

# Information on Covid-19

Friday, March 27th, 2020

## FREQUENTLY ASKED QUESTIONS

### What mechanisms can be used in case of business fluctuations as a result of the crisis?

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

In order to limit the consequences of a fall in business due to COVID-19, the Government has adapted short-time working ("technical unemployment"), which helps companies facing economic difficulties.

#### What is short-time working?

Short-time working enables to mitigate the repercussions on employees' remuneration of sudden and unforeseeable falls in a company's activity and to avoid redundancies. It is therefore a tool for preserving jobs.

This mechanism allows companies to close temporarily, in full or in part, while entitling employees placed on partial employment to receive compensation from their employer to offset the loss of remuneration due to hours not worked.

#### How can it be implemented?

Employers may put their employees in partial activity 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: [activitepartielle.emploi.gouv.fr](http://activitepartielle.emploi.gouv.fr).

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.

Due to exceptional circumstances, authorization is granted within a period of two days (tacit approval in the event of non-response). The employee does not need to take any action.

In addition, such requests do not require prior consultation with employee representatives (usually mandatory). However, the CSE is to be consulted within two months after the request.

Since March 16, 2020, the Ministry of Labor has indicated that companies now have 30 days to complete their reduced activity request, with retroactive effect.

Companies requiring assistance in this process may refer to the DIRECCTE's one-stop shop in their region ([contacts : 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 minimum wage (SMIC) receive 100% compensation.

#### What compensation is paid to the employer?

The employer is reimbursed in full by the State, for wages up to €6,927 gross per month (i.e. 4.5 times the SMIC). Therefore, there is no remainder payable by the company within this ceiling.

On the other hand, if employers pay their employees an indemnity of more than 70% of their previous remuneration, this additional part is not borne by the public authorities

A simulator is available to employers: [click 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:

- [coronavirus-questions-reponses-pour-les-entreprises-et-les-salaries.gouvernement.fr/info-coronavirus](http://coronavirus-questions-reponses-pour-les-entreprises-et-les-salaries.gouvernement.fr/info-coronavirus)
- [travail-emploi.gouv.fr/covid19\\_obligations\\_employeur](http://travail-emploi.gouv.fr/covid19_obligations_employeur)
- [code.travail.fr/ministere-du-travail-notre-dossier-sur-le-coronavirus](http://code.travail.fr/ministere-du-travail-notre-dossier-sur-le-coronavirus)
- [travail-emploi.gouv.fr/activite-partielle](http://travail-emploi.gouv.fr/activite-partielle)

#### Situation 2: How can employers maintain employment for their workers?

In the event of extended under-employment, or even total cessation of activity, 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 (DIRECCTE) 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 50% of the eligible costs or even 70% under certain circumstances. 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, plus six months.

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:

- [coronavirus-questions-reponses-pour-les-entreprises-et-les-salaries.gouvernement.fr/info-coronavirus](http://coronavirus-questions-reponses-pour-les-entreprises-et-les-salaries.gouvernement.fr/info-coronavirus)
- [code.travail.fr/ministere-du-travail-notre-dossier-sur-le-coronavirus](http://code.travail.fr/ministere-du-travail-notre-dossier-sur-le-coronavirus)