

France and COVID-19

Partial Activity: Update on the Scheme (Decree n°2020-325 of 25 March 2020)

March 26, 2020

Presentation of the Scheme

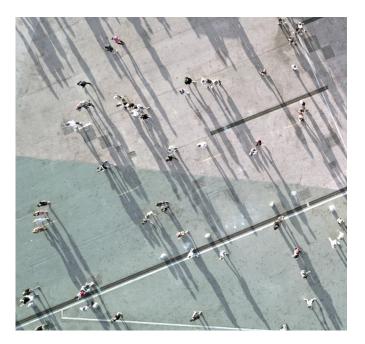
Partial activity is a **tool for preventing economic layoffs** and securing jobs. This system applies only when certain conditions are met and offers the employer the possibility of **reducing working time**. The Labour Minister has confirmed that the current health situation makes it necessary to set up the widest possible partial activity scheme.

The partial activity is governed by a quota of hours that may not be exceeded, which is currently 1,000 hours per year per employee (including a quota of 100 hours if the company closes for up to six weeks).

Eligible Employees

The number of employees eligible for partial activity will soon be increased. Still not affected: self-employed workers, corporate officers and trainees. The following will now be fully eligible:

- Employees on permanent or fixed-term replacement contracts
- Apprentices
- Part-time or half-time therapeutic employees in proportion to their rate of activity
- Temporary workers
- Employees on day flat-rate and hour flat-rate (previously ineligible in case of reduced working hours)
- The sales representatives
- · Homeworkers and childcare assistants



Application to Partial Activity

The employer must inform and consult the CSE (Economic and Social Committee) and then apply for **authorization** to the DIRECCTE (labour administration). By way of derogation, the CSE may be consulted a posteriori in cases where it is impossible to organize a meeting. In this case, the employer shall communicate the opinion of the CSE to the DIRECCTE within two months of the request.

Time limit to apply with DIRECCTE. Thanks to the adoption of Decree n°2020-325, the employer can now implement the partial activity measures in his company and has a period of 30 days, with retroactive effect, to file his application on the website https://activitepartielle.emploi.gouv.fr.

Contents of the application file. The request for partial activity must specify:

- Reasons for the partial activity; caution should be taken in motivating the request and not just invoking the health crisis related to COVID-19. It is necessary to justify economic difficulties or a decrease in activity.
- Measures taken to limit recourse to partial activity (reduction of working hours, granting of paid leave, professional training, taking RTT- working time reduction, change in activity). It should be noted that, since the adoption of the ordinance n°2020-323 of 25 March, the employer can now change the date of holiday leave by collective agreement (within the limit of six days) and also impose the taking of RTT and CET (time saving account) leave within a 10 day limit.
- Forecast period of partial activity and the number of hours requested. It should be noted that partial activity may be granted for a maximum period of 12 months, renewable from the adoption of Decree n°2020-325 (and no longer than six months, as before).
- Number of employees affected by the measure.

Response's deadline. The deadline for the administration's response is two days – this shortened delay applies until 31 December 2020 (the response time will again be 15 days after this date). If no reply is received within this period, the application shall be deemed to be accepted.

We remain at your disposal to accompany you on the step-by-step process.

Situation of the Employee in Partial Activity

- Employee has a reduction of the working hours or suspension of paid work
- Employee receives payment of a partial activity's allowance (see below "compensation of employees")
- Partial activity is, however, assimilated to actual work for the calculation of various social security benefits, supplementary pension benefits, paid leave or profit-sharing bonuses

Compensation of Employees

- For each period of partial activity, the employer pays an allowance amounting to at least 84% of the employee's net hourly wage or 100% of the minimum wage. This allowance is increased to 100% in the case of professional training. The benchmark salary is the one used to calculate the paid leave.
- The employer only compensates the unemployed hours within the legal limit of 35 hours per week (or the collective or contractual duration, if it is lower). Overtime or additional unemployed hours will not be compensated.
- The compensation paid by the employer is not subject to social security contributions and is only subject to the CSG and CRDS (social surtaxes) at a reduced rate (6.7%).

Employer's Compensation

- The employer then benefits from a standard allowance, paid by the Services and Payment Agency (ASP), covering 70% of the gross hourly wage (in practice, therefore, 100% of the compensation paid to employees), limited to 70% of 4.5 times of the minimum salary "SMIC" (€4,849.17).
- The objective stated in the preamble of the Decree n°2020-325 is to eliminate the remainder to be paid by the employer, except for the highest salaries (the allowance served by ASP does not exceed 70% of 4.5 times the minimum salary).

A simulation tool is available online (http://www.simulateurap.emploi.gouv.fr/), which is updated regularly.

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