

France

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1910.

Current laws: 1945, 1967, 1971, 1975, 1980, 1982, 1988, 1993, 1994, and 1995.

Type of program: Social insurance system.

Note: A system of mandatory supplementary pensions is administered on a bipartite basis by employers and employees.

Coverage

Employed persons.

Women receiving certain family benefits, including the single-parent allowance (see Family Allowances, below) and persons caring for a disabled person are covered for the old-age pension.

Voluntary affiliation for a nonworking head of household (old-age pension only), nonemployed persons caring for a disabled family member, and persons employed abroad.

Special systems for agricultural, mining, railroad, public utility, and public employees; seamen; nonagricultural self-employed; and agricultural self-employed.

Source of Funds

Insured person: 6.55% of insurable earnings for old-age benefits, plus 0.1% of total earnings for the survivor allowance.

Employer: 8.2% of insurable earnings for old-age benefits, plus 1.6% of total payroll.

Government: Variable subsidies.

Disability and survivor pensions are financed under Sickness and Maternity, below.

The maximum monthly insurable earnings for contribution and benefit purposes are €2,476.

Qualifying Conditions

Old-age pension: Age 60 with at least one quarter of insurance coverage. Benefits are payable abroad.

Old-age allowance: Awarded to low-income pensioners at age 65 (age 60 if disabled). A single pensioner must have annual income less than €7,223.45; €12,652.36 for a couple.

Old-age supplement: Awarded to low-income single pensioners at age 65 (age 60 if disabled). A single pensioner must have annual income less than €7,223.45; €12,652.36 for a couple. The pensioner must satisfy nationality and residency conditions.

Old-age special allowance: Awarded to low-income elderly persons who are ineligible for the old-age pension.

Disability pension: Under age 60 with the loss of at least 2/3 of earning capacity in any occupation. Must have 12 months of insurance before the onset of the disability and 800 hours of employment in the last 12 months, including 200 hours in the last 3 months.

Partial disability pension: The loss in earning capacity is less than 2/3.

Survivor pension (income-tested): Age 55 or older and married for 2 years; conditions are waived if there is a child from the marriage or if the surviving spouse is disabled, regardless of income. The benefit may also be paid to a divorced wife who has not remarried.

Income test: The survivor has annual personal income less than €14,995.20.

Survivor allowance (income-tested): Younger than age 55 and has, or has previously had, a dependent child.

Income test: Personal income is less than €1,947.97 per quarter.

Old-Age Benefits

Old-age pension: Depending on age or the duration of insurance coverage, 25% to 50% of average salary for the best 25 years (adjusted since 1947) as of January 1, 2008 (if first receiving the old-age pension between January 1, 2004, and December 31, 2007, the number of years taken into account will vary between 11 and 24 depending on the insured's year of birth); 50% of adjusted average salary if the insured has 160 quarters of insurance coverage in any scheme as of January 1, 2003 (between January 1, 1994, and December 31, 2002, the number of quarters required will vary between 151 and 159 depending on the insured's year of birth) or is disabled, aged 65, a working mother, or a war veteran.

The full pension is awarded for insurance coverage of 150 quarters in the general scheme only. The pension is proportionately reduced for coverage of less than 150 quarters.

The pension is payable only when employment in the previous occupation has ceased permanently. Taking another job is permitted.

The minimum pension is calculated on the basis of a 50% rate but cannot be less than €6,706.39 a year with 150 quarters of coverage in the general scheme. The pension is proportionately reduced for coverage of less than 150 quarters.

The maximum pension is 50% of maximum earnings for contribution purposes (€14,856 a year).

Constant-attendance allowance: €11,350.44 a year.

Spouse's supplement (income-tested): €609.80 a year at age 65 (ages 60 to 64 if disabled) if the insured had 150 quarters of coverage. The pension is proportionately reduced for coverage of less than 150 quarters.

Child's supplement: Equal to 10% of the pension if the insured has raised three children.

Old-age allowance: Awarded to increase the old-age pension up to a minimum amount of €2,898.28 a year.

Old-age supplement: €4,154.67 a year for a single pensioner; €6,855.79 for a married couple.

Old-age special allowance: €2,898.28 a year.

Benefit adjustment: Benefits are adjusted for cost-of-living changes.

Permanent Disability Benefits

Disability pension: 50% of average earnings in the best paid 10 years if incapable of any professional activity, up to a maximum of €1,238 a month.

The minimum pension is €241.52 a month.

Constant-attendance supplement: €945.87 a month.

Partial disability pension: 30% of average earnings in the best paid 10 years, up to a maximum of €742.80 a month.

The minimum pension is €241.52 a month.

Benefit adjustment: Benefits are adjusted for cost-of-living changes.

Survivor Benefits

Survivor pension (income-tested): Equal to 54% of the deceased's pension.

The minimum annual pension is €2,935.60.

Child's supplement: €996.36 a year.

Benefit adjustment: Benefits are adjusted for cost-of-living changes.

Survivor allowance (income-tested): €519.46 a month, payable for up to 2 years following the insured's death. If the survivor is at least age 50, the payment is extended until age 55.

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision and issues regulations.

National Old-Age Pension Insurance Fund administers old-age pensions and surviving spouse's allowances.

National Sickness Insurance Fund administers disability and survivor pensions.

Contributions are collected by joint collection agencies.

Sickness and Maternity

Regulatory Framework

First law: 1928.

Current laws: 1945, 1967, 1971, 1974, 1978, and 1999.

Type of program: Social insurance system.

Coverage

Employed persons.

Pensioners and some groups of nonemployed persons are also covered for medical benefits.

Special systems for agricultural, clergy, mining, railroad, public utility, and public employees; seamen; nonagricultural self-employed; and agricultural self-employed (medical benefits are provided under the general system for some groups).

Voluntary affiliation, within the framework of universal sickness coverage, for all residents not covered by a statutory scheme.

Source of Funds

Insured person: 6.8% of total earnings; old-age pensioners contribute 1.4% of the old-age pension (low-income pensioners are exempt) and 2.4% of any private pension; the unemployed contribute 2% of the guaranteed minimum income for the unemployed and 1% of unemployment benefits and training allowances. Students, young persons, and other groups not covered automatically make flat-rate contributions.

Employer: 12.8% of total payroll.

Government: Proceeds from a 12% surcharge on automobile insurance premiums plus proceeds from an earmarked tax on the costs of pharmaceutical advertising, alcohol, and tobacco; government also provides funds for new hospital construction and part of the cost for certain health and social services.

All of the above contributions also finance disability and survivor benefits.

Qualifying Conditions

Sickness benefit: With 200 hours of salaried employment in the last 3 months, benefit is payable for up to 6 months; with 800 hours of salaried employment in the last 12 months, including 200 hours in the first 3 months, benefit is payable for more than 6 months but less than 3 years.

Maternity benefit: Ten months of registration and 200 hours of salaried employment in the 3 months before the pregnancy.

Medical benefits: Benefits can be paid for up to 1 year if the insured has 60 hours of salaried employment in the last month, has paid contributions on wages equal to at least 60 times the minimum wage in the last month, has 120 hours of salaried employment in the last 3 months, or has contributions equal to 120 times the minimum wage in the last 3 months. Benefits can be paid for up to 2 years if the insured has 1,200 hours of salaried employment in the last year or contributions equal to 2,030 times the minimum wage in the last year.

Sickness and Maternity Benefits

Sickness benefit: For the first 6 months of benefit, 50% of the daily basis salary (mean salary of the 3 months preceding the onset of sickness), up to a daily maximum of €41.26; 66.6% of the daily basis salary from the 31st day onward if the

insured has at least three dependent children, up to a daily maximum of €5.02.

For benefit for more than 6 months, 51.49% of the daily basis salary from the first day of the seventh month onward, up to a daily maximum of €42.44; 68.66% of the daily basis salary if the insured has at least three dependent children, up to a daily maximum of €56.59.

The benefit is payable after a 3-day waiting period for up to 360 days in a 3-year period.

For chronic or prolonged illness, the period of entitlement is 3 years; the 3-year period can be noncontinuous.

Benefit adjustment: Cash sickness is adjusted according to changes in wages for entitlement exceeding 3 months.

Maternity benefit: 100% of net earnings is payable for 6 weeks before and 10 weeks after the expected date of childbirth for the first and second child; for 8 weeks before and 18 weeks after the expected date of childbirth for the third child; for 12 weeks before and 22 weeks after the expected date of childbirth for twins; for 24 weeks before and 22 weeks after the expected date of childbirth for triplets or more.

The benefit is payable for 2 additional weeks if maternity hospital care is needed because of complications arising from the pregnancy, except in cases of multiple births of three or more.

The maximum benefit is €64.92 a day; in Alsace-Moselle, €66.29 a day.

Benefits that are paid in cases of adoption correspond to those paid for the postnatal period.

Benefit adjustment: Maternity benefit is adjusted each year.

Workers' Medical Benefits

Benefits include general and specialist care, hospitalization, laboratory services, medicines, dental care, maternity care, appliances, and transportation. The insured normally pays for services and is reimbursed by the local sickness fund.

Cost sharing: The cost of medical services is partly reimbursed. The amount reimbursed depends on the type of service, for example, 70% for medical services, 60% for paramedic services, 80% for hospitalization, and 35% or 65% for pharmaceuticals.

The insured pays a set daily fee for hospital room and board charges (disabled children, war victims, and work accident victims are exempt) in addition to the above cost-sharing arrangements. There is no limit to duration.

Dependents' Medical Benefits

Same as for insured person except for in-kind benefits.

Following divorce from, or the death of, the insured, medical benefits are payable for 1 year or until the youngest child's third birthday. Protection is unlimited for an eligible person who has raised three or more children.

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

Governed by a bipartite body, the National Sickness Insurance Fund coordinates regional funds and financial equalization.

Governed by a bipartite body, Regional Sickness Insurance Funds coordinate local funds.

Governed by a bipartite body, Primary Sickness Insurance Funds register the insured, pay cash benefits, and administer refunds of medical expenses.

Contributions are collected by joint collection agencies.

Work Injury

Regulatory Framework

First law: 1898.

Current laws: 1946, 1967, 1972 (agriculture), and 1994.

Type of program: Social insurance system.

Coverage

Employed persons, vocational education students, and certain nonpaid members of social service organizations.

Special systems for agricultural, mining, railroad, public utility, and public employees; seamen; nonagricultural self-employed; and agricultural self-employed.

Source of Funds

Insured person: None.

Employer: Total cost. Contributions vary according to the assessed degree of risk. The average contribution is 2.26% of total payroll.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

During the first 28 days, the benefit is 60% of average daily earnings of the last month up to a ceiling; thereafter, 80%. The benefit is payable from the day following the onset of the incapacity for work until recovery or certification of permanent disability.

The maximum daily benefit is €148.67 during the first 28 days; thereafter, €198.23.

Permanent Disability Benefits

Permanent disability pension: 100% of average earnings during the last 12 months up to a ceiling (base earnings), if totally disabled.

The minimum annual base earnings for benefit calculation purposes are €15,660.57. (There are no minimum earnings if the assessed level of disability is less than 10%.)

The maximum annual base earnings for benefit calculation purposes are €1,321.14. One-third of earnings between €1,321.14 and €25,284.56 are counted.

Constant-attendance supplement: 40% of the pension but no less than €1,350.44 a year.

Partial disability: 100% of average earnings during the last 12 months (up to a ceiling) multiplied by half the assessed degree of disability for a disability between 10% and 50%; for a disability above 50%, the base earnings are multiplied by half the assessed degree of disability for the portion under 50% and by 150% of the assessed degree of disability for the portion above 50%. A lump sum is paid if the assessed degree of disability is less than or equal to 10%.

Workers' Medical Benefits

All necessary care, including medical treatment and surgery, hospitalization, medicines, appliances, rehabilitation, and transportation. Services are paid for directly by the fund, with no cost sharing by the patient.

Survivor Benefits

Survivor pension: 40% of the insured's base earnings. A supplement is paid for a survivor aged 55 or older or disabled. The pension is payable to a widow(er).

Orphan's pension: 25% of the insured's base earnings for one child under age 16 (age 17 if unemployed, age 18 if an apprentice, age 20 if a student or disabled); 50% for two children; 70% for three children; 85% for four children or more. Full orphans receive 30% each.

Other dependent relatives: 10% of the insured's base earnings each, up to a maximum of 30%.

The total maximum survivor pension must not exceed 85% of the insured's base earnings.

Benefit adjustment: Benefits are adjusted annually by decree.

Funeral grant: The cost of the funeral, up to a maximum.

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

National Sickness Insurance Fund administers the program at the national level.

Primary Sickness Insurance Funds pay benefits.

Regional Sickness Insurance Funds assess contributions and implement prevention.

Contributions are collected by joint collection agencies.

Unemployment

Regulatory Framework

First law: 1905.

Current laws: 1967 (coverage), 1972 (guaranteed income), 1974 (agriculture), 1984 (social insurance and social assistance), 1986 (conversion insurance), 1988 (retraining), 1992 (single decreasing allowance), and 1995 (job placement allowance).

Type of program: Social insurance and social assistance system.

Coverage

Unemployment insurance: Employed persons.

Exclusions: Public-sector workers with comparable compensation.

Special systems for construction workers, dockworkers, merchant seamen, aviators, domestic workers, seasonal workers, doorkeepers, and disabled personnel in sheltered workshops.

Unemployment assistance (means-tested): Long-term unemployed persons who have exhausted unemployment insurance and certain other designated categories of unemployed person.

Source of Funds

Insured person: 2% of monthly earnings.

Employer: 3.6% of payroll.

Government: Total cost of social assistance.

The maximum monthly earnings for contribution and benefit purposes are €9,408.

Qualifying Conditions

Unemployment benefit: Under age 60, or between ages 60 and 65 without the required quarters of coverage to qualify for a full old-age pension (159 quarters in 2002), and 4 months of work during the last 18 months. Must be resident in France, registered at an employment office, and capable of, and available for, work. Unemployment is not due to voluntary leaving, misconduct, or the refusal of a suitable job offer.

Solidarity allowance (income-tested): Long-term unemployed or aged 50 and older and unemployed with 5 years of employment during the last 10 years before unemployment. Monthly earnings must not exceed €935.20 for a single person; €1,469.60 for a couple.

Insertion allowance (income-tested): Awarded to foreign nationals, victims of accidents at work, those diagnosed with an occupational illness, refugees, certain groups of noncitizens, or those in detention immediately prior to unemployment. Monthly earnings must not exceed €846.90 for a single person; €1,693.80 for a couple.

Preretirement benefit: At least age 59 and 6 months and receiving unemployment benefit for 365 days. Must have 12 years of contributions and 1 year of uninterrupted employment, or 2 years of interrupted employment, in the last 5 years, or have 160 quarters of recognized contributions for the old-age pension as of December 31, 2001.

Unemployed retirement-equivalent allowance (income-tested): Awarded to unemployed persons with 160 quarters of recognized contributions for the old-age pension. Monthly earnings must not exceed €1,383.84 for a single person; €1,989.27 for a couple.

Unemployment Benefits

Unemployment benefit: The benefit varies according to the value of declared previous income between 57.4% and 75.0% of the daily reference wage. The duration of the benefit award varies according to age (between 4 months and 30 months for insured persons less than age 50 and between 4 months and 60 months for insured persons aged 50 or older) and the length of covered employment.

Solidarity allowance (income-tested): A variable amount renewable every 6 months if the qualifying conditions are still satisfied. The maximum allowance is €400.80 a month with additional total supplements of €174.90 under certain conditions of age and activity. Income from employment is not excluded under certain conditions for a period of up to 12 months; conditions are waived for those older than age 50.

Insertion allowance (income-tested): The variable allowance is renewable only once after the initial 6-month period if qualifying conditions are still satisfied. The maximum allowance is €282.30 a month. Income from employment is not excluded under certain conditions for a period of up to 12 months.

Preretirement benefit: The benefit awarded under the unemployment benefit is continued until age 60.

Unemployed retirement-equivalent allowance (income-tested): A variable allowance awarded until age 60 to replace the solidarity allowance or the insertion allowance or to complement the unemployment benefit. The maximum benefit is €877 a month.

Administrative Organization

Unemployment insurance organizations with bipartite (management and workers) governing bodies administer unemployment insurance and pay unemployment insurance benefits.

Family Allowances

Regulatory Framework

First law: 1932.

Current law: 1946.

Type of program: Universal system.

Coverage

Family allowances: All residents.

Source of Funds

Insured person: None, except for the self-employed and farmers.

Employer: 5.4% of payroll.

Government: 1.1% of total revenues.

Qualifying Conditions

Family allowances: At least two children under age 20 and earnings of less than 55% of the legal minimum wage.

Young child benefits

Birth grant (means-tested): Paid at the start of the 7th month of pregnancy (or for an adoption). The grant is income-tested, and the benefit varies according to the number of children and family situation (single parent, double income).

Base allowance (means-tested): Paid from the month of birth until the child is age 3. The grant is income-tested, and the benefit varies according to the number of children and family situation (single parent, double income). The benefit cannot be paid simultaneously for more than one child, except for multiple births.

Income supplement for reduced work: Granted to parents who decide to suspend or reduce work in order to rear a child under age 3. The parent must have 2 years of activity in the 4 years prior to the child's birth for families with two children or in the last 5 years for families with more than two children. For the birth of a first child, the beneficiary should have worked during the 2 years prior to the child's birth. For the first child, the parent is awarded a benefit for a maximum of 6 consecutive months immediately after maternity leave; for the second and subsequent children, the benefit is paid until the child is age 3. The benefit can be paid partially or in full.

Supplement for child care: Awarded to children under age 6 if parents are working and pay for child care by an accredited carer or home worker.

Parent allowance: Awarded for a maximum of 12 months to a parent who has fully or partially ceased employment to care for a seriously sick, injured, or disabled child.

Special education allowance: For children up to age 20 with at least a 50% disability. The allowance is not means-tested.

Single-parent allowance (means-tested): Guarantees a minimum family income for a single parent who has at least one child or is pregnant.

New school year allowance (means-tested): Awarded to children between ages 6 and 18.

Family supplement (means-tested): Awarded to families with at least three children over age 3 but younger than age 21.

Housing allowance (means-tested): The claimant is entitled to one of the family allowance benefits.

Family Allowance Benefits

Family allowances: €13.15 a month for two children; €258.12 for three children; €403.09 for four children; €548.06 for five children; €693.03 for six children; €144.97 for each subsequent child.

A supplement of €1.82 is paid for children over age 11; €6.57 for children over age 16 (except for the first child in a two-child family).

A flat-rate allowance of €71.95 a month is paid for a maximum of 1 year to families with three children or more entitled to family allowances, including one child who is age 20 but is younger than age 21.

Young child benefits

Birth grant (means-tested): €808.

Base allowance (means-tested): €62 a month.

Income supplement for reduced work: The full rate is €340 a month; €502 if the beneficiary is not entitled to the base allowance. In case of part-time activity, the benefit is €220 if the insured person works less than half the normal working period or €127 if working between 50% and 80% of the normal working period.

Supplement for child care: The family allowances fund pays the social security contributions for an accredited carer or 50% of the social security contributions for a home worker. Social security contributions are paid on earnings up to a ceiling.

An income-related cash benefit is also directly paid to the family in order to compensate for child care costs. The benefit is €354, €253, or €152 (per child in the case of care provided by an accredited carer or per family if the carer is a home worker) according to family income level.

Parent allowance: €13.61, €406.82, or €247.86 a month according to the percentage reduction in working time. A supplement is paid for single-parent families.

Special education allowance: €13.15 a month. A supplement varying between €4.86 and €45.87 is paid for care provided by a third person and/or the amount of additional expenses incurred by the child's state of health.

Single-parent allowance (means-tested): The difference between the beneficiary's income and the amount of €30.39, plus an additional €76.80 for each child.

New school year allowance (means-tested): €258.90 per child.

Family supplement (means-tested): A flat-rate allowance of €47.27.

Housing allowance (means-tested): A variable amount depending on rent level, income, and the number of children.

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

Governed by a tripartite body (representatives of employer, employee, and family organizations), the National Family Allowances Fund coordinates funds and ensures financial equalization.

Governed by a tripartite body (representatives of employer, employee, and family organizations), the Local Family Allowances Funds pay benefits.