



Eligibility requirements for French social security: watch out for waiting periods!

HR policies regarding employee benefits for internationally mobile employees have changed considerably over the past few years: the complete expatriate package (for a French, subscription to the “Caisse des Français de l’Etranger” - “CFE” (1), and to complementary Health, Death and Disability and Pension contracts) is increasingly rare, given its cost.

This reduction in the number of “expatriate” schemes has been made in favour of “local +” solutions for medical expenses: the employee no longer has expatriate status, but a “local” employment contract abroad, and his/her health insurance contract is also less extensive than that of an expatriate, while also providing more coverage than for a “local” employee.

Regarding death and disability insurance, the employee sometimes only benefits from the host country’s scheme. The CFE is rarely used to maintain the same social protection as in France and is sometimes used only for retirement (same contributions as Caisse Nationale d’Assurance Vieillesse, “CNAV” (2)) but not for medical expenses or sick leave.

However, inter-subsidiary mobility within groups has not decreased, quite the opposite: more and more foreign employees are coming to work in France for a few years, especially when the group is foreign. And even though COVID slowed down mobility for two years, movements are now picking up again.

The implications of these decisions are not often anticipated by HR teams because they are not fully aware of them until a ‘disaster’ occurs.

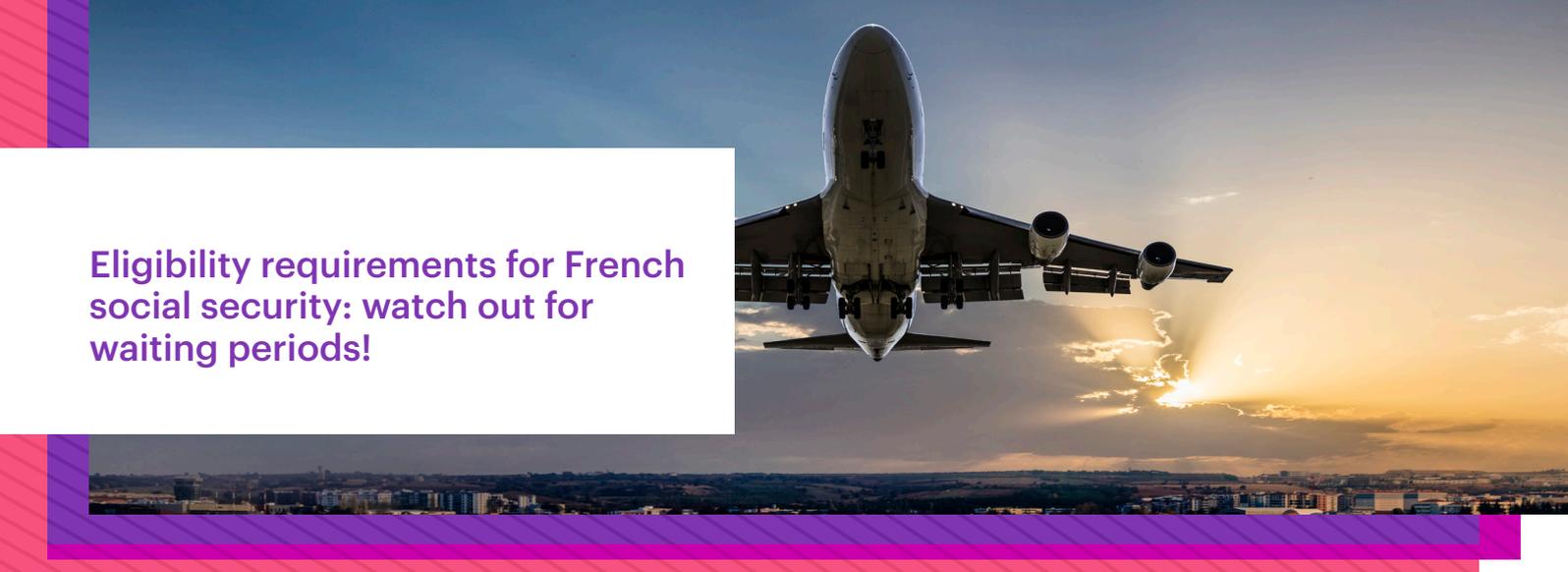
Short-term and long-term disability for French employees returning from abroad and foreigners arriving to work in France

A French person who was not affiliated to the CFE for the “sickness - maternity - invalidity” module (regardless of whether he/she was affiliated to the other CFE modules), is required to meet the conditions for opening his/her Social Security rights for a disability not linked to work:

1. He/she will only be entitled to Daily Allowances if he/she has already worked in France, for at least 3 months, before his sick leave (*).
2. In the case of a prolonged leave (disability lasting more than 6 months, and invalidity), in fact, one year of contributions (*) to the French social security system is required. Should this condition not be met, the employee would be left without income, except if his employer took over from the Social Security and the supplementary scheme for the entire duration of his disability.

(*) For further information, please consult the Ameli website, dedicated to French Social security : <https://www.ameli.fr/entreprise/vos-salaries/arret-de-travail/indemnites-journalieres>

There is one exception to this rule: if the employee was previously in a country having a bilateral agreement with the French Social Security system, and this agreement stipulates coordination in terms of disability, eligibility can be effective immediately. Please note that this is not the case for all agreements, this coordination exists particularly in the European Union.



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Medical Costs for the “inactive”

Furthermore, the non-employed spouse who arrives/returns to France is also required to be eligible for health insurance. The 2016 “PUMA” Law stipulates 3 months of residence before the first medical expenses can be reimbursed, except if the spouse was previously affiliated to the CFE.

However, the administrative procedures to be carried out are often longer!

It all depends on the quality of the documents provided to the Caisse Primaire d’Assurance Maladie (“CPAM” (3)) as well as on the promptness of the “CPAM” staff.

Furthermore, if the latter is an EU national, the process will require some additional time as the administration will have to conduct an eligibility search (to ensure that the spouse does not already have rights in his/her country of origin).

All said, this amounts to a period of 6-8 months during which the spouse is “self-insured”, unless he/she benefits from a special scheme.

On the contrary, medical costs for new employees in France do not have a waiting period as for an inactive person. However, the administrative delays can take several weeks, and the employee will only obtain his or her/his “Vitale” card once these procedures are completed. In the meantime, he/she may have to pay significant sums of money in advance, before being reimbursed.

Our recommendations

In such cases, it is possible to take out specific contracts that provide cover from the first €, whether it be for disability, or for medical costs for the spouse. These schemes are of course temporary (maximum one year), pending eligibility for social security.

Of course, this does not exempt the employee from contributing to the company’s supplementary social security scheme, as this is a compulsory plan.

The complexity for the HR team will therefore be to carry out case-by case study of the protection needs, in addition to the classic package of an employee in France (Social Security + complementary health and death and disability insurance), given that they depend on the employee’s previous country / the nationality of the spouse.

Lastly, for employees who have left France to work abroad, we recommend full membership of the CFE, and particularly if they are bound to return to an entity in France in the coming years.

Votre contact dédié

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