

COVID-19 and Partial Activity (French Version of Furlough)

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Summary

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1. Presentation of the Scheme

- Partial activity is a tool that offers the employer the possibility of **suspending employment contracts** during a determined period of time and a limited number of hours per employee
- **The partial activity is governed by a quota of hours** that may not exceed 1,607 hours per year per employee (until 31 December 2020 – after which the maximum quota of hours will be 1,000 hours per year)
- The partial activity must be **approved by the administration**
- **Mechanism:**
 - **The company first pays a partial activity compensation to employees:** 70% of the salary. This allowance may not be less than €8.03 per hour off. Some collective bargaining agreements provide for higher compensation
 - **The company then requests to be refunded by the state** (up to 70% of the salary received for 35 hours a week, without exceeding 70% of 4.5 times of the minimum wage).
- **Maximum duration** is 12 months, renewable; recommended duration for the first application is 2 months

2. Application to Partial Activity

- **Time limit to apply with DIRECCTE** - The company can now implement the partial activity measures and has a period of 30 days, with retroactive effect, to file his application on the website <https://activitepartielle.emploi.gouv.fr>
- **Main contents of the application file:**
 - **Opinion of the CSE** (elected staff representatives) on the implementation of partial activity
 - **Reasons for the partial activity** - Caution should be used 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, training, taking “RTT” days, change in activity) - It should be noted that, since the adoption of a recent bill, the employer can now impose the taking of days off within a 10 days’ limit
 - **Forecast period of partial activity** (our advice: for a first application related to COVID-19, one to three months), **number of affected employees and hours**
- **Response’s deadline** - The deadline for the administration’s response is **two days** (this shortened delay applies until 31 December 2020, after which the response time will again be 15 days); if no reply is received within this period, the application shall be deemed to be accepted

3. Compensation Paid to Employees During Partial Activity

The company pays 70% of the hourly remuneration for a 35 hour week (unless a better compensation is provided for in the applicable collective bargaining agreement)

What if....

The employment contract provides for a 39 or 40 hour week? In this case, the hourly base remuneration applying to a 35 hour week must be specifically calculated beforehand. Indeed, hours beyond hour 35 are paid 25% to 50% more than the first 35 hours of the week. The hourly base rate must be determined with the assistance of payroll

The employee works under a « forfait jours » arrangement? In this case, the administration considers, for the purpose of the calculation of the partial activity compensation, that each day is equivalent to seven hours, and each half day is equivalent to 3.5 hours. The monthly salary is, thus, considered to compensate 35 hours a week and the base « hourly rate » (i.e., the calculation basis of the compensation for partial activity) is calculated accordingly

The compensation paid to the employees during partial activity **is exempt from social contributions**

4. Plan Steps

1. Inform employees

- Informer and consult CSE (the staff representatives), who will render a non-binding opinion
- Individual information letter, including specifics on their compensation during partial activity

2. Seek administrative approval

- Create an account on the dedicated website
- Register the company on the website
- Create a request for partial activity

3. Pay employees in partial activity

- Check individual base hourly rate of each employee
- Apply the partial activity rate (see page 5)
- Specify the partial activity in pay slips

4. Apply for state refund

- Create a refund request form on the dedicated website
- Complete form with hours paid as partial activity to each affected employee



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■ Office locations

■ Regional desks and strategic alliances

