Remain in France Together

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How much does it cost to employ somebody in France?

This question comes up a lot and we need to start by saying 'it's complicated'. It is impossible to give a definitive answer because they are many variables that change according to the particular circumstances.

The question is often asked in the context of people who want to continue working remotely for a UK employer. That is even more complicated.

We have found a cost simulator provided by URSSAF. It comes with many caveats but should serve to get you started in terms of understanding what costs will have to be paid.

Link to URSSAF cost simulator¹

If you are going to take a look at it PLEASE READ THE CAVEATS FIRST!

Caveats:

- The RIFT admin team is unable to answer questions about the detail. It is offered as a self-help tool.
- It seems to work intermittently. Sometimes you get a 'page not available' message. Just keep trying and it will appear eventually.
- It can only ever be a rough approximation at best. There is a lot of very individual detail about the job role and the person needed for an accurate simulation.
- Once you put in the gross salary (salaire brut) remember to state whether this is monthly or annual. You will then have to answer a lot of questions about the employment.

Probably some of these questions won't make any sense at all to you. If that is the case, there is usually a button marked 'passer' to leave it blank and pass on to the next question. Every time you do this you will reduce the accuracy of the simulation.

- 5. You will need to tell the simulator what kind of assumptions to use for the income tax calculation. Income tax in France is calculated on a per household basis so the simulation will never be entirely accurate.
- The simulator needs some information about the company. Number of employees etc is used to determine things like whether the



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company contributes to funds for training and apprenticeships (not unlike in the UK but not collected in the same way). Where the employment is based affects some local taxes but the simulator is only programmed to take French communes. Again 'passer' can be used and again these elements all contribute to making the simulation inaccurate.

- 7. You will get a headline figure for employer costs, take-home pay and income tax based on what you input. The most useful bit is however the detailed information (Détail annuel des cotisations) that appears if you scroll further down. This tells you what deductions are being made split into employer and employee costs. Every heading is clickable so you can find out more about what the deduction actually is. There is no substitute for going through each of these in detail and following up the further information to find out whether it applies in your circumstances.
- 8. The figure to beware of particularly is 'Réductions de cotisations' that appears at the very bottom of the table. In some cases, there can be a very big reduction particularly if you are modelling employing someone on the minimum wage (SMIC). The caveat here is that some of the elements of these reductions may only be available to French registered companies (it is logical if you think about it, that a company registered and paying its corporation tax elsewhere will not be eligible for most of the incentives given to French companies).

We are interested in your feedback on the usefulness of this and particularly welcome any observations about its accuracy from people running a payroll in France (please state whether this is from the perspective of a French-based company or a foreign company).



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References

1. Link to the URSSAF cost simulator: <u>https://www.urssaf.fr/portail/home/utile-et-pratique/estimateur-de-cotisations.html?ut=estimateurs&fbclid=IwAR0XAwdgQCxG0m8JSu-oOVtkbX7_a-3uEkqaUm1Xg0off-yR7K5qIs5W-0Y</u>

Disclaimer

This is one of a series of guides and information sheets produced by Remain in France Together (RIFT). RIFT is a statutory association governed by French law and managed and run by volunteers. It exists to uphold the rights of British citizens living in, or moving to, France affected by the UK withdrawal from the EU.

The information is for general guidance and does not constitute legal advice. It is offered free for personal, non-commercial use.

The main source of information to keep up-to-date with developments in citizens' rights is our website https://www.remaininfrance.fr/

When using our printed guides, you should check the website to make sure that you have the latest version.

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