

INSIGHT...

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Supplementary health insurance (mutual insurance)

Regardless of its size and activity, every company must set up a collective supplementary health insurance scheme (mutuelle) for all its employees. The minimum level of cover to be provided has been set by law. The employer must finance at least 50% of the overall contribution.

Which employers are affected?

All employers under private law are concerned by the introduction of supplementary health cover (mutual insurance) for their employees.

In the absence of a branch or company agreement establishing cover at least as favourable as that provided for by law, the employer must introduce supplementary health insurance by unilateral decision. This implementation must be formalised by a written document given to each employee, and the employer must, if necessary, prove to the URSSAF that this procedure has been respected.

If the company does not have a health insurance contract in place, there is a risk of litigation with employees.

Which employees are affected?

The employer must cover all employees. There is no seniority requirement. It should be noted that the law does not require the employer to set up or participate in the cost of health coverage extended to employees' dependents.

Certain cases of exemption from membership of the supplementary health insurance scheme are allowed, some of them by right, others must be mentioned in the act setting up the scheme. To be exempted, the employee must apply for it.

In the event of an URSSAF inspection, the employer must be able to produce the exemption request of the employees concerned and, in some cases, an annual justification.

This request must include the statement that the employee has been informed by the employer of the consequences of his choice. Requests for exemption must be made at the time of hiring or, if later, at the time of implementation of the benefits.

The employee must declare the context in which the request for exemption is made. Where the exemption is linked to other cover, the request must mention the name of the insurer carrying the contract taken out, enabling him to request this exemption and, where applicable, the date on which these right ends if it is limited.

The employee is obliged to inform his employer of any change in his situation that affects his exemption.

It should be noted that when benefits are introduced by a unilateral decision of the employer, employees already employed before the scheme was introduced may refuse to join it if it includes an employee contribution (Evin law).

(See summary of exemptions on page 3).

What are the minimum guarantees?

The health cover set up in the company must guarantee:

- The "100% health care" basket for optical, audiology and dental prostheses,
- The full amount of the co-payment payable by the insured on consultations, procedures and services reimbursable by the compulsory health insurance scheme, subject to certain exceptions,
- The daily hospital charge, without time limit,
- Expenses for prosthetic dental care and dentofacial orthopaedics (outside the "100% health" basket): up to 125% of the "social security" liability rates,
- Optical expenses (outside the "100% health" basket): two lenses and one frame, per two-year period and up to the limit of the expenses incurred by the insured, up to a fixed amount

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a minimum of €100 for simple corrections, a minimum of €150 for a mixed simple and complex correction and a minimum of €200 for complex corrections (for minors or in the event of a change in eyesight, coverage within the limit of this package is, by exception, annual).

The company can take out more extensive cover if it so wishes.

What funding?

The employer must pay for at least 50% of the cost of the health coverage provided by the company, even if this coverage exceeds the minimum basket of benefits.

The employer's contribution is, within a certain limit, exempt from social security contributions provided that the supplementary health insurance scheme meets the specifications of responsible contracts and that the scheme set up is collective and compulsory for all employees. In the event of an URSSAF inspection, the company must provide all the documents needed to prove that the scheme complies with the regulations: documents on the implementation of the scheme, a description of the cover, compliance with the conditions for responsible contracts, proof of exemption, minutes of the deliberative body in the case of representatives, etc., otherwise the exemption from social security contributions will be called into question.

Employers' contributions remain subject to the CSG-CRDS and, for employers with 11 or more employees, to the reduced social security rate of 8%. It should be noted that employers who cross the threshold of 11 employees remain exempt from the social security flat rate on provident funds for 5 years.

What is a collective and compulsory contract?

The collective nature of the scheme requires that the level of cover be identical for all employees or for those in the same category. The company's contribution must be set at a uniform rate or amount for all employees or for all those in the same category.

The scheme must be compulsory for all employees, i.e. all employees or all objective categories of employees must join the contract, but there may be exemptions from membership (see page 3).

What is a responsible contract?

In order to benefit from all the tax and social security advantages linked to compulsory group contracts, contracts covering health costs must be "responsible", this means that :

- That they do not have to cover certain expenses,
- And, conversely, they have to comply with care obligations.

Responsible contracts must allow the insured to benefit from the mechanism of third-party payment for services covered by guarantees intended to reimburse or compensate for expenses incurred as a result of illness, maternity or an accident, at least up to the level of the social security liability rates. In addition, the practice of third-party payment must be complete, i.e. including beyond the responsibility rate, for the equipment and care in the "100% health" basket.

The "health payment"

The "health payment" is a subsidy paid by the employer to certain employees, intended to help them finance "responsible" individual health cover. This aid replaces the company's compulsory collective "health costs" cover.

The employees concerned are: employees on fixed-term contracts or assignment contracts whose contract duration is less than or equal to 3 months or those whose actual working time under the contract is less than or equal to 15 hours per week. To benefit from this payment, employees must prove that they have taken out an individual health insurance policy that meets the requirements of responsible contracts and have requested an exemption from the company's scheme.

The amount of aid corresponds to the monthly contribution payable by the employer for an employee in the same category, increased by a coefficient of 105% for employees on permanent contracts or 125% for employees on fixed-term or temporary contracts.

The "health payment" cannot be cumulated with the benefit of complementary health insurance, or a collective and compulsory cover, including as a beneficiary.

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Points to watch out for

The company must ensure that:

- Its contract is collective and compulsory (in particular, that the objective categories of employees defined by the company comply with the provisions of the law, that exemptions from membership are justified, that the rates are uniform, etc.),
- All employees of the company are covered, no seniority requirement can be set,

- The existing coverage provides at least the minimum guarantees provided by law or collective agreement,
- At least half of the cost of the benefits is borne by the employer,
- The contract in place respects the criteria for responsible contracts,
- The cases of exemption included in the act are in conformity and that the employees have been informed of the cases of exemption by right.

A renegotiation of the contract may be necessary to bring it into conformity.

Cases of exemption

Potential beneficiaries	Conditions
Exemptions by right, even if not mentioned in the founding act	
Employees hired before the implementation of a scheme set up by DUE (Evin law, scheme co-financed by the employer and the employee)	If the scheme provides for an employee contribution, exemption from membership is possible by right, on simple request, even if the act the legal basis of the scheme does not provide for it
Employees benefiting from complementary health insurance (replaces CMUC or ACS)	Exemption until the employee stops working benefit from complementary health insurance
Employees already covered by an individual health insurance policy at the time of the introduction of the benefits or, if later, of their recruitment	Waiver only valid until the end of the individual contract
Employees benefiting, including as dependants, from other coverage for the same risks under the following schemes: another compulsory group health plan The "exempt" scheme; the local Alsace-Moselle scheme; the supplementary scheme for the electricity and gas industries (CAMIEG); mutual insurance companies for state employees or local authorities; group insurance contracts, known as Madelin	Exemption until the employee ceases to benefit from the coverage in question
Employees on fixed-term contracts or on assignment contracts where the duration of their compulsory collective health insurance coverage is less than 3 months <i>(e.g. if an employee has a 2-month fixed-term contract but the branch agreement provides for 4 months of collective coverage, the employee is not affected by this exemption)</i>	Prove that they are covered under the conditions of responsible contracts. Employees exercising this exemption are entitled to the employer's "health payment" on proof of a health insurance contract responsible supplementary insurance
Dispensations that may be authorised by the founding instrument	
Apprentices, employees on fixed-term contracts, temporary workers with a contract work or assignment of at least 12 months	Exemption from membership on proof of individual cover taken out elsewhere for the same type of benefit
Apprentices, employees on fixed-term contracts, temporary workers with a contract work or assignment of less than 12 months	Exemption from membership on request
Part-time workers and apprentices whose membership of the scheme would lead them to pay a contribution of at least 10% of their gross pay	Exemption from membership on request
Employee hired before the implementation of a scheme set up by DUE and based on exclusively employer financing	Exemption from membership on request

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