

The various social measures in favour of purchasing power

The law on emergency measures to protect purchasing power and the amending finance law for 2022 were published in the Journal Officiel on 17 August 2022. They contain the various measures planned by the government to protect the purchasing power of the French. In social matters, in addition to the "Value Sharing Bonus" (see dedicated sheet), various other measures concern employers and employees.

Overtime

The amended finance law for 2022 provides for an increase in the tax exemption ceiling for overtime and additional hours (part-time employees) worked since 1 January 2022. This ceiling, expressed as a net taxable amount, increases from €5,000 per year to €7,500 per year (or €8,037 gross). This provision also concerns, for employees on a fixed-term contract, the days worked in excess of 218 days per year in application of the system of renunciation of rest days.

In terms of social security contributions, companies with 20 to less than 250 employees will be able to benefit from a flat-rate deduction of employer's contributions for overtime worked from 1 October 2022. This provision also concerns overtime worked beyond 218 days for employees on a fixed-term contract, but it does not concern overtime worked by part-time employees.

The amount of this deduction will be set by a decree to be published. For the waiver of 1 day's rest for employees covered by a fixed-term contract, the amount of the reduction will be 7 times the amount provided for 1 hour of overtime.

The benefit of the deduction is subject to the following conditions: remuneration of the overtime hour at least as a normal hour, compliance with the legal and contractual provisions relating to working hours, no substitution of the remuneration of overtime hours for other elements of remuneration, compliance with the European regulation on de minimis aid, provision to URSSAF agents of a document with a view to checking the application of the system.

The deduction will be deducted from the charges due by employers in respect of salary increases for overtime paid for each employee concerned and may not exceed this amount.

Days off or RTT

In a derogatory manner, the Amending Finance Act allows employees to temporarily monetise untaken days of rest or RTT.

Thus, an employee may, at his or her request and in agreement with the employer, waive all or part of his or her days or half-days of rest acquired in application of either an RTT agreement prior to the law of 20 August 2008 and maintained, or an agreement on the organisation of working time over a period longer than a week. Only rest days acquired between 1 January 2022 and 31 December 2025 under these arrangements may be bought back.

These days of rest worked must give rise to an increase in pay at least equal to the rate applicable to the first hour of overtime in the company. The corresponding hours shall not be counted against the overtime quota.

Remuneration paid to employees following the monetisation of rest days or RTT entitles them to the reduction in employee contributions, the flat-rate deduction of employer contributions (companies with fewer than 20 employees) and the income tax exemption provided for overtime.

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Transport costs to and from work

The amended finance law for 2022, encourages for 2022 and 2023, the coverage by the employer of home-workplace travel expenses by adapting the 3 existing schemes:

- Mandatory payment of 50% of public transport tickets,

- The optional transport bonus to cover the cost of fuel and power for electric vehicles for employees who are obliged to use their vehicle,
- The optional sustainable mobility package, to cover the cost of transport by less polluting alternative means (bicycle, scooter, carpooling).

	Provisions before the rectifying finance law for 2022	Provisions after the Amending Finance Act for 2022
<p>Compulsory payment of 50% of subscriptions to public transport or public bicycle hire services.</p> <p>Optional coverage beyond that.</p>	<p>Tax and social security exemption of 50% of subscription costs (compulsory coverage).</p> <p>Beyond that (optional coverage), conditional tolerance for social exemption and no tax exemption.</p>	<p>Tax and social security exemption of 50% of subscription costs (compulsory coverage).</p> <p>Beyond that (optional coverage), for 2022 and 2023, tax and social security exemption up to 25% of the subscription fee.</p> <p>(Thus, up to 75% of the value of the subscription can be fully exempted).</p>
<p>Transport allowance (optional)</p>	<ul style="list-style-type: none"> - Concerns employees forced to use their vehicle (no public transport, working hours not compatible with public transport) - Exemption from income tax, contributions and CSG/CRDS up to a maximum of €500 per employee per year, including a maximum of €200 for fuel costs (petrol, diesel). - This cannot be combined with the compulsory payment of subscriptions to public transport or public bicycle hire services. 	<p>For 2022 and 2023 :</p> <ul style="list-style-type: none"> - Concerns all employees. - Exemption from income tax, contributions and CSG/CRDS up to a maximum of €700 per employee per year, including a maximum of €400 for fuel costs (petrol, diesel). - This can be combined with the compulsory payment of subscriptions to public transport or public bicycle hire services.
<p>Sustainable mobility package (optional)</p>	<p>Exemption from income tax, contributions and CSG/CRDS up to €500 per employee per year.</p>	<p>For 2022 and 2023 :</p> <p>Exemption from income tax, contributions and CSG/CRDS up to €700 per employee per year.</p>
<p>Combination of transport allowance and sustainable mobility package (optional)</p>	<p>Exemption from income tax, contributions and CSG/CRDS up to €500 per employee per year, including a maximum of €200 for fuel costs.</p>	<p>For 2022 and 2023: Exemption from income tax, contributions and CSG/ CRDS up to a limit of €700 per employee per year (€900 in overseas territories), including a maximum of €400 (€600 in overseas territories) for fuel costs (petrol, diesel).</p>
<p>Combining the sustainable mobility package with the compulsory payment of public transport or public bicycle rental service fares.</p>	<p>Exemption from income tax, contributions and CSG/CRDS up to a limit of €600 per employee per year or up to the amount of the compulsory coverage of public transport costs or public bicycle hire services if it exceeds €600.</p>	<p>From 2022 onwards and on a permanent basis:</p> <p>Exemption from income tax, contributions and CSG/CRDS up to a limit of €800 per employee per year or up to the amount of the compulsory coverage of public transport costs or public bicycle hire services if it exceeds €800.</p>

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Meal vouchers and meal expenses

The social and tax exemption limit for the employer's contribution to the financing of meal vouchers has been raised to €5.92 as from ¹ September 2022 and until 31 December 2022 (it was €5.69 since ¹ January 2022). Therefore, as from ¹ September 2022, the value of the meal voucher entitling to the maximum exemption is between €9.87 (60% employer's contribution) and €11.84 (50% employer's contribution).

By way of derogation, from 18 August 2022 until 31 December 2023, meal vouchers can be used to purchase any food product, whether or not it is directly consumable (e.g. rice, pasta, flour, eggs, etc.).

The government has also announced that the daily limit for the use of meal vouchers, currently set at €19, should soon be raised to €25.

In addition, the lump-sum meal allowances paid by employers to their employees who are obliged to incur additional expenses for meals and which are excluded from the contribution base will be revalued as of ¹ September 2022 (currently : €19.40 for employees on business trips who are obliged to eat in restaurants, €9.50 for employees on business trips who are not obliged to eat in restaurants, €6.80 for employees who are obliged to eat at their actual place of work due to particular organisational conditions or working hours). A decree to be published will set the new amounts, which should be increased by 4%.

Employee savings

Various measures have been put in place in favour of employee savings. Except in special cases, these measures are applicable from 18 August 2022.

Implementation of profit-sharing

The possibility of concluding a profit-sharing agreement by unilateral decision of the employer is now open to companies with fewer than 50 employees (previously 11 employees) which are not covered by an approved branch profit-sharing agreement.

This possibility applies in two cases:

- Or the company does not have a trade union delegate and a CSE (PV de carence). In this case, the employer must inform the employees by any means of the implementation of a profit-sharing scheme.

- Or the company has at least one trade union delegate or a CSE, but negotiations to introduce the profit-sharing scheme have not resulted in an agreement. In this case, a statement of disagreement must be drawn up and the CSE must be consulted on the draft profit-sharing scheme at least 15 days before it is submitted to the administrative authority.

It should be noted that at the end of its validity, the profit-sharing scheme may also be renewed by unilateral decision.

Duration of profit-sharing

A profit-sharing agreement may now be concluded for a period of between 1 and 5 years, compared with 1 to 3 years at present. This extension of the duration also concerns profit-sharing schemes set up by unilateral decision.

Distribution of profit-sharing

Paternity and childcare leave is now considered as a period of presence when distributing profit-sharing if it considers the length of presence in the company.

Unlocking of profit-sharing and participation

The law on purchasing power offers beneficiaries the possibility of releasing, in one go, up to €10,000 of profit-sharing or incentive payments, invested before ¹ January 2022, to finance the purchase of one or more goods or the provision of one or more services. The application for release must be made by 31 December 2022 at the latest. The beneficiary must keep at the disposal of the tax authorities the supporting documents attesting to the use of the amounts released.

However, some blocked rights are excluded from the scheme (sums invested in a retirement savings plan or in solidarity-based company funds) or subject to an agreement (savings allocated to the acquisition of company shares or to an employee shareholding company mutual fund or to an employee shareholding open-ended investment company).

The amounts released are excluded from social security contributions and income tax. They remain subject to CSG-CRDS.

The employer must inform the employees of this derogatory possibility of early release before 16 October 2022.

Our firm is at your disposal to advise and assist you.

Please do not hesitate to contact us.

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