

Employing staff in **France**



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This publication may not deal with every topic within its scope nor cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice with regard to any specific case. Nothing stated in this document should be treated as an authoritative statement of the law on any particular aspect or in any specific case. Action should not be taken on this document alone.

1.0 INTRODUCTION

French employment law is governed primarily by the Labour Code (Code du Travail). The Labour Code is typically supplemented by Collective Bargaining Agreements (CBA, which are industry specific and cannot be contracted out), work rules, customary practices, and unilateral undertakings in force within the company, and individual contract of employment.

The Social Security Code (Code de la Sécurité Sociale) deals with matters such as benefits for employees on sickness, maternity, or paternity leave. The Penal Code (Code pénal) is relevant in some areas, such as non-discrimination, and health and safety.

French employees are generally classified into four categories by level of qualification, work experience and skills, and compensation associated with their roles (other classification may exist depending upon the applicable CBA). The four categories are: -

- i. Workers (Ouvriers)
- ii. Employees/Technicians (Employés/Techniciens)
- iii. Supervisory staff (Agents de Maîtrise)
- iv. Executives (Cadres)

An employee's classification will have several implications for both the employer and the employee in relation to French employment and social security legislation. Key terms of employment such as the length of the probationary period, minimum pay, notice period, severance pay, sickness and maternity rights may differ depending on the employee's classification.

All employers with at least 20 employees (in total, across all their establishments) must, in principle, ensure that at least 6% of their workforce is made up of people with disabilities. This proportion is calculated as an average per year, with part-time employees or those on short-term contracts counted pro rata. Employers may offset part of their obligation to employ people with disabilities by offering placements to trainees who are disabled. The 6% quota will be reviewed at the end of 2024, in light of the number of people with disabilities in employment.

2.0 EMPLOYMENT OF FOREIGNERS

It is the employer's obligation to ensure that employees have authorisation to work in France. Once the employer is satisfied that the employee has authorisation it must pass the documentation to the Prefecture nearest to the location of initial employment.

2.1 EEA, EU and Swiss Nationals

Nationals of the European Union (EU), the European Economic Area (EEA) and Swiss do not need to obtain a work permit or residence permit in order to work in France.

However, if an EU/EEA/Swiss national is to be sent on secondment to France, a declaration should be submitted to the labour inspectorate prior to their arrival for the commencement of the assignment.

2.2 Other Foreign Nationals

To recruit a non-EU/EEA/Swiss worker, an employer is responsible for obtaining a work permit and must file an application with the local employment agency (Pôle Emploi) to start the process.

It should be noted that foreign nationals are entitled to equality of opportunity in employment as accorded by French law.

3.0 EMPLOYMENT CONTRACT

3.1 Form of Employment Contract

Whilst both written and oral forms of contract are valid for indefinite term contract, fixed term and part-time employment contracts must be in writing.

Where the contract is signed in France, the contract and all other supporting documentation must be written in French in order to be valid. It is acceptable to have a dual language contract, but the English translation is for understanding only.

Employers must inform their employees of the key terms of employment within the first two months of their employment.

3.2 Written Particulars

Typically, the written contract would include the following as a minimum:

- > Name, address of the parties and the intention to enter into legal relations;
- > Place of employment;
- > Job description (typically added as an appendix);
- > The role Coefficient (i.e., classification of the position);
- > Term of contract (indefinite or fixed term);
- > Start date;
- > Hours of work;
- > Remuneration;
- > Probationary period;
- > Holiday entitlement;
- > Confirmation of relevant CBA;
- > Notice period;
- > Confidentiality / Proprietary Information rights etc.

3.3 Fixed-term Contract

Fixed-term contracts (*durée déterminée*) are tightly regulated and may only be used in circumstances authorised by law. The contract must state the legal justification for the use of such a fixed term. The Labour Code requires that a fixed-term contract must include:

- > If the contract is to provide for the replacement of another individual, the name and qualification of the replaced employee;
- > The end date of the fixed term together with the terms for renewal (if any);
- > The minimum duration of the contract when an expiry date is not provided for;
- > Job description;
- > Confirmation of the applicable CBA;
- > Length of probationary period;
- > Remuneration and its calculation, including bonuses and any other additional payments;
- > The name and address of the person responsible for the administration of applicable retirement schemes and social benefits, if any.
- > A written fixed-term contract must be provided to the employee within two days of commencing employment.

The length of the probationary period for fixed-term contracts is one day for each week of the contract, subject to a cap of two weeks' probation for a contract of up to six months, and one month's probation for contracts of more than six months. Unless an extended industry-wide agreement provides otherwise, fixed-term contracts generally may be renewed twice and the overall duration of the contract including renewal may not exceed 18 months.

Fixed-term contracts terminate automatically on the expiry of the agreed term and cannot be terminated prior to the expiry of the agreed term, except for some special circumstances (e.g. frustration of contract, serious misconduct of the employee, with mutual agreement of the parties, etc.).

At the end of a fixed-term contract and provided it does not lead to the agreement of an indefinite term contract, the employee is entitled to an end of contract indemnity equal to 10% of the total gross remuneration paid during the fixed-term contract unless the CBA provides otherwise.

3.4 Variations

Prior to implementing the variation, the employer must obtain the written approval of every employee concerned. This applies even if the modification is more favourable than the former provision. Where a variation to the contract is justified on economic grounds (the aim of which must be to avoid redundancy), a specific procedure must be followed, and the employee will be deemed to have accepted the variation in the absence of express refusal within one month of the notification.

3.5 Work Rules

A work rules book must exist in each office employing at least 50 people. The contents of this document are strictly limited. It must contain standard provisions relating mainly to:

- > Health and safety regulations within the Company;
- > Disciplinary rules; and
- > Measures to prevent sexual harassment and bullying.

employee representatives and the health and safety committee prior to its adoption. The labour inspector must be given a copy and can exercise control over the content of the document. The opinion of the labour inspector is binding upon the company.

Any amendment to the works rules book must be adopted following this process.

4.0 PROBATION

Probationary periods are not mandatory by law but are common in practice. For it to apply, it needs to be entered into a formal written contract. The maximum duration of probationary periods by the Labour Code is:

- > Two months for workers and employees;
- > Three months for supervisors and technicians;
- > Four months for executives.

CBAs may provide differently as to the maximum duration and the renewal of probationary periods. Under the Labour Code the termination notice during the probationary period is:

Length of Service				
	Less than 8 days	8 days – 1 month	1 – 3 months	Over 3 months
Termination by Employer	24 hours	48 hours	2 weeks	1 month
		48 hours	48 hours	48 hours
Termination by Employee	24 hours	48 hours	48 hours	48 hours

5.0 REMUNERATION

5.1 Basic Pay

Payment period must not exceed one month. It is mandatory to provide a payslip that includes details of gross pay and social security contributions, number of hours worked and paid, holiday pay, any additional payments and any other deductions, together with the applicable CBA.

5.2 Other Elements of Remuneration

There is no mandatory requirement for bonus payment under the Labour Code.

Mandatory Profit-sharing Participation Schemes

All companies having employed at least 50 employees during 12 months (whether consecutively or not) are obliged to implement a profit sharing scheme (accord de participation) with their employees for that financial year. For new companies this obligation does not arise until the third financial year.

The sums put into the special profit-sharing reserve and income from participation in the company's profits are not subject to income tax.

6.0 WORKING HOURS AND TIME OFF

6.1 Standard Working Hours

The working time rules and regulations are extremely complicated in France and apply to all employees except for the senior management team of a company (e.g., the chairman, managing director and senior managers). As a simple summary of the working time rules:

- > The weekly working time is 35 hours per week.
- > No employee may work more than:
 - > 10 hours per day,
 - > 48 hours per week in respect of an average weekly working time of 44 hours over a reference period of 12 consecutive weeks,
 - > 6 days per week.
- > Any employee who works continuously for 6 hours is entitled to a 20-minute rest break.
- > Employers must monitor the working practices and keep documentation to ensure that these rules are adhered to.

In recognition of the need for more senior employees to be flexible in their working hours, the law provides that:

- > Cadres de direction (senior managers running the business and reporting directly to the

chairman) are excluded from the working time regulations and are therefore not subject to any rules regulating working time limits, overtime, or compensatory rest.

- > For cadres autonomes (autonomous managers and autonomous employees), it is possible to implement annual working time, provided that the applicable CBA allows it, or there is a company-wide agreement with the written consent of the employee.
- > For other management employees, it is possible to include in the remuneration a lump sum salary to cover for a number of overtime hours.

6.2 Overtime

Any time worked over 35 hours per week at the request of the superior of an employee is counted as overtime.

Overtime may be paid (the rate of which depends on how much overtime has been worked) and/or compensated with compensatory rest. Overtime is subject to a limit of 220 hours per year or to such limit as set by an applicable CBA. Overtime beyond this limit will require approval from the French Labour Administration.

7.0 LEAVE

7.1 Vacation and Public Holidays

Vacation

Employees are entitled to a minimum of 5 weeks paid vacation per year (accrued at 2.5 days per month). The vacation year in France runs from the 1st June to 31st May each year, which the employer may not deviate from.

Each year, employees must take most of their annual leave within a specified "holiday period". The dates of this period, which must include the period between 1 May and 31 October, and the rules on when employees may take their leave is usually set by a collective agreement. Where there is no collective agreement, the employer sets the holiday period and fixes the dates for employees' leave, after consulting employee representatives.

The employer must inform employees of their annual leave dates at least one month before the leave starts, although, once set, dates can be varied with one month's notice (or less in certain exceptional circumstances).

Annual paid leave should in principle be taken in two sets: a main holiday of four weeks (24 working days) and an additional holiday of one week (six working days). The main holiday may be broken up into shorter periods of leave, by agreement between employer and employee, but there must always be one continuous period of at least 12 working days.

The employer decides when the additional one-week holiday (that is, the fifth week of annual leave) is taken. This may be outside the holiday period. Annual holidays should in principle be taken during the year in question, and usually during the holiday period.

Some entitlement may be carried over by individual or collective agreement, while only in rare cases may holiday be sold back rather than taken.

CBAs often provide for enhanced vacation entitlement that increases with length of service and vacation bonuses that apply to all public holidays.

There are in principle 11 public holidays (jours fériés) each year as follows:

- > New Year's Day (1 January)
- > Easter Monday
- > Labour Day (1 May)
- > Victory in Europe Day (8 May)
- > Ascension Day (40 days after Easter)
- > Whit Monday (7th Monday after Easter)
- > Bastille Day - French National Day (14 July)
- > Assumption Day (15 August)
- > All Saints Day (1 November)
- > Armistice Day (11 November)
- > Christmas Day (25 December)
- > Employees are generally entitled to paid leave on bank holidays.

7.2 Sick Leave and Pay

In case of non-occupational illness or injury, employees must notify the employer immediately and provide a medical certificate within 48 hours. Employees are entitled to receive social security sick pay and partial reimbursement of their health expenses during the leave for non-occupational illness or injury, subject to eligibility. For details on sick pay, please refer to section 9.3.

Collective Bargaining Agreements often provide for enhanced sickness benefit.

7.3 Family Leave

Maternity

The statutory maternity leave begins 6 weeks before the due date and finishes 10 weeks after that date. The maternity leave period may be extended under special circumstances (multiple births, health reasons etc.).

At the employee's request, and subject to doctor's consent, a maximum of 3 weeks may be transferred from the part of the maternity leave before the due date to the part of the maternity leave after the due date. In the event of the birth of a third or subsequent child, maternity leave entitlement increases to 26 weeks, eight weeks before the birth and 18 weeks afterwards. In the case of multiple births, the postnatal leave entitlement is extended to 22 weeks and the antenatal entitlement to 12 weeks in the case of twins, or 24 weeks in the case of triplets or more.

While on maternity leave, eligible employees are entitled to receive a daily allowance from social security that equals to their basic daily wage. Further, all of the employees' medical expenses and hospitalisation costs associated with the pregnancy and birth will be met by maternity insurance, provided they meet the eligibility criteria.

Adoption

Adoptive parents are entitled to 16 weeks of adoptive leave. This increases to 18 weeks if the adoption brings the number of children in the household to three or more, and 22 weeks in the event of multiple adoptions.

Where there are two adoptive parents, they may share the leave, in which case its total duration is increased by 25 days (32 days for multiple adoptions and in cases where the adoption brings the number of children in the household to three or more). A statutory benefit, calculated as for maternity benefit, is payable during adoptive leave, shared between the parents if they share the leave.

Paternity

Fathers are entitled to take 25 days of paternity leave, or 32 days in the case of multiple births, in addition to the three days of paid leave to which all employees are entitled on the birth of a child.

Four days of the paternity leave are compulsory and must be taken consecutively immediately after the three days of "birth leave", while the remaining leave may be taken during the six months after the birth, in a single block or in two blocks lasting at least five days each. The employee must give the employer one month's notice of intention to take the leave. While on paternity leave, fathers may receive daily allowance from social security.

Parental Leave

After maternity/adoption leave, employees (whether male or female) with one year of service are entitled to take parental leave or to work part time. Parental leave is for one year but may be renewed twice to a maximum period of three years up to the child's third birthday or three years from the date of adoption. Employees on parental leave may be entitled to benefits from social security.

Parental Presence Leave

An employee with a child under the age of 20 who is seriously ill or disabled or suffers from an accident that requires continuous parental care can take parental presence leave of up to 310 days per child over a three-year period, provided it is supported by a medical certificate issued by the doctor. While on the leave, the employee may receive a daily allowance from social security.

Family Solidarity Leave

Employees can take family solidarity leave of up to three months to provide care for a seriously ill or

handicapped family member. This leave may be renewed once but may not exceed one year in total during the employee's work life. With the consent of the employer, the employee may transform the leave into a part-time work.

While on such leave, the employee may enjoy a daily allowance from social security.

Carers Leave

Employees are entitled to up to three days' unpaid leave per year to look after a sick child under the age of 16. This rises to five days in the case of children under the age of one year, or if the employee is responsible for three or more children under the age of 16. Collective agreements may provide for longer care leave.

7.4 Other Leave

Employees are entitled to paid leave for the following family circumstances:

- > Their marriage, remarriage, or civil partnership ceremony (such partnerships are open to both same- and opposite-sex couples)
- > Their child's marriage or remarriage.
- > The birth or adoption of a child in their household.
- > The death of their child, spouse, civil partner, cohabitant, parent, parent-in-law or sibling; and
- > On learning that their child has a disability, cancer or a chronic illness requiring lifelong treatment (such as diabetes or epilepsy).
- > Note that there are statutory minimums for each of these types of leave, although CBAs may provide enhanced leave entitlement.

8.0 MEDICAL EXAMINATIONS

An employer is obliged to appoint one or more occupational health doctors as its appointed company doctor and arrange for its employees to undergo medical examinations in the following situation:

- > Mandatory medical examination within three months of starting work. This is now becoming

more of an informative health discussion than a full, medical examination;

- > Regular medical examinations (as set by the doctor, usually every 2 or 3 years);
- > Specific supervision (for hazardous work, new position etc);
- > Mandatory medical examination for employees returning to work after a long period of absence (after a professional illness);
- > After sick leave of at least eight days following a work accident;
- > After sick leave of at least three weeks following an illness or a non-professional accident;
- > After several sick leave periods; and
- > After maternity leave.

9.0 SOCIAL SECURITY COVERAGE

9.1 Introduction

France has a comprehensive social security system that provides support for the following:

- > Healthcare
- > Injuries at work
- > Family allowances
- > Unemployment insurance
- > Old age pension
- > Invalidity and death benefit

Contributions to the general social security scheme are paid by both employees and employers, with the exception of work accident and family allowance, which is funded solely by the employer. In general, employees expect deductions from their pay equating to approximately 20% of salary in respect of social contributions; employers can expect to pay between 50 – 60% of employee salary towards social contributions.

9.2 Basic Pension

There are two levels of compulsory pension schemes in France:

- > The 'general' (State) scheme
- > The 'complementary' schemes
- > ARRCO (complementary scheme for salaried employees)
- > AGIRC (complementary scheme for professionals)

Employee and employer's contributions into the general and complementary schemes are at the same rate as social security contributions and are calculated as a percentage of salary bands 'tranches'. However, the contributions for the general and complementary pension schemes are paid separately, and therefore reflected as separate deductions on the employee's payslip. The statutory retirement age is 62 years, however a proposed reform to the statutory pensions suggests that this should be increased to 65, although this isn't likely to come into force until at least 2023.

9.3 Basic Health Coverage

Sick Pay

An employee absent from work due to illness or injury is entitled to receive benefits from the social security fund (CPAM), subject to eligibility. Sick pay is due from the fourth day of absence and is equal to 50% of the employee's basic daily earnings for the first 6 months (up to social security ceiling); this then increases to 51.49% thereafter.

In addition, individuals with over one year's service are entitled to complementary sick pay from the employer, as determined by the regulations. Therefore, with a combination of social security sick pay and employer obligations, the employee may receive up to 90% of gross salary for the first 30 days of sickness absence, and 60% for the next 60 days. Length of service may vary the amount paid in respect of salary continuation, as will any CBAs in place.

During sickness absence, the employee is also entitled to certain cash benefits, which include at least partial reimbursement of health-related

expenses. This may be routed via an employer-sponsored insurance company.

Disability Insurance (régime d'assurance invalidité).

Any payout will be determined by the degree of disability suffered by the individual, provided specific criteria are met.

The payout basis is calculated using the average annual salary for the income received during the most favourable 10 years that the individual held insurance. The disabled person may then receive a disability pension equivalent to 30% or 50% of this average annual salary, potentially increased if a carer is needed.

It should be noted that additional disability insurance may be stipulated as compulsory within specific industries or professions, via a CBA, and the employer is obliged to provide such an insurance under these circumstances.

9.4 Unemployment Insurance

The amount and duration of this benefit payout depend upon the period during which the claimant has contributed to the scheme and total contributions paid, provided certain conditions are met. Waiting period applies.

The daily unemployment allowance is calculated based on the salary of the last 12 working months subject to a ceiling. The net amount of the daily allowance cannot be lower than a set amount or higher than 75% of the daily reference salary.

Benefits are paid for a minimum period of 122 days and a maximum period of 730 days for private-sector employees aged under 50, and 1,095 days for employees aged over 50.

9.5 Others

Transport Costs

Where employees use public transport to travel between their home and place of work, the employer is obliged to meet part of the cost. Public transport includes buses, trains, metro systems, trams and public bicycle hire. The employer must reimburse part of the cost of season tickets — annual, monthly or weekly — but not one-off tickets.

In general, the employer must reimburse 50% of the cost of second-class travel by the shortest route, monthly in arrears. In the case of part-time employees who work less than half of normal full-time hours, the reimbursement is proportional to their hours. The sum paid to the employee as reimbursement for public transport costs is not taxable.

Employers are not required to reimburse any of the fuel costs of employees who use their own private transport to travel between their home and place of work. However, they may do so, subject to certain rules.

Other

Financial counselling, professional organization memberships and home phone allowances are increasingly common. For companies of more than 50 employees, profit sharing is mandatory.

10.0 WORKERS' COMPENSATION INSURANCE

Injuries and occupational illnesses are dealt with through a specific scheme (accidents du travail). Contributions are made by the employer to CPAM based on total wages and are partly experience rated at the firm level but capped for small businesses.

In the event of a claim, the employee will receive benefits directly from CPAM to cover medical, surgical and pharmaceutical expenses, costs for artificial limbs and accessories, and rehabilitation.

During absence from work the benefit paid equates to 60% of the gross basic daily pay, capped at the social security ceiling, and is payable from day one. It is increased to 80% of this salary from the 29th day of absence.

11.0 SUPPLEMENTAL BENEFITS

11.1 Health Insurance (Mutuelle)

There is a mandatory obligation for all employers to enrol their employees into a Corporate medical insurance plan, regardless of headcount numbers.

Dependent upon the specific CBA minimum requirements, the Mutuelle coverage will generally offer assistance with the following:

- > Hospitalisation & Surgery
- > Maternity Care
- > Dental Care*
- > Vision Care*
- > Level of reimbursements are offset against usage of the social security scheme

* From 2021, costs for certain dental, vision and hearing aids must be fully reimbursed.

The CBA will also stipulate which categories of employees must be covered by the insurance. It is no longer allowable to offer a stipend to cover an employee's personal medical insurance plan. Premium costs are split between employee and employer; CBA guidelines will determine the minimum employer funding required, although the most common arrangement is a 60%/40% contribution split between employer and employee. Employers must pay at least 50% of the premium costs. Coverage is also available for spouse or common-law partner, dependent children, parents and grandparents.

11.2 Occupational Sick Pay

Some employers may agree to enhance statutory sick pay either on a collective or individual basis.

11.3 Occupational Pension

Supplemental schemes in addition to the "Complementary Pension Scheme" are not common. The "Complementary Pension Schemes" are typically arranged on an automatic basis as part of the payroll and social security registrations. Premiums are collected by both employee and employers as a component of the social security arrangements.

11.4 Death & Disability Insurance (Prévoyance)

It is a mandatory obligation for all employers to enrol their employees into a corporate 'Death & Disability' programme, locally referred to as Prévoyance. Each CBA presents a minimum

requirement for provision of benefits under a Corporate Plan, but all schemes are designed to provide coverage, as follows:

- > Lump sum provision to nominated beneficiaries in the event of employee death during employment
- > Short-and long-term disability pension in the event of an employee's incapacity to work
- > The legal obligation requires an employer to secure a Corporate Scheme, under which employees must be enrolled; there is no "opt-out" provision available to employees.

Prévoyance scheme premium costs are split between employee and employer; CBA guidelines will determine the minimum employer funding required, although the most common arrangement is a 60%/40% split between employer and employee.

11.5 Company Car

Company car is a common benefit in France for commercial employees. Private usage of a company car is treated as a benefit in kind to the employee and is taxed accordingly. Car cash allowances for use of own vehicle on company business are also common, and taxable as income.

11.6 Others

Individual contracts of employment or collective agreements may grant various fringe benefits. Common examples are meals, accommodation and related benefits (subsidised water, heating, electricity etc), clothing, cars, etc. These benefits are considered part of 'salary' and are chargeable to income tax.

Meal subsidies – it is common to provide employees with either luncheon vouchers or subsidised access to a local restaurant, where an arrangement is made between the restaurant and the employer.

Public Transportation - It is mandatory for employers to contribute 50% of employee subscriptions for using public transport.

12.0 TERMINATION OF EMPLOYMENT

12.1 Means of Termination

Employment can be terminated in three ways:

by resignation, by mutual agreement (amicable termination), or by dismissal.

Termination by the employer

All employees enjoy statutory protection against unfair dismissal, regardless of their length of service or age. To dismiss an employee, the employer needs to have a genuine and serious reason and must follow the correct procedures for dismissals. Valid grounds for dismissal can be either personal (such as the employee's conduct or capability) or objective (the employer's own economic circumstances).

The termination procedures vary depending on the ground of termination and involve detailed steps. It is important that the termination procedures are followed appropriately.

12.2 Notice of Termination

Employees and employers wishing to terminate the contract of employment are required to provide written notice of termination.

The statutory notice required during the probationary period is discussed under Section 4.

Beyond the probationary period, the minimum notice period depends on employee's length of service and classification, subject to the applicable CBA.

Notice is not required in case of dismissal for gross misconduct.

Garden leave and payment in lieu of notice are acceptable, rather than have the employee work their notice. However, the actual termination date for payment in lieu of notice is not brought forward as in many other countries.

12.3 Redundancy

The Labour Code specifies procedural requirements to be observed before an employee or group of

employees is to be made redundant. Employers are expected to minimise the requirement for economic dismissals by considering redeployment, retraining, etc. The selection criteria must be devised. Exact

procedures vary and will depend upon the size of the employing company; the number of dismissals to be made; the timescale for dismissal and whether there are any work representatives or works councils in operation.

12.4 Severance Pay

Employees on indefinite term contract with more than eight months' service are entitled to a termination indemnity upon dismissal (including redundancies), from 25% of a month's salary per

year of seniority up to ten years of service to 1/3 of a month's salary per year of seniority above ten years of service. CBAs may provide enhanced severance pay.

12.5 Termination by Mutual Separation

Agreement (Rupture Conventionnelle)

Employers and employees can reach a mutual agreement to terminate the employment contract - 'the amicable termination agreement'. This method of termination entails a specific procedure, whereby the employer and employee engage in a number of meetings to negotiate the terms of a separation agreement, which will usually entail a lump sum separation payment made by the employer to the employee. Under the terms of the Labour Code, the employee must be granted a 2- week cooling off period following signature of the agreement; thereafter, the agreement is sent to the French Administration for a 2- week period of control. At the end of the control period, the employment contract terminates, without need for a notice period.

12.6 Settlement Agreements

Since employees in France very often take employment disputes to litigation and the French Labour Courts are particularly employee friendly, it is common to settle employment disputes out of court by way of a settlement agreement. A valid settlement agreement must meet the following requirements:

- > It must be in writing;
- > There must be an employment dispute between the parties which must be discussed in the agreement;

- > The parties must both make sufficient reciprocal concessions – for the employee the concession would be to waive his right to initiate court action, while for the employer the concession may be a settlement payment;
- > The agreement must be signed after (not before) termination of the employment contract, if it is to settle a dispute concerning the termination of employment.

12.7 Post-Employment Restrictions

Restrictive covenants are regulated by case law rather than the Labour Code.

To be valid, the employment contract (or its amendment) must include post-termination non-compete clauses and such restrictions must:

- > Be essential to protect the company's legitimate interests;
- > Apply over a reasonable period of time (generally no more than two years) and to a reasonably defined geographic area;
- > Take into account whether the employee's position is specialised and must not prevent employees from continuing to work in their professional field; and
- > Entitle the employee to receive a financial compensation (generally no less than 30% of the employee's salary for the restriction period).

12.8 Providing References

At the end of employment the employer is obliged to provide the ex-employee with a certificate (certificate du travail) which covers the start and end dates of employment and the nature of the job undertaken. Other than that, there is no obligation to provide any further information.

13.0 DISCRIMINATION

Under French law, discrimination on the grounds of a person's Origin, sex, customs, sexual orientation, gender identity, age, family situation, pregnancy, genetic characteristics, particular vulnerability resulting from a person's economic situation (where this is apparent or known to the employer), membership or non-membership (real or supposed) of an ethnic group, nation or race,

political opinions, trade union activities (or activities in relation to mutual societies), religious beliefs, physical appearance, place of residence or bank address, family name, state of health, disability, loss of independence (for example, owing to disability or old age), and a person's ability to express themselves in a language other than French.

This protection applies to all aspects of employment starting from recruitment.

Employees are protected against sexual and moral harassment as well as from "sexist behaviours".

14.0 INDUSTRIAL RELATIONS

The Macron Reform has streamlined the various employee representation bodies in France and has merged staff representatives (délégués du personnel, in companies employing at least 11 employees), the works council (comité d'entreprise, in companies employing at least 50 employees), and the health and safety committee (comité d'hygiène, de sécurité et des conditions de travail, in companies employing at least 50 employees) into a single employee representative body - the Social and Economic Committee (Comité social et économique – "CSE"). This creates a single place for collective discussion.

CSE applies to companies with at least 11 employees during the last 12 consecutive months. The size and roles of CSE will depend on the employer's headcount.

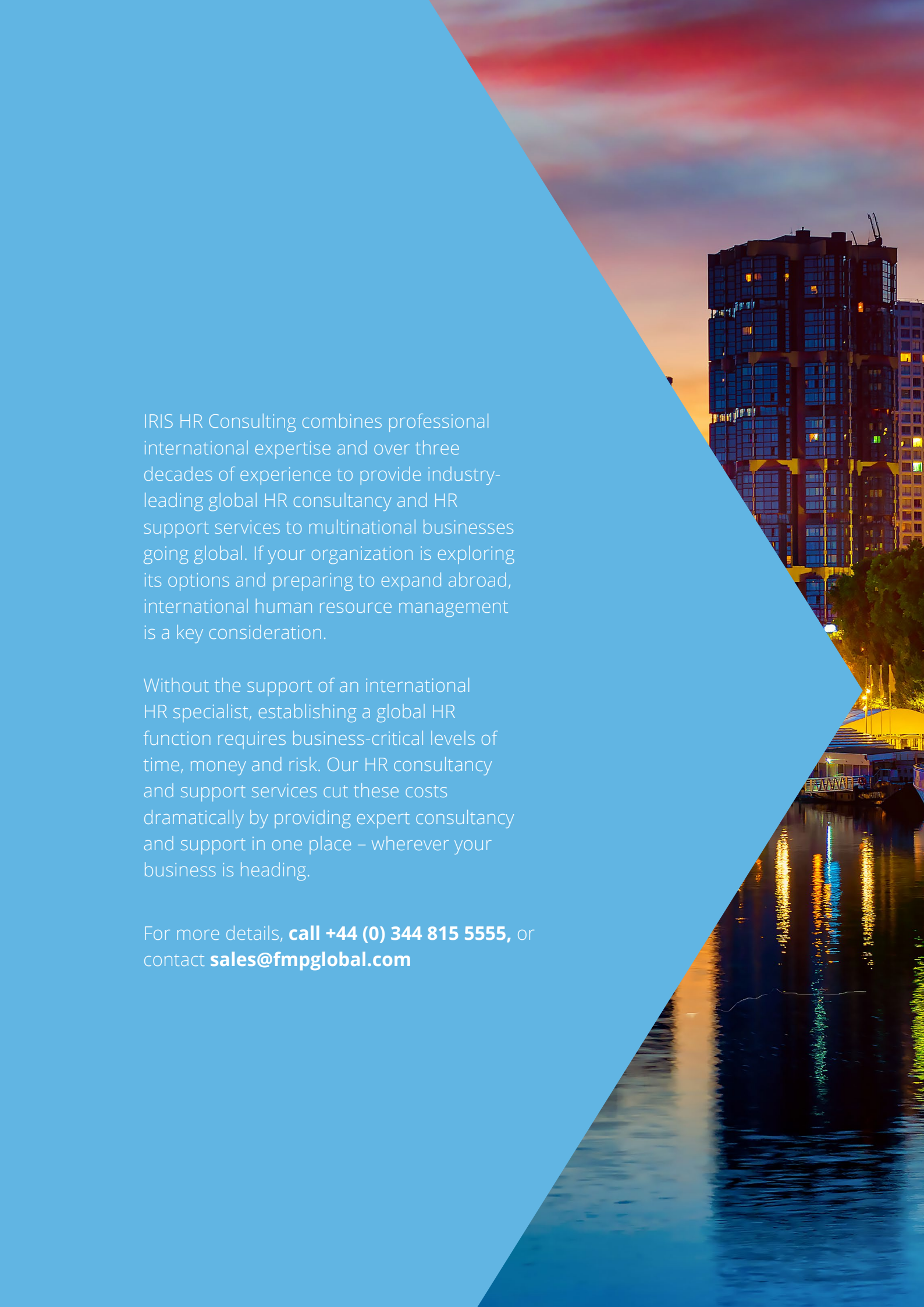
By agreement it is possible for employers to maintain a Health & Safety Committee (companies with over 300 employees) and to create a Corporate Council with specific negotiation powers.

Employees who have been some form of employee representative or even a candidate to become a representative have a specific protection against dismissal that requires the permission of the Labour Inspector.

15.0 DATA PROTECTION

The EU General Data Protection Regulation 2016/679 (GDPR) applies since 25 May 2018. French Law n° 2018-493 of 20 June "relating to personal data protection" incorporates the GDPR provisions in French national law and modifies the existing French Data Protection Act.

The CNIL (Commission nationale de l'informatique et des libertés) is the supervisory authority for data protection in France.



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