Information on Covid-19

Wednesday, April 28th, 2021

FREQUENTLY ASKED QUESTIONS

How to implement the short-time work mechanism incase of business fluctuations?

Situation 1: how can companies adjust to a fall in business?

What is short-time working?

Short-time working enables employers facing sudden and unforeseeable falls of activity to have their employees' salaries taken in charge by the State. It is a tool for preserving jobs and mitigating the repercussions of a loss of remuneration due to hours not worked, as well as avoiding redundancies.

This mechanism allows companies to close temporarily, in full or in part, while preserving essentials competences and jobs for the company's bounce once the activity has recovered a sufficient level.

Foreign companies without permanent establishment in France can also benefit from this mechanism. When employers are subject to social security contributions or contributions of any legal or conventional origin in France, therefore their employees may be placed on a short-time working scheme and receive compensation.

How can it be implemented?

Employers may put their employees on short-time working in the following cases:

- Reduction or temporary suspension of the activity due to the economic situation.
- Difficulties in the supply of raw materials.
- Disaster or bad weather.
- Corporate restructuring.
- Or any other circumstances of an exceptional nature.

How to benefit from short-time working?

This system can be activated electronically on the website of the Ministry of Labor dedicated to reduced unemployment: click here

Applications must include:

- The reason for appeal = exceptional circumstances + coronavirus.
- The detailed circumstances and economic situation giving rise to the request.
- The foreseeable period of underemployment, which may extend to June 30, 2020 from the first application.
- The number of employees concerned.
- The forecast number of hours of unemployment.

As of June 29th, 2020, for companies of 50 employees and more only, the employer must consult the employee representatives (CSE) before requesting short-time working.

Cases of "disaster or bad weather of an exceptional nature" and "circumstances of an exceptional nature" are exempted from the prior consultation of the CSE which can thus occur within 2 months after the application.

What time frame?

Usually, the short-time working system must be requested prior to its implementation within the company, except for cases of loss or bad weather of an exceptional nature.

In response to the crisis, the Government allows companies to complete their short-time work application within 30 days after its implementation, with retroactive effect, under the ground of "circumstances of an exceptional nature".

From January 1, 2021, to obtain payment of the short-time working allowance, the employer must submit a claim online within 6 months of the end of the period covered by the partial activity authorization.

From October 1st, 2020 onwards, authorization is granted within 15 days after the application and the absence of response of the Administration is to be considered as a tacit approval.

Authorization may be granted for 12 months.

Companies requiring assistance in this process may refer to the DREETS' one-stop shop in their region (click here)

How much compensation is paid to employees?

Employers must maintain a part of the employees' remuneration by paying an indemnity equal to 70% of the gross salary (about 84% of the net) to their employees. Employees on flat-rate pay agreements can also benefit from short-time working.

Employees on minimum wage (SMIC) receive 100% compensation.

What compensation is paid to the employer?

The State's contribution is 85% of the amount of compensation paid by the employer to the employee, i.e., 60% of the gross salary within the limit of 4.5 times the SMIC.

From May 1st, 2021, the rate of the hourly allowance paid to the employer will be 36% of the previous gross salary of the employee, within the limit of 4,5 the SMIC.

Some sectors continue to benefit from a rate fixed at 70%, notably for their dependence on tourism: hotel industry, food service industry, air transport, event industry, etc.

From May 1st, 2021, employees under a short-time working scheme will receive an allowance of at least 60% of their gross salary, within the limit of 4,5 the SMIC.

A simulator is available to employers here

Reduced activity compensation paid by employers to their employees are not subject to the lump-sum payment on wages, nor to employee and employer social security contributions.

On the other hand, they are subject to the CSG at 6.20% rate and the CRDS at a 0.50% rate. These two contributions are calculated based on 98.25% of the indemnity paid.

For more information, please visit:

FAQ Coronavirus salariés et entreprises

Activité partielle

Ministère du Travail, dossier coronavirus

Situation 2: How can a company adapt to a long-term activity reduction?

In the event of a long-term decline in activity, and in return for a commitment to maintain employment, companies may apply to benefit from the exceptional long-term short-time working mechanism set up to help companies deal with the impact of the COVID-19 health crisis.

This mechanism enables the company to reduce its employees' working hours within the limit of 40% of the legal working hours per employee.

Long-term activity reduction requires a collective agreement to be signed within the establishment, the company, the group, or the branch. In the event of a branch agreement: A document compliant with the branch agreement's term must be established.

It is a temporary measure that will apply to collective agreements and documents drawn up by the employer and submitted to the authorities by June 30, 2022 at the latest.

How can it be implemented?

In the event of a lasting reduction in the company's activity, employers may put their employees on long-term short-time working.

How to benefit from the long-term short-time working mechanism (hereafter the 'APLD')?

It is possible to apply for the APLD directly online on activitepartielle.emploi.gouv.fr.

The APLD benefit is granted per 6-month period, within the limit of 24 months, consecutive or not, over a reference period of 3 consecutive years.

How much compensation is paid to employees?

Employers must maintain a part of the employees' remuneration by paying an indemnity equal to 70% of the gross salary (about 84% of the net) to their employees, within the limit of 4.5 minimum wage.

What compensation is paid to the employer?

The employer receives an allowance equivalent to the gross hourly wage of the employee's salary placed in APLD:

- 60% of the gross hourly wage within the limit of 4.5 times the minimum wage for agreements sent to the administrative authority before October 1, 2020.
- 56% of this remuneration for agreements sent to the administrative authority from October 1, 2020.

What compensation is paid to the employee?

An employee on short-time working receives an hourly allowance, paid by his employer, corresponding to 70% of their gross remuneration serving as a basis for the paid holiday allowance within the limit of 4,5 the SMIC.

For more information, please visit:

Protocole sanitaire mis à jour le 08 avril 2021 – Ministère du Travail

Gouvernement, dossier Coronavirus

Appui aux mutations économiques

Ministère du Travail, dossier Coronavirus

Préserver les emplois et former les salariés

Situation 3: How can employers maintain employment for their workers?

In the event of extended under-employment, or economic difficulties, companies may request support under the FNE-Formation training mechanism, instead of short-time working, in order to invest in employees' skills.

This approach enables companies to implement ad hoc and urgent training actions for their employees, especially those at the greatest risk of losing their job, or those whose qualifications are inadequate compared to the needs of the labor market in their employment zone.

By implementing this training mechanism, employers can facilitate the continuity of activity for employees in the face of the development caused by economic and technological changes, while also fostering their transition into new jobs.

This mechanism is the subject of an agreement concluded between the State (through a skills operator (OPCO)) and the company and is intended as a priority for companies with fewer than 250 employees.

Where it is the only public funder, the State can grant aid of up to 100% of the eligible costs. In return, the company undertakes to keep the employees participating in training in employment for a period at least equal to the duration of the agreement.

In addition, employee remuneration is included in the cost base eligible for support, in the same way as training enrolment costs.

For more information, please visit:

https://travail-emploi.gouv.fr/actualites/l-actualite-du-ministere/article/coronavirus-questions-reponses-pour-les-entreprises-et-les-salarieshttps://www.gouvernement.fr/info-coronavirus

https://code.travail.gouv.fr/dossiers/ministere-du-travail-notre-dossier-sur-le-coronavirus

https://travail-emploi.gouv.fr/IMG/pdf/covid19-doc-precisions-activite-partielle.pdf

https://travail-emploi.gouv.fr/le-ministere-en-action/coronavirus-covid-19/questions-reponses-par-theme/article/fne-formation

https://travail-emploi.gouv.fr/IMG/pdf/qr-covid-fne-formation.pdf