

As an employer in France, you'll have to handle both France's compensation laws and benefits management. Not only will you need to meet the statutory minimums, but you'll also have to understand any collective bargaining agreements (CBAs) that are relevant for your employees. Since France provides the second highest level of benefits in the world, you'll need to budget the right amount for your staff. Here is everything you need to know about France's compensation laws.

France Compensation Laws

France's current minimum wage is 1,554.60 Euros per month (2021), although CBAs could affect this amount. The typical work week is 35 hours, and employees cannot work more than an average of 44 hours per week for 12 consecutive weeks. A single workday cannot exceed 10 hours or 48 hours during the week unless a CBA states otherwise. Overtime is 25% an hour for the first eight hours of overtime and 50% for every hour after that.

France's compensation laws don't require any 13th-month bonus, but a CBA could include different terms. Always negotiate any bonuses before an employee's start date and get it in writing either in an offer letter or employment contract.

Guaranteed Benefits

Employees in France receive a variety of guaranteed benefits, including health care mostly financed by the government. The French government refunds 70% of patients health care costs and 100% for costly or long-term issues. Health insurance premiums are automatically deducted from your employees' paychecks.

Every employer must also provide private health insurance to complement French Social Security. CBAs determine the amount of this insurance based on your industry. For example, employers under the SYNTEC CBA — which applies to all PEO, consulting, and technology companies — must pay 50% of the base coverage for employees.

France Benefit Management

Part of managing benefits for your French employees includes determining what supplemental benefits you should provide to bring in a greater talent pool. Since France already offers many guaranteed benefits, employers rarely go the extra mile and add additional benefits. Further, non-discrimination rules assert you must apply any additional benefits to all employees.

One additional benefit employers sometimes offer is reimbursement for employees who use public transportation for their daily commute or visits to clients. These employees often get a 50% reimbursement for a second-class transportation card.

Restrictions for Benefits and Compensation

The main restrictions for France compensation laws and benefits management come from any CBAs. These agreements can include stipulations for everything from wages to benefits to working hours. It's crucial to know the ins and outs of any CBA you are working with and talk to your employees about those benefits before officially hiring them.

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