

Remain in France Together

Information Sheet



Working under portage salarial

This information sheet looks at portage salarial arrangements and explains how they can facilitate remote working.

Many people moving to France want to continue to make use of their professional skills and contacts but find that neither their existing employment situation or self-employment fits their circumstances. We interviewed industry expert Helena Fenn-Summers to find out about an alternative.

What is portage salarial?

Portage salarial is the French equivalent of the 'umbrella company' services found in the UK. The mechanics involve a three-party arrangement between the worker (*salarié porté*), the portage (who acts as the employer in France) and businesses that want to benefit from the work performed - these often include clients based outside of France and can be previous UK employers.

Channelling your work through a portage company is similar to working through a Recruitment Agency, although in this instance, workers source their own clients.

Essentially, a portage gives workers the benefits of employee status but with the freedom associated with freelance or contract assignments and without the bureaucracy that can be associated with self-employed status – equally it frees clients from the obligations of employing a worker directly through the French system as employer liability always rests with the portage.

A key advantage for the *salarié* (the worker) is that they benefit from the full social security protection of an employee, such as

retirement, paid holidays and unemployment benefits and incapacity benefits – they also benefit from professional third-party liability insurance and do not have to calculate or arrange payment of their own social charges and income tax.

Not all work can be conducted through a portage – they tend to cover roles in Intellectual Services such as IT, Design, Editorial, Consultancy and Data based work rather than manual occupations although there are a small number of specialist portages that cover work in other areas – for example, roles such as Yoga Teachers and Estate Agents.

Some regulated occupations are excluded from the portage system - for example, Lawyers, Medical Practitioners and Architects. Consultants (those working through a portage) also have to receive a minimum wage which would correspond to a monthly invoicing rate of around €5,000 for full-time work.



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Why might I use a portage company?

Many companies use freelance or contract workers because they do not want to take on the obligations that come with employing a worker in France but they do want to ensure that the role is compliant with French law. This is particularly true when people working for UK companies move to France. UK employers are often surprised at high employers' costs and stringent employment laws in France.

If you refer to the guides on the RIFT website, you will see that it is not possible to continue working remotely for a UK employer as if nothing else had changed (see the [remote working](#) guide).

Equally, if you are thinking of registering as self-employed in France, you need to be sure that the relationship between you and your client meets the criteria for genuine self-employment with regard to each one of your contracts (see the guide [Employed or self-employed?](#))

You may find that self-employment under the micro-entrepreneur (ME) scheme is not suitable if your turnover is over a certain threshold or that it is not cost effective if you incur a lot of professional expenses.

Portage is sometimes the only alternative to setting up a French company which can be a daunting prospect for someone who just wants to get on with their profession.

What will my employment status be?

You are an employee of the portage company for the duration of your contract.

Generally, portage companies offer two types of employment contract:

- CDD (Contract Duration Déterminée) are temporary contracts of a fixed term
- CDI (Contract Duration Indéterminée) are on-going employment contracts with no fixed end date.

There is no minimum or maximum term for a portage contract. It is possible to use a CDD arrangement for as little as a month and a CDI can continue for many years.

French laws concerning CDD contracts mean you can only have up to 3 consecutive contracts covering a maximum period of 18 months. You can however have an unlimited number of CDDs if the time between them amounts to 1/3 of the previous contract or more.

CDI contracts are similar to the permanent employment contracts used in the UK and can carry more weight than a CDD in some instances such as applying for a French mortgage or nationality. Due to the ongoing nature of the work, a CDI contract issued through a portage is usually seen as the appropriate choice for workers who wish to continue to provide services for previous employers in the UK (who then become a client of the portage).

It is sometimes possible to mirror the benefits of the previous work contract by including elements such as bonuses, extended notice periods, redundancy and other benefits in the terms and conditions between the client and the portage company.



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Non-disclosure agreements and other conditions requested by the client can also be accommodated in the portage company's standard terms and conditions.

That said, a CDI issued through a portage cannot usually offer quite the same security as found in a previous UK contract of employment. In essence it is much easier for the client to end the arrangement than if they were to employ the worker directly through the French system.

What health cover will I have?

As an employee, you are covered by the French state health system from the day you start work.

The portage company, as your employer, is also obliged to ensure you have top-up insurance, known as a mutuelle (see RIFT guide to [healthcare for employees](#)).

The cost of this comes out of the total invoice value but since the cost is offset against employers' social charges it represents a portion of the total invoice not subject to tax or social charges.

Workers employed by portage companies have the same rights to sickness and maternity/paternity cover as other employees in France.

As regards sick leave, the first three days are unpaid and after that CPAM will pay 50% of your average wage to a maximum of €46 per day. The portage company may however have contracted an extra insurance that allows it to offer additional benefits for periods of extended sick leave so this is something you should check out when choosing a portage provider.

Will I be entitled to a state or occupational pension?

The social charges deducted from your wage go towards your French state pension.

You will also be paying into a compulsory occupational pension scheme: the Agirc-Arrco scheme which covers consultants/contractors/managers. See the RIFT guide to [Your French pension](#).

It may be possible to opt out of the pension charges but the conditions for this are very stringent. Opting out is only possible if you have not contributed to the French system in the 5 years preceding the contract and you are paying at least €20,000 per year into a private pension scheme. If granted, the exemption would be for a maximum of 3 years.

What about income tax?

France now operates a PAYE scheme so your income tax will be deducted directly at source meaning there is now no need for employees in France to set aside funds to pay income tax.

Can I claim expenses?

There are three types of expenses that can be cited:

- those reimbursed by the client (for example where a client agrees to cover the cost of business travel),
- fixed expenses and
- variable expenses.

In each case, the portion of the invoice equivalent to this cost is exempt from social charges and income tax. For example, if there



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are €500 of expenses associated with an invoice of €5,000 then tax and social charges will only be applied to €4,500 of the total invoice.

Fixed and variable expenses are not charged to the client but are seen as 'out-of-pocket' expenses for the worker or costs the worker bears in the course of their work. Workers working remotely at home are entitled to claim the home office expense which is calculated at approximately 10-15 percent of the rental value of their property (whether owned or rented) and also a percentage of heating and lighting costs.

Variable expenses are submitted on a monthly basis and may include elements such as business travel and accommodation if this cost is not reimbursed by the client, mileage, training and membership fees for professional organisations etc.

Will I be entitled to unemployment benefit when my contract ends?

If you are on a fixed term CDD contract, you will have an automatic right to unemployment benefit when your contract ends.

If you are on a longer-term assignment, and hence a CDI contract with the portage company, you will need to jointly plan for the ending of the contract. In order for you to be eligible for unemployment benefit, the contract will need to be ended by 'rupture conventionnelle' (mutual agreement) which involves a 45 day notice period. Your invoicing arrangements will need to fund a reserve which is paid as a bonus in the last month of the contract.

Will I be in a trade union?

There is a portage trade union that has negotiated national terms and conditions for this type of work. You will not be a member of the union as such, but you will be entitled to the benefits of the collective agreement they have negotiated.

The portage company is a member of the trade union rather than the worker but choosing a portage that is a member of a union could be seen as a guarantee of reliability of the portage company.

What happens if my client misses a payment?

If an invoice is late, a reminder will be sent. If an invoice remains unpaid for an unreasonable length of time, then the portage employer will usually speak to the consultant to see how they want to proceed regarding seeking payment through legal channels.

When is portage salarial not appropriate?

This arrangement is designed for professional freelancers in skilled, generally well paid, roles.

Portage companies will not be able to employ you unless you can meet a minimum earnings threshold. This is generally in the region of €5,000 per month for full-time work. In rough terms this translates to an invoicing rate of at least €30 per hour. Most portage companies will not take on clients who invoice less than c. €2,500 per month.



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If you have a lot of short-term, smaller assignments and low expenses then registering as a micro entrepreneur may be a better option for you.

If you want to work remotely for a single foreign employer, then the employer can register in France and pay the statutory charges direct. This saves money but involves them dealing directly with French administration, issuing a French contract of employment and ensuring the role and conditions comply with French employment law.

How do I choose a portage company?

There are many companies to choose from. Reputable portage companies are generally members of a portage union such as PEPS.

Charges do not appear to vary greatly but some companies may provide services that offer additional benefit to you and your clients such as being able to provide documents in English as well as French and offer schemes such as Cheque Restaurant (vouchers which can also be used for grocery

shopping and in restaurants) and savings and retirement schemes (called PEE/PERCO) – all of which help to reduce social charges.

Portage companies do not all apply the same contributions in their payroll system. The difference can be due to the number of employees in the portage company or local taxes in cities. Therefore, it is important to ask for a mock payslip detailing all deductions.

How much can I expect to pay?

Portage companies generally charge fees on a sliding scale based on a percentage of your invoicing. As a rule of thumb, you will be looking in the region of 7 – 10 percent.

Invoices to UK, or other non-EU, companies are not subject to VAT. Invoices to French companies are subject to VAT.

With the combination of statutory French social contributions and portage fee, you should expect to receive at least 48% (before income tax) of your invoicing, although allowable expenses and other wage optimisation schemes may have some bearing on NET total income.



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References

The following links all point to official information sources:

1. French government site describing the rules concerning portage salarial:
<https://www.service-public.fr/professionnels-entreprises/vosdroits/F31620>
2. National agreement (convention collective) on terms and conditions for portage employees:
https://www.legifrance.gouv.fr/conv_coll/id/KALICONT000035326397/

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.

This information sheet differs from many of our others in that it is based on an interview with an industry expert.

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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