



Covid-19 and Partial activity



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1. Introduction

Introduction

Adoption of a special scheme

- To limit the consequences of the decreased activity and to avoid any redundancies linked to the Covid-19 pandemic, the Government has adopted an emergency special partial activity scheme.
- Decree N° 2020-325 on partial activity adopted on March 25, 2020 essentially changes the method for calculating the compensatory allowance paid by the State to employers in the event of partial activity, and also to make the procedure for submitting partial activity applications more flexible.
- Order n°2020-346 adopted on March 27, 2020's purpose is to adapt certain aspects of the partial activity scheme to the exceptional circumstances in relation with the Covid-19 pandemic. The provisions of this Order appear in red in this presentation. This special mechanism is applicable up until a date which will be set by decree, and until December 31, 2020 at the latest.
- The present summary is up to date of the Order dated March 31, 2020 and the Order n°2020-386 of April 1, 2020.



2. What is partial activity ?

What is partial activity?

A reduced activity or an inactivity which is compensated

- A scheme enabling companies to face a decreased activity by lowering the working time of employees or by closing temporarily.
- A loss of revenue compensation for employees faced with a decrease of their working time or the suspension of their employment contract, compensated by a partial activity allowance paid by the State to the employer.





3. Why ?

Why ?

Traditional cases of recourse

The employer may place his employees under partial activity in the event of a reduction or temporary suspension of the activity caused by (Article R.5122-1 of the French Labour Code) :

- the economic environment
- difficulties in the supply of raw materials or energy
- a disaster or bad weather of an exceptional nature
- a transformation, restructuring or modernization of the company
- any other circumstances of an exceptional nature

Recourse cases linked with Covid-19

The health crisis linked to Covid-19 constitutes an "*exceptional circumstance*" covered by Article R.5122-1.

In the context of the pandemic, partial activity may be justified on the following grounds :

- closure of a facility pursuant to an order
- impossibility to implement the necessary preventive measures to protect the health of employees (teleworking, barrier measures, *etc.*)
- reduced activity and/or supply difficulties linked to the epidemic



4. Who ?

Who ?



Which employees may benefit from it?

- indefinite or fixed-term contracts
- full time or part-time contracts
- annual working time scheme packages (*in days or hours*)
- during a trial period or after
- apprentices
- professionalisation contracts
- interim employees if the User company placed its own employees under partial activity
- protected employees, without their consent if all employees of the company or service they belong to, are concerned
- Home employees for individuals and childminders
- Employees of foreign companies with no establishment in France and employing at least one employee carrying out its activity on the national territory and for which legal or collective bargaining agreement social contributions are payable notably for the unemployment-fund in France.

Who is excluded from it ?

- self-employed workers
- interns
- executive officers



5. How ?

How ?

1

MANDATORY CONSULTATION OF THE CSE

- For all companies holding a CSE (now including those with less than 50 employees)
- Possibility to consult **after** (instead of a prior consultation). The date planned for the consultation must be specified in the formal request for partial activity.
- Delivery of the formal opinion **2 months** maximum after the request for partial activity.

2

REQUEST FOR PARTIAL ACTIVITY

- To be issued within **30 days** of the implementation of the partial activity scheme (with retroactive effect) *via* <https://activitepartielle.emploi.gouv.fr/aparts/>
- Specify : (i) **the reason for the recourse** (Exceptional circumstances + Covid-19), (ii) **detailed circumstances of the economic situation**, (iii) **estimated period** for the partial activity (max until June 30, 2020), (iv) **number of concerned employees** and (v) **number of foreseeable hours not worked**.

3

THE AMINISTRATION'S RESPONSE AND NEXT STEPS

- Notification of the DIRECCTE's response by email within **2 days following** the request – the lack of response is deemed a positive answer. This deadline is not impacted by the suspension of the deadlines for implicit administrative decisions, which started to run on March 12, 2020.
- The employer pays employees a partial activity indemnity (to be detailed in the pay slip or in a separate document : number of hours not worked, hourly rate and partial activity indemnity)
- **Request for monthly allowance** to be reissued each month online.
- Allowance paid to the company by the **said « Agence de Service et de Paiement »** (ASP) within an average time frame of 12 days.



6. How much ?

How much ?

Implementation of a proportionate allowance

- **The employee** receives an **indemnity of at least 70% of his previous gross remuneration** (excluding overtime), based on the salary continuation method used for paid leave and to be indicated separately on the pay slip. Possibility, or obligation in the event of a collective agreement, to compensate the employee above 70%, with the employer being responsible for the remainder.
- The annual quota of compensable hours is set at 1,607 hours per employee until December 31, 2020.
- **The employer** receives an **allowance** paid by the State, based on the compensation paid to employees (and no longer a lump-sum), with no company remainder for employees whose remuneration is less than 4.5 the minimum wage:



70% of the employee's gross remuneration

- **at least** amounting to **€8.03 per hour not worked** (minimum figure not applicable to apprentices, employees benefitting from a professionalisation employment contract or interims)
- **maximum of €31.97 per hour not worked** (i.e. 70% of 4,5 the minimum wage).
- **The amount of the hourly partial activity indemnity for employees whose training session is granted as of March 29, 2020 is identical with that of ordinary law. Thus, the employee in training will receive an indemnity of at least 70% of his previous gross remuneration and no longer 100% of the latter.**



How much ?

The Partial activity indemnity adapted for certain categories of employees



Employees not subject to the legal and collective bargaining agreement provisions relating to working hours	Employees for which the working time is counted in days	Part-time employees	Employees under apprenticeship contracts or professionalisation contracts
<p>The calculation mode will be determined by a decree.</p>	<p>Conversion into hours of the number of days or half-days worked. The calculation mode will be determined by a decree.</p>	<p><u>Principal</u></p> <p>The hourly rate of the indemnity for partial activity cannot be lower than the hourly minimum wage.</p> <p><u>Exception (cases where the salary hourly rate is lower than the hourly minimum wage)</u></p> <p>The hourly rate of the indemnity is equal to the the hourly rate of the salary.</p>	<p>The amount of the hourly partial activity indemnity is equal to the percentage of the minimum hourly wage.</p>

How much?

The social contributions applicable to the partial activity indemnity



- The partial activity indemnity paid to the employee compensates the loss of remuneration and has a simplified social contributions legal regime:
 - it is exonerated of any social contributions;
 - it is subject to the **CSG-CRDS social tax with a specific unique rate of 6.70 % (after a reduction of 1.75%) and an additional contribution of 1,50% in Alsace Moselle.**
 - Individuals fiscally domiciliated outside France, not accountable for a CSG-CRDS tax and registered by law to a French social security regime are accountable for a healthcare contribution whose rate is 2.80%.
- **This social contribution regime is also applicable to the retainer indemnity paid by the employer following the provisions of a collective agreement or of an employer unilateral commitment.**

The CSG and the CRDS are capped, if this debit has the effect of reducing the net amount of the indemnity, possibly combined with an activity-based remuneration, below the gross minimum wage.

- **The remuneration paid for a period of work remains subject to social contributions following each sums' specific nature (e.g. : paid leave).**
- **If the partial activity is not declared in the DSN for the period of March 2020, this can be regularized in the DSN of April 2020, without any penalties from the URSSAF.**



7. When ?

When ?



EXTENSION OF THE COMPENSATION PERIOD

- The special partial activity scheme is applicable to compensation claims for hours not worked as of March 1, 2020.
- The maximum period for authorizing the partial activity scheme is 12 months (compared with 6 months previously):

Request
(as of
March 1, 2020)

Compensation

Maximum 12
months after
the request



8. Our team

LABOUR TEAM



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Our business is your business





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