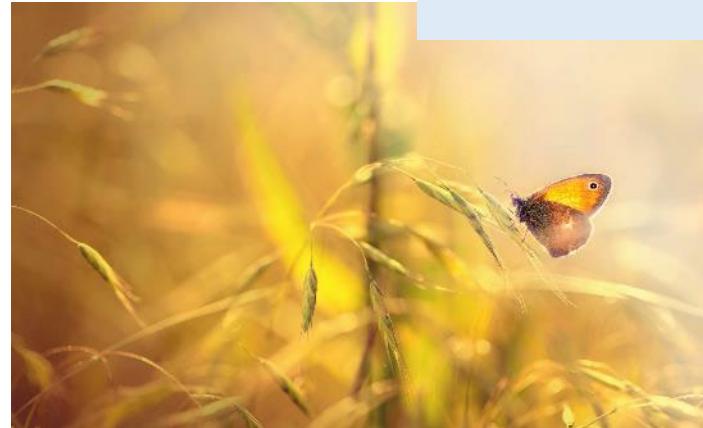


FOCUS ON ...

SOCIAL



September 2022

The value sharing bonus

The law on emergency measures to protect purchasing power, published in the Journal Officiel on August 17, 2022, contains the various measures planned by the government to protect the purchasing power of the French. In particular, it introduces the "Value Sharing Bonus (VSP)". This bonus takes over from the "Exceptional Purchasing Power Bonus (PEPA)", but with significant changes as this new bonus is both reinforced and made permanent, while remaining optional. Its social and fiscal regime has also been adapted. Translated with www.DeepL.com/Translator (free version)

How to set up

The value-sharing bonus is optional for employers. It can be implemented either:

- By company or group agreement concluded under the terms of a profit-sharing agreement,
- By unilateral decision after consultation of the CSE when it exists.

The company chooses the method of implementation that suits it best, there is no priority for the company agreement over the unilateral decision.

The PPV is a permanent system, it can be implemented every year, but without any obligation for the employer. Therefore, particular attention should be paid to the duration of the agreement or the unilateral decision.

Employers and employees concerned

Any company can set up the PPV: private law employers, public administrative or industrial and commercial establishments, establishments and services providing assistance through work. The PPV benefits all employees linked to the company by an employment contract on the date of payment of the bonus or on the date of filing of the agreement or signing of the unilateral decision setting up the bonus (option to be specified in the agreement or the DU). All employees are concerned, there is no salary condition. However, the employer may only pay the bonus to employees whose remuneration does not exceed a ceiling determined by the agreement or the unilateral decision.



The case of temporary workers

Temporary employees benefit from the bonus set up in the user company for its own employees. The temporary employees who benefit are those who are available to the user company on the date of payment of the bonus or on the date of filing of the agreement or signing of the unilateral decision setting up the bonus.

The user company must inform the temporary work company to which the employee on assignment belongs. The temporary work company must inform its CSE and pay the bonus to the temporary worker according to the terms and conditions set by the agreement or the unilateral decision of the user company.

The bonus is entitled to the same exemptions as those applicable to the bonus paid to employees of the user company.

The amount of the PPV

The amount of the bonus awarded is freely determined by the agreement or the unilateral decision. It may be less than or more than the bonus exemption ceilings. Its amount can be modulated according to a limited number of criteria:

- Compensation,
- Classification level,
- Seniority in the company,

- Duration of actual presence during the past year (maternity, paternity, adoption, parental leave, leave for a sick child, parental presence leave, days of rest given by other employees to the parents of deceased or seriously ill children are considered as actual presence),

- Working hours stipulated in the contract in the case of part-time work. The modulation criteria must be provided for in the agreement or the unilateral decision.

The principle of non-substitution

The bonus must correspond to additional remuneration. It may not replace any element of remuneration paid by the employer or which would become compulsory by virtue of legal or contractual rules or custom, nor any increase in remuneration or bonus provided for by a wage agreement, the employment contract or customary practice in the company.

Exemption limits

To benefit from the various exemptions, the amount of the bonus must not exceed €3,000 per year per beneficiary.



SOCIAL

This amount is increased to 6 000 € in the following cases:

- Companies, regardless of the number of employees, which have a profit-sharing scheme at the date of payment of the bonus or which have concluded a profit-sharing scheme for the same financial year as that of the bonus payment.
- Companies with fewer than 50 employees that are not required to set up a profit-sharing agreement, but which nevertheless implement a profit-sharing scheme on the date of payment of the bonus or which have concluded a profit-sharing scheme for the same financial year as that of the bonus payment.
- Associations and foundations recognized as being of public utility or general interest and authorized to receive donations entitling them to a tax reduction.
- Establishments and services for assistance through work (ESAT), for the premium attributed to disabled persons accommodated under a contract for assistance and support at work.

The tax and social regime of the PPV

The PPV benefits from a basic exemption scheme limited to social security contributions and a reinforced exemption scheme extended to income tax, until the end of 2023, for employees whose remuneration is below 3 SMIC.

The exemptions are assessed within the framework of the calendar year.

(See table on page 4)

Terms of payment

The PPV can be paid since July 1, 2022.

The payment of the bonus may be made in one or more instalments, up to a maximum of once per quarter during the calendar year. This must be mentioned in the agreement or the DU.

The PPV must appear on the pay slip. It must be declared in DSN.



The tax and social regime of the PPV

	Bonuses paid from 07/01/2022 to 12/31/2023			
Social security contributions of legal or conventional origin (employee and employer shares), training contribution, apprenticeship tax and construction contribution	Employee with an annual salary of less than 3 SMIC during the 12 months preceding the payment of the bonus (to be prorated in the case of part-time employees and employees not employed over the entire period)	Employee with remuneration \geq 3 SMIC per year during the 12 months preceding the payment of the bonus (to be prorated in the case of part-time and non-employed employees over the entire period)		Bonuses paid from 2024 onwards (regardless of the employee's salary level)
CSG (9,20 %) / CRDS (0,5 %)	Exempt bonus up to a limit of €3,000 or €6,000 per year per beneficiary, depending on the applicable ceiling.	Exempt bonus of up to €3,000 or €6,000 per year per beneficiary, depending on the ceiling applicable to the company.		Exempt bonus up to a limit of €3,000 or €6,000 per year and per beneficiary, depending on the ceiling applicable to the company
Income tax	Exempt bonus of up to €3,000 or €6,000 per year and per beneficiary, depending on the ceiling applicable to the company NB : for 2022, in case of cumulation of the PEPA and the PPV, the exemption is limited to €6,000	Premium submitted (After 1.75% base deduction, to be confirmed by the BOSS)		Premium submitted (After 1.75% base deduction, to be confirmed by the BOSS)
Social security tax 20%.	Not applicable	Taxable bonus		Taxable bonus
		Applicable to companies with 250 employees or more, on the portion of the bonus exempt from social security contributions		Applicable to companies with 250 employees or more, on the portion of the bonus exempt from social security contributions



SOCIAL

« Smart decisions, Lasting value »

Rsa is a Parisian audit, accounting and consulting firm, independent member of Crowe Global, the 8th largest network in the world.

Bringing together 14 partners and more than 120 professionals, the Rsa Group has been contributing for more than 30 years to the development of mid-cap companies, subsidiaries of international groups, SMEs and VSEs, by accompanying them on a daily basis as well as in the key moments of their development, thanks to a range of multidisciplinary services: Audit, Accounting, Consolidation, Social, Corporate Finance - M&A, Evaluation, International Business Services, Compliance Consulting and Risk Management, IT Consulting.

Open to the international, Rsa has developed know-how in supporting foreign companies in France, in particular Chinese companies and investors thanks to its China Desk. Its approach based on agility and commitment allows Rsa to offer financial information solutions tailored to the needs and organization of its customers.

CONTACT

Marc Marin // Partner

Mail : M.marin@crowe-rsa.fr

RSA 11-13 avenue de Friedland, 75008 Paris
+33(0)1 53 83 90 00 - www.crowe-rsa.fr

Rsa is a member of Crowe Global. Each member firm of Crowe Global is a separate and independent legal entity. Rsa and its affiliates are not responsible for the acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not provide any professional services and has no ownership or partnership interest in Rsa.