

# The portability of provident fund and health insurance benefits in France

The portability of provident fund and health insurance benefits is an option which may be chosen by workers in order to maintain provident fund and health insurance coverage, following dismissal, discharge, or liberation from their prior employment.

According to French law, the employee's provident fund and health insurance benefits may be conserved:

- During the period of unemployment;
- Up to a period equal in duration to that of their former employment contract;
- However not exceeding a duration of 9 months.



## Scope of application

- All dismissals (unless the dismissal was due to gross negligence);
- Mutual agreement for employment termination ("ruptures conventionnelles" in French);
- Upon the termination of fixed term contracts ("contrats à durée déterminée");
- Following the breach of an apprenticeship contract or a "contrat de professionnalisation" (work contract allowing young people to acquire professional qualifications);
- Following an employee's resignation, considered as "legitimate" by the Unemployment Fund.

## Terms and conditions of portability

- The company is legally obligated to inform the employee if he/she satisfies the conditions of portability, immediately upon the termination of his/her contract;
- The employee has 10 days to accept or renounce his/her rights to continued provident fund and health insurance coverage (his/her portability enrolment form needs to be sent to the relevant social fund(s) within 11 days, at the latest);
- The employee must provide proof of his enrolment in the unemployment insurance system and inform his/her former employer if there is an interruption in the payment of his unemployment benefit
- If the employer is found to be deficient with regard to the provision of information to his employee, or to their inscription in the portability scheme, he risks becoming liable, in place of the provident fund and health insurer, for the payment of any compensation claimed by the employee as per the provident fund or health insurance schemes.

## How the portability is funded:

The portability may be financed by either:

- A system of collective financing by all the active employees, if it has been put in place by an industry-wide agreement (if not, it can be implemented by a collective company-wide agreement).
- Bilateral funding (subject to certain additional terms and conditions specific to the company). If the employee does not pay his contributions, he will not be anymore entitled to coverage for the period to come.

**Place your trust in your Auditor.  
Do not hesitate to contact us !**

This information is only a rough summary. It does not cover all the situations nor resume the whole French legislation- which is very intricate. Please contact us for accurate information adapted to your situation. We cannot be held responsible for any misinterpretation of this document. Edition 04/2012

**Contact details of the firm**