

FRANCE

Items	Regulations in force on 1 January 2013
1: Notification procedures in the case of individual dismissal of a worker with a regular contract	<p>Any employer who plans to terminate an open-ended employment contract must follow a strict procedure for the dismissal of an employee on personal or economic grounds:</p> <p>Dismissal on personal grounds:</p> <ul style="list-style-type: none"> - before any decision is taken, summon the employee to a preliminary meeting by registered letter or by letter delivered personally with acknowledgment of receipt. - draft and send a dismissal letter to the employee. - comply with a notice period. <p>Dismissal on economic grounds:</p> <ul style="list-style-type: none"> - before any decision is taken, summon the employee to a preliminary meeting by registered letter or by letter delivered personally with acknowledgment of receipt. - draft and send a redundancy letter to the employee: redundancy notification must be sent by registered letter with acknowledgment of receipt. - comply with a notice period. - Within 8 days of the redundancy notification, inform the <i>Direction régionale des entreprises, de la concurrence, de la consommation, du travail et de l'emploi</i> (DIRECCTE). <p>Other specific procedures must be complied with in the event of the planned dismissal of a protected employee. These include consultation with the works council and obtaining the authorisation of the labour inspector (<i>inspecteur du travail</i>).</p>
2: Delay involved before notice can start	<p>Personal grounds: Minimum delay to be respected between receipt of the letter summoning the employee to the preliminary meeting (minimum 5 working days); delay of not less than two working days after the scheduled date for the preliminary meeting; thereafter, the date of receipt of the registered letter notifying the employee of dismissal dictates the start of the notice period (3 days).</p> <p>Economic grounds: Minimum delay to be respected between receipt of the letter summoning the employee to the preliminary meeting (minimum 5 working days); delay of 7 days between the preliminary meeting and the date of receipt of the registered letter notifying the employee of dismissal (2 weeks for managers); thereafter, the written notification of dismissal marks the beginning of the notice period.</p> <p>Calculation (for EPL indicators): average for personal grounds (1+5+2+3) and economic grounds (average for managers and non-managers): $(1+5+(7+15))/2+3$</p>
3: Length of notice period at different tenure durations (a)	<p>Less than 6 months' tenure: no legal minimum notice period; 6 months' to 2 years' tenure: 1 month; over 2 years' tenure: 2 months (collective agreements may provide for longer notice periods or more favourable tenure conditions. They usually make a distinction between notice periods for managers and non-management staff).</p> <p>Calculation (for EPL indicators): All employees: 9 months' tenure: 1 month, 4 years' tenure: 2 months, 20 years' tenure: 2 months.</p>
4: Severance pay at different tenure durations (a)	<p>Severance pay is paid only to staff with at least one year of tenure.</p> <p>All employees: 1/5th of monthly salary per year of tenure, plus an additional 2/15^{ths} after ten years' tenure.</p> <p>Calculation (for EPL indicators): 9 months' tenure: 0; 4 years' tenure: 0.8 months; 20 years' tenure: 5.4 months.</p>

<p>5: Definition of unfair dismissal (b)</p>	<p>Fair: There must be real and serious grounds for a dismissal to be deemed fair. Grounds may be personal or economic.</p> <p><u>Dismissal on personal grounds:</u> the employer must justify grounds that are valid and related to the individual in order to proceed with dismissal. These may include professional misconduct, incompetence, inaptitude, etc.</p> <p><u>Dismissal on economic grounds:</u> the employer must justify economic grounds in order to dismiss an employee. Dismissal on economic grounds is taken as dismissal on grounds that are not personal and related to the employee as a result of reorganisation, employment reduction or a modification, refused by the employee, of an essential provision in the employment contract, as a result of economic difficulties or technological developments. Dismissal of an employee on economic grounds can be contemplated only once all efforts have been made with regard to retraining and if the employee cannot be reassigned within the firm or the enterprises of the group to which the firm in question belongs (Art. L1233-4 French Labour Code)</p> <p>Unfair: <u>An unfair dismissal</u> is a dismissal that is not based on real and serious grounds. For example, for a dismissal claimed to be on economic grounds, the sole aim of saving money or boosting the firm's profits cannot be used as an argument to define economic difficulties. The following conditions may not be used to justify dismissal on economic grounds: economic difficulties when there is a marked increase in sales and when the dismissal is designed to boost profitability at the expense of stable employment.</p> <p>Void: <u>A void dismissal:</u> dismissal for reasons with regard to the employee's private life, based on discriminatory grounds or as a result of psychological or sexual harassment.</p>
<p>6: Length of trial period (c)</p>	<p>Pursuant to Article L1221-19 of the French Labour Code, "the maximum duration of trial periods in relation to open-ended employment contracts are as follows: (1) two months for blue collar and white collar workers; (2) three months for supervisors and technicians; (3) four months for managers". The trial period may be renewed once if expressly provided for under the applicable branch-level collective bargaining agreement. This agreement stipulates the conditions and durations of renewals (Art. L1221-19 French Labour Code). Longer durations are possible if provided for under an extended branch-level collective bargaining agreement.</p> <p>Most collective bargaining agreements provide for trial periods of between 2 and 3 months for blue collar and white collar workers, and between 4 and 6 months for managers, including any renewal. A written agreement must be drawn up between the parties and is usually required for any renewal of the trial period.</p> <p>Calculation (for EPL indicators): average trial periods for blue collar/white collar workers and managers: $[(2+3)/2 + (4+6)/2]/2 = 3.75$ months.</p>
<p>7: Compensation following unfair dismissal (d)</p>	<p>In addition to severance pay, compensation equivalent to a minimum of 6 months' salary (as a general rule, 12 to 24 months, and sometimes more) is paid to workers with at least 2 years' continuous service in an enterprise with more than 11 employees. For workers with less than 2 years' continuous service, and/or who work in an enterprise with fewer than 11 employees, the courts may order payment of compensation for the damages suffered, but no minimum amount is provided for in law.</p> <p>Calculation (for EPL indicators): Typical compensation for 20 years' tenure: 16 months' salary.</p>
<p>8: Reinstatement option for the employee following unfair dismissal (b)</p>	<p>If the court rules that the dismissal is unfair, it may order the reinstatement of the employee upon the latter's request. However, if the employer refuses, reinstatement does not occur and the worker is awarded compensation.</p> <p>In cases of dismissal on economic grounds, for a redundancy plan concerning at least 10 employees in the same period of 30 days (Art. L1235-10 French Labour Code), the absence (or insufficiency) of the redeployment scheme (integrated into the employment preservation plan) may entail the nullity of the redundancy procedure; as a result, if the judge orders the reinstatement of the employee upon his/her request, the employer cannot refuse.</p> <p>In cases of dismissal on personal grounds, if a redundancy is declared void on grounds of discrimination, reinstatement is legally binding and the employee is considered to have never ceased exercising his/her duties.</p>

<p>9: Maximum time period after dismissal up to which an unfair dismissal claim can be made (e)</p>	<p>As a general rule, the time limit for making a claim of unfair dismissal is the same as the general statute of limitation provided for under ordinary law, <i>i.e.</i> 5 years.</p> <p>More specifically, as regards dismissal on economic grounds, the time limit for making a claim for unfair dismissal is 12 months in the event of claims likely to entail the nullity of the collective redundancy plan on economic grounds, because of the absence or insufficiency of an employment preservation plan (<i>Plan de Sauvegarde de l'Emploi</i>), <i>i.e.</i> a collective redundancy plan containing measures aimed at limiting the number of redundancies. This duration applies only to situations in which dismissal on economic grounds may be declared void, <i>i.e.</i> because of the absence or insufficiency of an employment preservation plan and under no circumstances to situations in which the employer faces only the payment of compensation for an abuse of rights (no economic grounds given, failure to reassign staff, failure to comply with procedure, etc.). In all other cases, the time limit for making a claim of unfair dismissal is the same as the general period of limitation provided for under ordinary law, <i>i.e.</i> 5 years.</p>
<p>10: Valid cases for use of standard fixed term contracts</p>	<p>A fixed-term contract (FTC), whatever its grounds, cannot be used on a long-term basis to fill jobs that are related to the company's regular and permanent business.</p> <p>In principle, a fixed-term contract may be entered into only for a specified and temporary assignment.</p> <p>Valid cases for use of fixed-term contracts:</p> <ul style="list-style-type: none"> - Replacement of a salaried employee: A fixed-term contract may be used to replace temporarily absent employees or if a contract is suspended (due to illness, maternity leave, paid holiday leave, parental leave, etc.); if the employee has shifted temporarily to part-time work (parental leave, leave of absence to set up or take over a business, etc.); or, if the employee has left the company, until his/her post is suppressed. - Replacement of a non-salaried worker: A fixed-term contract may be used to replace a company owner, a person exercising a liberal profession or a farm manager. An absent spouse may also be replaced when s/he plays an active role in the business or farm. - Temporary increase in workload: A fixed-term contract may also be used in the event of a temporary increase in the company's workload. However, in the 6 months following a redundancy on economic grounds, it is possible to use a fixed-term contract for jobs concerned by the redundancy only if the fixed-term contracts are for no more than 3 months and cannot be renewed, or in the event of exceptional export orders that require the deployment of more significant qualitative or quantitative resources than the enterprise usually requires, subject to informing and consulting with the staff representatives. - Delay before a new employee can begin employment on an open-ended contract: the post-holder must be recruited but is unable to start work immediately. - Seasonal employment - Jobs for which the use of fixed-term contracts is common practice: the business sectors are set out by decree or are covered by extended collective bargaining agreements. They include the entertainment industry, hotels, restaurants and catering, holiday and leisure centres, forestry operations, among others.
<p>11: Maximum number of successive standard FTCs (initial contract plus renewals and/or prolongations)</p>	<p>FTCs may be renewed under certain conditions. This is done by extending the initial contract; not by entering into a new contract.</p> <p>The fixed-term contract may be renewed once if this is provided for in the terms of the contract or in an amendment in the form of a supplementary agreement that is submitted to the employee before the end of the contract and if the total duration of the contract, taking into account the renewal, does not exceed the maximum allowed duration (variable according to the grounds for the use of a fixed-term contract).</p> <p>Successive fixed-term contracts may be entered into with the same employee in the following cases:</p> <ul style="list-style-type: none"> - to replace an employee who is absent or whose employment contract has been suspended; - in the event of seasonal work or cases in which the use of open-ended contracts is not common practice; - to replace a company owner or farm manager. <p>Except as otherwise provided for, when a fixed-term contract terminates, a new fixed-term contract may not be entered into <i>for the same post</i> before the expiry of a specific deadline known as a grace period (<i>periode de carence</i>). The grace period is equivalent to: either one third of the duration of the fixed-term contract (if the duration of the contract, renewal included, is at least 2 weeks), or half the duration of the fixed-term contract (if the duration of the contract, renewal included, is less than 2 weeks).</p> <p>Estimated number: 2</p>
<p>12: Maximum cumulated duration of successive standard FTCs</p>	<p>The maximum cumulated duration of FTCs depends on the reasons for using such contracts. But, in principle, the maximum duration is 18 months, although this can vary from 9 months (while awaiting the arrival in the enterprise of an employee recruited on an open-ended contract) to 24 months (permanent abolition of a post, overseas mission or exceptional export order).</p>

<p>13: Types of work for which temporary work agency (TWA) employment is legal</p>	<p>Use of TWA employment is restricted to "objective" cases, as for FTCs (temporary work assignments may not be used on the grounds of a temporary increase in the company's workload for a position that has been subject to a redundancy on economic grounds until 6 months have elapsed).</p>
<p>14: Are there restrictions on the number of renewals and/or prolongations of TWA assignments? (f)</p>	<p>Yes. A new contract/assignment for the same position may start only after the expiry of a delay equivalent to one third of the duration of the initial contract.</p>
<p>15: Maximum cumulated duration of TWA assignments (f)</p>	<p>Each assignment gives rise to the conclusion of: (1) a service contract between the TWA and the user (client) firm; and (2) an employment contract known as the "assignment contract" between the temporary worker and the employer, <i>i.e.</i> the temporary work agency (Article L1251-1, French Labour Code). The duration of the assignment with the user firm (<i>i.e.</i> the enterprise to which the temporary worker is assigned) is subject to the same rules as those governing fixed-term contracts.</p>
<p>16: Does the set-up of a TWA require authorisation or reporting obligations?</p>	<p>Yes. Specific administrative authorisation is required.</p>
<p>17: Do regulations ensure equal treatment of regular workers and agency workers at the user firm?</p>	<p>Equal treatment in terms of remuneration and other working conditions.</p>
<p>18: Definition of collective dismissal (b)</p>	<p>Collective dismissal is defined as the termination of the employment contracts of a number of employees as a result of redundancies on economic grounds. Regulations provide for different arrangements and procedures according to the number of employees concerned (fewer than 10 or 10 or more) by this measure at the same time. For cases of 10 or more dismissals in a given period of 30 days, the employer must comply with significantly more obligations.</p>
<p>19: Additional notification requirements in cases of collective dismissal (g)</p>	<p>The procedure for dismissal on economic grounds varies according to the number of employees concerned. For the dismissal of at least 10 employees in a given period of 30 days, the employer must comply with specific procedural rules to notify, inform and consult with staff representatives, hold preliminary interviews and inform the administrative authorities (<i>Direction régionale des entreprises, de la concurrence, de la consommation, du travail et de l'emploi</i> - DIRECCTE). Notification of staff representatives: Informing and consulting with staff representatives. Notification of the public authorities: informing the administrative authorities (<i>Direction régionale des entreprises, de la concurrence, de la consommation, du travail et de l'emploi</i> (DIRECCTE).</p>
<p>20: Additional delays involved in cases of collective dismissal (h)</p>	<p>The procedure varies according to the number of employees concerned, the size of the enterprise and the presence (or not) of staff representative bodies.</p> <ul style="list-style-type: none"> - collective dismissal of 10 or more workers in a firm with fewer than 50 employees and which has staff representatives: notification to the administrative authority not before the day following the first meeting of the staff representatives, then notification of dismissal by registered letter 30 days after notification is given to the administrative authorities = 1+30+3=34 days) - collective dismissal of 10 or more workers in a firm with 50 or more employees and which has a works council or staff representatives but where an auditor is not designated: notification to the administrative authority not before the day following the first meeting of the staff representatives, then notification of dismissal by registered letter 30-60 days after notification is given to the administrative authorities = 1+45+3= 49 days. - collective dismissal of 10 or more workers in a firm with 50 or more employees and which has a works council or staff representatives and where an auditor is designated: notification to the administrative authority not before the day following the first meeting of the staff representatives, then notification of dismissal by registered letter 44-74 days after notification is given to the administrative authorities = 1+59+3= 63 days. <p>Calculation (for EPL indicators): 39.5 days <i>i.e.</i> [(49+63)/2] – 15.5 days for individual dismissal.</p>

<p>21: Other special costs to employers in case of collective dismissals (i)</p>	<p>When the dismissal concerns at least 10 workers in a 30-day period in an enterprise with at least 50 employees, the employer must put in place an employment preservation plan (<i>plan de sauvegarde de l'emploi – PSE</i>) which includes a number of measures aimed at limiting the number of redundancies and encouraging the reassignment of the workers who are laid off. The absence (or insufficiency) of the redeployment scheme (integrated into the employment preservation plan) may entail the nullity of the redundancy procedure; as a result, if the judge orders the reinstatement of the employee upon his/her request, the employer cannot refuse. The plan may include measures:</p> <ul style="list-style-type: none"> - for the internal reassignment of employees – creation of new tasks within the enterprise; - for the redeployment of employees outside the enterprise, particularly by supporting growth in the local employment area; - for lending support to the creation or takeover of businesses; - for reducing or reorganising working hours. <p>A certain number of measures are designed to spur growth in the employment areas where enterprises that are dismissing employees on economic grounds are located. These measures are applied differently, depending on whether the enterprise concerned is or is not required to offer redeployment leave. Measures to spur growth in employment areas are decided after consultations with the local authorities, chambers of commerce and the social partners from the regional interbranch joint committee (<i>commission paritaire interprofessionnelle régionale</i>).</p> <p>Severance pay: no specific measures for collective dismissals.</p>
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Legend: d: days; w: weeks; m: months; y: years. For example “1m < 3y” means “1 month of notice (or severance) pay is required when length of service is below 3 years”.

Notes:

- a) Three tenure durations (9 months, 4 years, 20 years). Case of a regular employee with tenure beyond any trial period, dismissed on personal grounds or economic redundancy, but without fault (where relevant, calculations of scores to compute OECD EPL indicators assume that the worker was 35 years old at the start of employment). Averages are taken where different situations apply – e.g. blue collar and white collar; dismissals for personal reasons and for redundancy.
- b) Based also on case law, if court practice tends to be more (or less) restrictive than what specified in legislation.
- c) Initial period within which regular contracts are not fully covered by employment protection provisions and unfair dismissal claims cannot usually be made.
- d) Typical compensation at 20 years of tenure, including back pay and other compensation (e.g. for future lost earnings in lieu of reinstatement or psychological injury), but excluding ordinary severance pay and pay in lieu of notice. Where relevant, calculations of scores to compute OECD EPL indicators assume that the worker was 35 years old at the start of employment and that a court case takes 6 months on average. Description based also on case law.
- e) Maximum time period after dismissal up to which an unfair dismissal claim can be made.
- f) Description based on both regulations on number and duration of the contract(s) between the temporary work agency and the employee and regulations on the number and duration of the assignment(s) with the same user firm.
- g) Notification requirements to works councils (or employee representatives), and to government authorities such as public employment offices. Only requirements on top of those requirements applying to individual redundancy dismissal count for the OECD EPL indicators (cf. Item 1).
- h) Additional delays and notice periods in the case of collective dismissal (only delays on top of those required for individual dismissals – as reported in Items 2 and 3 – count for the OECD EPL indicators).
- i) This refers to whether there are additional severance pay requirements and whether social compensation plans (detailing measures of reemployment, retraining, outplacement, etc.) are obligatory or common practice.