

Remain in France Together

Bitesize Guide



Remote working in France

This guide is for people who are thinking of working remotely/teleworking in France.

It is based on guidance given by HMRC and French tax authorities to people already doing this. The guide does not constitute expert or legal advice but will hopefully give a few pointers to figuring out what is appropriate and legal in your circumstances

Do I have the right to work in France?

EU citizens have the right to work in France. If you are a UK citizen that right is only protected until the end of the transition period so until the end of December 2020.

You will need evidence of your right to work - your carte de séjour will state whether or not you have that right and you can find more on this topic on the [RIFT website](#).

What is my status as a remote worker?

You need to determine your exact status. Options include:

Employee - if you move to France and carry on working remotely for a UK employer in the same job you did before you are most likely an employee. These notes mainly apply to people in this position.

Posted worker - in some cases your work in France might take the form of a temporary 'secondment' or posting. This status should not apply if you are a

French resident and intend to remain so on a permanent basis.

Self-employed - it may be that you can change your status to become a self-employed consultant working for the company. The rules for deciding whether you are genuinely self-employed are very similar in France and in the UK. If you are only working for one client (and particularly if you actually own the company or if they are your former employer) it is unlikely you will be regarded as genuinely self-employed. However, if you feel you have legitimate grounds to be treated as a self-employed consultant this could prove to be the simplest and most flexible option for you. There is a document 'Employed or self-employed?' in the files area for the RIFT Working Across Borders group on Facebook.

Please note that self-employed people may not be able to provide cross-border services, as this is not covered under the Withdrawal Agreement., although may be part of the 'future relationship' (as will future mutual recognition of qualifications).



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You may also have heard of the status 'cross-border' worker - [frontalier](#). This is somebody who works in a different country to the one they reside in. If you are working from home in France this does not apply to you.

Can I work remotely from home and continue to pay tax and NI in the UK?

No. If you are working on French soil you should be paying tax in France. If you do some work in the UK and some work in France, you will be taxed in the UK on the days you work there and taxed in France on the days you work here.

Moreover, for your work in France to be legal both you and your employer should also be paying the relevant social security contributions in France.

What if it is my own company?

If you are working for your own company, the decision is between registering the company in France or leaving the company as it is and employing yourself as a French resident.

The decision whether or not you need to create an establishment (branch or subsidiary of your UK company) in France or, whether indeed your company becomes an entirely French business, is down to where the effective control of the company lies. In circumstances where you have premises, employees, and other directors in the UK and most of your work is carried out there, nothing may change. However, this is an area where you should consult the tax authorities and take professional advice.

You might find yourself in the position of being an employee of the company for the work you do in France whilst you are still a Director and thus able to take a director's dividend/salary for that role in the UK (which would be subject to UK tax and which also needs to be declared in France).

At the risk of stating the obvious, employing yourself in France doesn't get you out of any of the UK company admin. You still have to do everything you did before plus the rest.

What does my employer need to do?

Your employer needs to register the fact that they are a foreign company, with no place of business in France, who employs a French resident.

They will need to ensure that your terms of employment comply with French law with regards to things like the minimum wage, statutory holidays, healthcare and pension rights.

They will need to declare your pay and pay the appropriate tax and social charges (employee and employer).

This can be quite a big overhead for a company. If you work for a large company, they might already work internationally and be very well geared up to doing this but it could be a major obstacle for many unless they really want to keep you.

In practice the employer can designate a representative in France and, if you are the only employee in this position, it is likely that you might find yourself having to undertake the necessary administration. Similarly, if it is your own company, you can designate yourself as the representative.



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If you work for a company with fewer than 20 employees in France, the good news is there is a section of French administration set up specifically to help you.

Registering with URSSAF

Your employer has to declare the fact they are employing you to the **Centre National Firms Étrangères (CNFE)** this is part of URSSAF based in Alsace. They have a [leaflet](#) about employer obligations.

To declare that you are employing somebody you need to fill in the declaration form [Eo](#).

Filling in this form will get the company registered with the French statistical service ([INSEE](#)) and the company will be allocated a SIRET.

The TFE service

CNFE runs a free online service called the Titre firmes étrangères - [TFE](#).

Once you have a SIRET you can register with TFE.

All of the information they supply is offered in French, English and German. It is however best to try and understand the French version because some of the translations are a little haphazard.

If you opt to use the TFE service, you need to register your employee and contractual details and make a monthly declaration about hours worked and pay. They will then run the payroll and produce your payslips. You will receive a single bill for all of the social charges due. You make a single payment to TFE and they will pay all of the other relevant bodies who deal with pensions, unemployment rights etc.

TFE will make all the necessary employer declarations for you and you will receive annual statements (employer and employee versions) showing that you are up-to-date with your payments.

If the employer chooses not to use the TFE service (or is not eligible for it) then they will have to make monthly DSN declarations (déclaration sociale nominative), social charges and tax at source payments themselves.

Contractual documentation

As the legal status of the company is foreign, it is fine for your core documentation to be in the native language and for you to provide documents to your employees in their native language i.e. English. It is nonetheless good practice to do a translation of anything important into French although most of what you need will be generated via the TFE system.

Permanent contract status in France is CDI ([contrat de travail à durée indéterminée](#)). If you do not have this status, think twice about opting for this route as there are very strict regulations about employing people on temporary contracts. You can find everything you need to know about French employment in the [Code de Travail](#) (beware it is over 3000 pages).

French standard working hours are 35 per week. Holiday entitlement is 2.5 days per month plus public holidays. The minimum wage is called the [SMIC](#). In 2020 it is 10.15 euros per hour.

Technically people on a CDI do not actually need a written contract (especially at management level) but you do need one if you work part-time. Registration with TFE



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will generate a contract for you. N.B. You may not initially recognise it as such because it is called the 'Volet identification du salarié'. You need to print this out and keep a signed copy.

If you are the company designated representative in France you will often find yourself writing letters to yourself and signing contracts with yourself.

Management jobs

If you have a management role (particularly as a company owner) you might be classed as [CADRE](#) rather than a simple employee. This can bring you within the remit of different health and pension schemes which are generally more costly than the standard employee schemes.

As a CADRE, minimum wage does not apply (similar to the UK) and wages can vary from month to month e.g. to allow for peaks and troughs in workload (note also however that part-time workers can also vary hours from month to month without difficulty as you simply declare the actual hours work and salary paid each month).

Compulsory healthcare insurance

Being employed in France will allow you to access the state healthcare system and obtain a carte vitale. As of first of January 2016 employers are also obliged to provide their employees with supplementary healthcare insurance. This is the equivalent of a 'mutuelle'.

Employers are obliged to meet at least 50% of the cost of this (they can pay up to 100% if they want to). They can also decide whether the scheme covers only the employee or spouse/family as well.

If you are not already part of some collective bargaining agreement (which most of us won't be), your employer needs to inform you what the scheme is by means of a décision unilatérale de l'employeur (DUE) document. You can find out more about this and see example templates for drafting the document by searching the web e.g. this [site](#).

There are lots of advantages for the employees in this as it is not a taxable benefit and company schemes generally cost less than you would pay for a mutuelle as an individual.

There are however various circumstances in which you can decide to opt out of joining the scheme such as:

- if you were already in post before the scheme became compulsory
- if you are working part-time and very few hours (c. 15 per week)
- if you are working part-time and the employee contribution would amount to more than 10% of your salary
- if you already are already enrolled in a compulsory scheme by your spouse's employer

As an employee you will need to sign the relevant part of the DUE document stating either that you want to join the healthcare insurance scheme or that you have opted out.

There is more information in a document entitled 'Compulsory healthcare insurance' in the files area for the RIFT Working Across Borders group on Facebook.



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Pension

You will automatically be enrolled in the appropriate pension scheme for your employment sector. You need to accumulate the appropriate number of trimestres to qualify for a French state pension.

You need to earn a certain amount to clock up a full trimester. In 2020 one trimestre of pension costs 1,522.50 euros so you need to earn 6,090 euros per year to get the full four trimestres.

Currently work in any other EU country will be added to your record and paid through the French system when you reach retirement age but for UK citizens what happens after the end of the transition period (December 2020) is unknown.

There is more information in a document entitled 'Working in France-your pension' in the files area for the RIFT Working Across Borders group on Facebook.

PAYE

France introduced a pay as you earn tax system from 1 January 2019. If you run your payroll through TFE they will handle the tax deductions for you as well.

What does the employee need to do?

Your employer will need to register your French social security number within your first three months of employment so you need to provide this to them.

If you don't already have a social security number, you will get one when you register

with the health system and apply for your carte vitale which you can do as soon as you have your first payslip provided you have worked at least 60 hours that month.

Make sure you chase this up if there is any delay because the employer won't be able to register pay after the first three months if you don't have your social security number.

How much does it cost?

The precise total of employees and employers costs will depend on a variety of factors including your salary, which pension scheme you are enrolled in, whether you have the healthcare cover etc. so there is no handy ready reckoner.

Total 'on costs' (employee and employer) can be as low as about 30% more than your base salary if you work a very low number of hours say 1-2 days per week but they increase significantly as hours and pay increases, so a very rough estimate of +50% might be safer for initial calculations. You should expect that it would cost at least 25,000 euros to employ somebody full-time on the minimum wage but you should not take any decisions without getting a more accurate estimate based on your actual circumstances.

There is a cost simulator available on the URSSAF website. It was designed to be used by French companies so there are a lot of caveats to understand if using it to calculate costs for a UK company. You can find a document 'Cost of employing workers in France' introducing the simulator and explaining the caveats in the files area for the RIFT Working Across Borders group on Facebook.



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How is payment made?

Once TFE has generated a payslip, the employer pays net salary direct to the employee. They also make a single payment to TFE for all of the social charges and tax which then gets passed on to the relevant bodies. This payment has to be made by the 15th of the next but one month i.e. for salary paid for the month of January, the relevant charges have to be paid by 15th March.

A word of warning – TFE will not accept SEPA payments from a UK bank account. This has always been the case and is nothing to do with the UK leaving the EU. This means you have to pay by bank transfer and your bank can make a charge for this. Using one of the lower cost online banks can help to reduce this cost.

Is it a lot of hassle?

You should not underestimate the effort needed to understand the system and get everything set up in the first place. It may feel extremely bureaucratic, and more complicated than employing someone in the UK, but this is mainly down to the fact that it is just a very different system.

From an employee perspective there are a lot of benefits. You have all of the documentation you need to show that you are in legal employment and your details are transmitted to the bodies providing healthcare, pension etc.

Do we need an accountant?

Some business owners and remote workers manage perfectly well with minimal

accounting support whereas others feel professional services are well worth paying for. As an employee you are liable for your own personal tax return and it is up to you whether you do it yourself or use an accountant. As the owner of a UK registered business, your company accounts will still be handled under the UK system and it is similarly up to you whether you get additional help to cover the French employment side of things.

The existence of the TFE service does not appear to be well known by French accountants (not that surprising as they deal mainly with French companies) so don't be surprised if it isn't one of the first options suggested to you when you start to investigate remote working. The TFE service is entirely free of charge so make sure you find out what they will do for you before you decide whether you need to pay for anything additional.

Accountancy costs in France are quite reasonable compared to the UK and there are a number of companies with nationwide franchises (some of whom will have English speaking staff locally).

Are there any other options to enable remote working for a UK employer?

There exists another arrangement called 'portage salarial' where a third-party company employs you and deals with your pay and cotisations for a cut of your salary.

This situation is tightly regulated and not for everyone – more information can be found [here](#).



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References

The following links all point to official information sources:

1. Information about frontier worker status on the French government website
<https://www.impots.gouv.fr/portail/particulier/questions/suis-je-bien-un-travailleur-frontalier>
2. CNFE leaflet (Centre National Firmes Étrangères). Employers with no place of business in France - employer obligations and employee social protection
<https://www.urssaf.fr/portail/files/live/sites/urssaf/files/documents/5015-GuideCNFE-UK-2017.pdf>
3. Form to declare you are employing a French resident
<https://www.net-entreprises.fr/vos-declarations-en-ligne/entreprises-etrangeres/#english-version>
4. Information about the TFE service (Titre firmes étrangères)
<https://www.tfe.urssaf.fr/tfewebinfo/cms/lang/en/presentation.html>
5. Information about permanent employment contracts
<https://travail-emploi.gouv.fr/droit-du-travail/les-contrats-de-travail/article/le-contrat-de-travail-a-duree-indeterminee-cdi>
6. French employment law: the 'Code du Travail'
<https://www.legifrance.gouv.fr/affichCode.do?cidTexte=LEGITEXT000006072050>
7. The minimum wage rate in France: SMIC (salaire minimum interprofessionnel de croissance)
<http://www.smic-horaire.com/>

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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