

This memo summarizes the rules applying in France to regular vacation days – not RTT days.

HOLIDAYS PAID ENTITLEMENTS

When an employee works full time (Monday to Friday), he earns 2.08 days of vacation every month, which means, for a full worked year: $2.08 * 12 = 25$ working days per year.

The vacation period in France runs from the 1st of June to the 31st of May of the following year.

For both types of working agreements (open ending contracted, sick term contracts), the employee is entitled to holidays since the first day of work. The employee can also benefit of additional holidays according to CBLA.

The collective bargaining agreement applicable to your company may stipulate additional rules about employees 'vacation!'

Note that there are minimum rules and that specific rules may apply according to Collective Bargaining Labour Agreement, or to specific agreement, and may be based on different parameters such as employees' seniority.

HOLIDAY TAKING

The employee should fill in a vacation request, which is kept by the employer in order to avoid any later dispute.

The employer may deny the employee's request without any justification.

The basic process is that the employee suggests some dates and the employer decides if it is compatible with the firm's schedule or if it is better to postpone them.

The only obligation mentioned in the French Labour Code is to grant to an employee (with a full year seniority) 12 consecutive days between 1st May and 31st October.

If the employer wishes to change an employee's vacation dates, he must respect some formal conditions (such as informing the employee of his decision one month in advance).

VACATION CARRIED FORWARD

Vacation days acquired between 1st June Y and 31st May Y+1 may be carried forward until 31st May Y+2 (unless the collective bargaining agreement stipulates a longer carrying forward period).

If some vacation days are still remaining by 31st May Y+2:

- The employer may allow the employee to carry forward the remaining vacation days after 31st May Y+2. However this may set a precedent, which will have to be applied to all the employees and for every year.
- The remaining vacation days may be cancelled, provided that the employer can prove that he did not keep the employee from taking his days off.
- Moreover the employer has to provide to each employee an information letter that lets the employee know that the remaining vacation days will be lost. The letter must be given with sufficient time to allow the employee to take his holidays. It is a registered letter or a letter delivered in person, with both employer's and employee's signatures.

Employees may be granted with additional vacation days according to their seniority in the company.

Do not hesitate to consult us on this issue!

VACATION TAKEN IN ADVANCE

The employer may allow the employee to take vacation days in advance. However if the employee resigns or is dismissed shortly after, then it could raise an issue.

PROCEDURES

As already mentioned in part II, a vacation request form must be completed.

Moreover, the employer should keep an up-to-date spreadsheet with information on the vacation days taken, to keep track of the number of remaining days. Once a year he should have the employee's signature on

the spreadsheet, as a proof of the remaining days and in order to avoid any problem when the employment contract breaks.

We draw your attention to the fact that the same spreadsheet must be done for the “RTT” days, and the same vacation request form must be completed. We may help you in implementing legal acceptable procedures and softwares.



HOLIDAY PAY

When the employee takes vacation days off, he is entitled to holiday pay, which is calculated according to specific mandatory rules in France.

The holiday pay is calculated according to the 2 following methods, which are applied successively:

Maintaining the contractual gross salary

According to French Labour Code, an employee cannot have, when he is on vacation, a lower gross salary than what was agreed in his employment contract.

The holiday pay is calculated as to maintain the contractual gross salary, as if the employee had not taken any vacation.

Please note that the definition here of contractual gross salary is very intricate, we can assist you in determining it in your case.

Applying the 10% rule

With this method, most bonus and commissions paid to the employee are taken into account as well. The holiday pay equals 10% of the gross salaries paid during the vacation acquiring period (except for some specific bonus).

The results given by the 2 methods are then compared: the method which gives the higher remuneration to the employee is the one to be applied on the payroll.

**Your Chartered Accountant is your best consultant.
Don't hesitate to contact us!**

Contact details of the Firm