiser, the installation of a one-metre courtesy zone, the cleaning of high-touch surfaces with an appropriate product, and regular ventilation of rooms. On 28 April 2020, the Government asked companies to provide their employees with masks, if they have the means to do so.
- Infected persons: a person infected with COVID-19 must remain at home and as such, benefits from a work stoppage and daily Social Security benefits without waiting periods. The persons in charge of cleaning the workplace must then be equipped with single-use gowns and household gloves. The cleaning of floors and surfaces must be carried out according to the strict conditions mentioned in the Labour Ministry Q&A (<https://travail-emploi.gouv.fr/actualites/l-actualite-du-ministere/article/coronavirus-questions-reponses-pour-les-entreprises-et-les-salaries>).

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**Employees with  
children or older  
dependants**

See "Social Security" section above.

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**Adaptation of Macron  
Merit Premium**

- The regime of the "Macron Merit Premium" (*"prime exceptionnelle de pouvoir d'achat"*) set up by the Law of 24 December 2019 has been adapted to allow employers to reward employees who have worked during the period of containment.
- The payment of the Merit Premium of up to €1,000 per employee is no longer subject to the existence of a voluntary profit sharing scheme (*"accord d'intéressement"*) within the company. However, the amount of the Merit Premium can be increased to €2,000, provided that the company has implemented a voluntary profit-sharing scheme.
- The Merit Premium can be paid up until 31 August 2020 (instead of 30 June 2020).
- For the year 2020, a voluntary profit sharing scheme may be concluded up until 31 August 2020 without calling into question the tax and social exemptions, where it is entered into after the first day of the second half of the period of calculation. The scheme may be implemented for a period of between one and three years.
- The beneficiaries of the Merit Premium will be either the employees present at the date of the payment or those present at the date of submission of the collective agreement to the labour administration (or the date of signature of the unilateral commitment).



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- The amount of the premium may be adjusted according to working conditions linked to the COVID-19 pandemic. This allows the company to increase the premium for employees who have to work in the company's premises and suffer difficult conditions in work.
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