

HR & Tax Alert



Quality In Everything We Do

France – Social Security developments

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Executive summary

There have been recent developments in France concerning social security benefits for foreign employees seconded to France and French employees departing France.

The 2007 Social Security Finance Law contains several measures which impact French and foreign employees on foreign assignments. In addition, steps have been taken towards the ratification of the France-South Korea Social Security Agreement.

French or foreign employees leaving France

Subject to provisions contained in international agreements, individuals who cease to reside in France can no longer maintain entitlement to benefits, in cash or kind, under French state sickness insurance "assurance maladie" (Article L 161-8 of the Code de la Sécurité Sociale). Upon leaving France such individuals will be required to notify their local Caisse Primaire D'Assurance Maladie (CPAM office) and hand back their insurance card commonly referred to as the "carte vitale" (Article L 162-1-14 of the Code de la Sécurité Sociale). Deadlines concerning the above obligations should be communicated in due course.

Foreign employees seconded to France

Foreign employees temporarily seconded to France who remain covered under statutory social security in their home

countries under the terms of an international social security agreement, and their accompanying family members, can no longer claim the following social security benefits:

- French family allowances, and
- Universal sickness cover (Couverture Maladie Universelle - CMU) [Articles L 380-3 and L 512-1 of the Code de la Sécurité Sociale]

Social Security Agreement between France and South Korea

A draft law has been presented to the French Parliament to obtain ratification of the Social Security Agreement signed between France and South Korea.

The Agreement contains standard provisions and provides a series of exceptions to the principle of territoriality. The Agreement provides a period of continued coverage under home country social security of up to 36 months for seconded employees. Seconded employees entitled to maintain coverage in their "home country" social security regime will be required to apply for a certificate of continued coverage. Any request to extend continued coverage beyond 36 months will require the approval of the competent authorities in both countries.

Administrative comments on the above changes have not yet been released by the authorities. For further information please contact your local Ernst & Young Human Capital professional, or in France:

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