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GRIST

FRANCE LETS SOME FOREIGN EMPLOYEES OPT OUT OF PENSION CONTRIBUTIONS

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Foreign employees working in France (“impatriates”) who normally would have to contribute to the basic and complementary old-age pension schemes can apply to opt out for up to six years, thereby reducing their social security costs. A June 2019 [decree](#) (French) provides further details on the opt-out measure, which is part of the [Loi PACTE](#) (French).

HIGHLIGHTS

- The opt-out applies only to old-age pension contributions. Employees remain liable for all other social security contributions, such as sickness, family benefits, occupational injury, maternity, etc. Opt-outs are granted for a three-year period and are renewable once.
- Eligible employees include foreigners holding temporary or permanent jobs in France who:
 - Are covered by another country’s public pension scheme or a private pension scheme in France or abroad
 - Are subject to minimum annual combined employer and employee contributions of €20,000
 - Have not been a member of a French compulsory pension scheme during the past five years
- Employers and employees must jointly apply for an opt-out to the URSSAF — the organization responsible for employer and employee social security contributions. Employers will be liable for 1.5 times the pension contributions due if an employee’s eligibility conditions are breached.
- Opt-out requests for impatriates who arrived between 11 Jul 2018 and 19 Jun 2019 must include a request for reimbursement of pension contributions paid during that period.
- Out-out applications for impatriates arriving after 19 Jun 2019 must be filed 60 days before their arrival. If this deadline isn’t met, the employer and the employee must pay pension contributions until the

application is approved, but they can then request reimbursement of contributions paid. URSSAF normally processes applications within 30 days of receipt, but 30-day extensions are possible.

RELATED RESOURCES

Non-Mercer Resources

- [Loi PACTE](#) (French) (Legifrance, 23 May 2019)
- [Decree 2019-606 on Temporary Opt-out From French Old-Age Pension Contributions](#) (French) (Legifrance, 18 Jun 2019)

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- [France Details 'Loi Pacte' Pension Reforms](#) (10 Sep 2019)
- [France: New 'Loi PACTE' Boosts Savings Schemes, Reforms Pensions](#) (5 Jun 2019)

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