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# Market and Benchmark Insight Report for France — 2022

Competitive employee benefit norms for mid-market employers in France

## Introduction

Gerep is an independent brokerage firm specializing in employee benefits consulting in France. The company's consultants are experts in life and health insurance, retirement, and employee savings plans.

Created in 1989 and based in Paris, Gerep now has 80 employees, more than 1,000 clients, and covers more than 200,000 insured and 100,000 beneficiaries.

The company strives to provide expert teams dedicated to finding innovative solutions adapted to clients' needs. These teams work on administration, advice, legal and actuarial services. They conceive and optimize insurance solutions to guarantee clients' needs are met while remaining in compliance.

Gerep is proud to be an Asinta Partner and hopes this document is of use to you.

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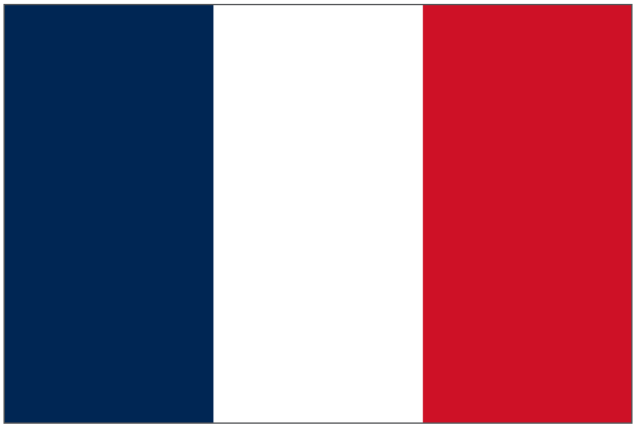
## Inside

## 1. France Benefits Overview

In France, the number one benefit people care about is healthcare. Governmental support for healthcare through the social security system is insufficient, especially for optical and dental healthcare. This is why French people consider the extra coverage provided by their employer to be very important.

When asked to rank three other common benefits in order of importance, the average French employee will likely respond with: Disability, Death, and Retirement.

It's also important to know that in the Paris region, employers must reimburse 50% of a monthly rail pass for employees who commute to work by train.



## Wider Benefit Provision (Perks)

Perks provided by the employer depend upon the collective bargaining agreement and the size of the company. The following perks are common:

- Parental leave
- Flexible hours
- Remote working
- Days off (working time reduction) in addition to the paid holidays
- Lunch allowance
- Transportation allowance
- Gym allowance
- Holiday allowance
- Profit-sharing

# 2. Mandatory and Supplemental Benefits

## 2.1 Mandatory Contributions Summary

| Plan | Employer Contribution | Employee Contribution |
|---|---|---|
| Old age insurance branch of the general plan | 8.550% of total pensionable salaries up to the social security ceiling (SSC[1]) plus 1.900% of total pensionable salaries | 6.900% of the employee's pensionable salary up to the SSC[1] plus 0.400% of the employee's pensionable salary. |
| AGIRC-ARRCO<br>The public pension scheme. ARRCO is for employees in the private sector and AGIRC for managers.<br>'Tranche' means slice. | 4.720% for tranche one plus 12.950% for tranche two[2] | 3.150% for tranche one plus 8.640% for tranche two[2] |
| CET<br>Contribution of Technical Balance | 0.210% for tranche one plus 0.210% for tranche two[2] | 0.140% for tranche one plus 0.140% for tranche two[2] |
| CEG<br>General Equilibrium Contribution | 1.290% for tranche one plus 1.620% for tranche two[2] | 0.860% for tranche one plus 1.080% for tranche two[2] |
| APEC<br>Association for the Employment of Executives | 0.036%[3] | 0.024%[3] |
| National collective agreement for managerial employees | 1.500% of the employee's salary up to the SSC[1] | NA |
| Health insurance branch of the general plan | 7.000% or 13.000% of total pensionable salaries[4] | NA |
| Occupational injuries and illnesses branch of the general plan | Varies[5] | NA |

[1] The Social Security Ceiling (SSC) remains equal to €3,428 per month in 2022.

[2] Tranche two is based on the percentage of pensionable salary between 1x and 8x the SSC.

[3] Based on the percentage of pensionable salary up to four times the SSC.

[4] 7% of total pensionable salaries where the employee's annual salary does not exceed 2.5 times the minimum wage (the minimum wage is €10.57 per hour from January 1, 2022), or 13% where the employee's annual salary exceeds 2.5x the minimum wage.

[5] Dependent upon the occupation's risk and the size of the employer. Additional mandatory contributions may be required for benefits that are outside the scope of this summary, such as (in 2022):

- Family branch of the general plan (payable by the employer) – 5.25% of total pensionable salaries.
- Unemployment benefits (payable by the employer) – 4.05% of total pensionable salaries for employers
- Solidarity and autonomy (payable by the employer) – 0.3% of payroll
- Wage guarantee scheme (payable by the employer) – 0.15% of total pensionable salaries
- Social contribution (payable by the employer) – 20% of prescribed categories of remuneration (reduced in prescribed circumstances)
- National housing assistance fund (payable by the employer) – 0.5% of payroll (0.1% of the employee's salary up to SSC for employers with less than 50 employees)
- General social security contribution (payable by the employee) – 9.2% of 98.25% of the employee's pensionable salary (7.5% of the employee's pensionable salary in excess of 4x the SSC)
- Social security debt repayment contribution (payable by the employee) – 0.5% of 98.25% of the employee's pensionable salary (0.5% of the employee's pensionable salary in excess of 4x the SSC).

## 2.2 Retirement

### 2.2.1 Retirement Benefit Providers

Retirement benefits are provided through the general plan under the old-age insurance branch. Employers must also provide retirement benefits through complementary plans administered by the AGIRC-ARRCO Federation. The AGIRC-ARRCO Federation was established following the merger of the Association for Employees' Supplementary Plans (ARRCO) and the General Association of Retirement Institutions for Executives (AGIRC) into a single plan.

Employers must provide supplementary retirement benefits where prescribed under a collective agreement or referendum (see Typical Employer Practice for detail). Employers are required to provide termination indemnities when the employee leaves service due to retirement (see Termination Indemnities section for detail).

**Typical employer practice**

Around three-quarters of leading multinational and local employers currently provide supplementary retirement benefits that are typically provided through:

- PERECO (PER d'entreprise collectif) – a collective retirement savings plan (replaces PERCO plans), and
- PERO (d'épargne retraite obligatoire) – mandatory corporate retirement savings plan (replaces article 83 plans).

PERECO plans and PERO plans were launched on October 1, 2019, to accept contributions and transferred PERCO and article 83 plan funds. No new PERCO and article 83 plans were established as of October 1, 2020. Where an existing PERCO plan is converted or transferred to a PERECO before January 1, 2023, capital gains withdrawals will continue to be subject to the historical, social security rate in respect of the sums placed in the PERCO plan before January 1, 2018.

### 2.2.2 Types of Retirement Plans

**General plan and complementary plans**

- Benefits are provided on a defined benefit (DB) basis; benefits are funded through a pay-as-you-go system.

**Typical employer practice**

- PERECO and PERO – benefits are provided on a defined contribution (DC) basis and are fully funded.
- Article 83 plans and PERCO – benefits are provided on a DC basis and are fully funded.

### 2.2.3 Retirement Plan Eligibility

General plan – every employee is covered (exclusions apply for prescribed sectors).

Complementary plans – every employee is covered (exclusions apply for prescribed sectors).

**Typical employer practice**

- PERECO – every employee is covered after a maximum waiting period of three months.
- PERO – every employee or a prescribed category of employees is covered.
- Article 83 plans – every employee or a prescribed category of employees are covered. A minimum waiting period may apply.
- PERCO – every employee or a prescribed category of employees is covered after a maximum waiting period of three months.

### 2.2.4 Normal Retirement Age

**General plan**

For those born from 1955, the full retirement age is 67 years (in 2022). The full normal retirement age may be reduced in prescribed circumstances, including in case of disability (benefits are payable without satisfying a total insurance period requirement).

The statutory retirement age is 62 years (may be reduced in prescribed circumstances) after satisfying a prescribed contribution period requirement (167 contribution quarters for those born in 1960; 168 contribution quarters for those born from 1961 to 1963).

**Complementary plans**

The normal retirement age and contribution qualification criteria are in line with the statutory normal retirement age under the general plan.

Typical employer practice

- PERECO and PERO – retirement is permissible from age 62 for men and women.
- Article 83 plans and PERCO – the normal retirement age is typically from 65 years to 67 years for men and women.

### 2.2.5 Normal Retirement Benefits

**General plan**

Prescribed qualification criteria apply, such as the employee completing at least one-quarter of contributions. The basic pension is equal to (A x B x C) ÷ D, where:

- A is the final pensionable salary based on the employee's average (from the best 25 years) annual indexed pensionable salary for contributions
- B is the payment rate (equal to 50%)
- C is the total insurance period (based on a maximum of four quarters per calendar year) equal to the employee's total contribution period plus any credited insurance periods
- D is the maximum total insurance period (ranging from 167 quarters to 172 quarters, dependent upon year of birth).

Minimums and maximums – The minimum basic pension is equal to €652.60 per month in 2022 (may be increased to €713.11 per month or reduced to a lower amount in prescribed circumstances). The maximum basic pension remains equal to €1,714 per month in 2022.

**Complementary plans**

Prescribed qualification criteria apply, such as the employee satisfying the contribution criteria for the full basic pension under the general plan.

The complementary pension is calculated by multiplying the employee's total accumulated pension points by the point value. AGIRC points and ARRCO points accumulated prior to the merger are converted to AGIRC-ARRCO points at a coefficient value set as follows:

- 1 ARRCO point = 1 AGIRC-ARRCO point (non-executive employees)
- 1 AGIRC point x 0.347791548 = 1 AGIRC-ARRCO point (executive employees).

Pension points are equal to the employee's salary for contribution purposes multiplied by the rate of acquisition and divided by the reference salary (equal to €17.4316 in 2022).

The rate of acquisition is equal to 6.2% in respect of contributions made under tranche one and 17% in respect of contributions made under tranche two.

The point value is equal to €1.2841 from November 1, 2021.

The complementary pension may be increased for employees in prescribed circumstances (such as raising a dependent child(ren) under age 18).

Employees who choose to access their complementary pension at their normal retirement age will have a 10% deduction applied to their complementary pension benefits for three consecutive years.

The complementary pension may be payable as a lump sum where the employee has insufficient pension points. For employees who do not satisfy the insurance criteria at the legal retirement age, the complementary pension is reduced.

**Typical employer practice**

PERECO, PERO, Article 83 plans, and PERCO – normal retirement benefits are based on the value of the total accumulated fund.

### 2.2.6 Retirement Contributions

**General plan**

Employer contributions to the old-age insurance branch (covering retirement and death benefits) remain equal to 8.55% of total pensionable salaries up to the social security ceiling (SSC; €3,428 per month), plus 1.9% of total pensionable salaries (in 2022).

Employee contributions remain equal to 6.9% of the employee's pensionable salary up to the SSC, plus 0.4% of the employee's pensionable salary.

Pensionable salary for contribution purposes is based on the employee's salary.

### Complementary plan

Employer and employee contributions for those who are covered under the AGIRC-ARRCO remain as follows in 2022:

| Association | Employer contribution for tranche 1 (% of pensionable salary up to the SSC) | Employee contribution for tranche 1 (% of pensionable salary up to the SSC) | Employer contribution for tranche 2 (% of pensionable salary between 1 and 8 times the SSC) | Employee contribution for tranche 2 (% of pensionable salary between 1 and 8 times the SSC) |
|---|---|---|---|---|
| AGIRC-ARRCO | 4.72[1] | 3.15[1] | 12.95 | 8.64 |
| CET[2] | 0.21 | 0.14 | 0.21 | 0.14 |
| CEG[3] | 1.29 | 0.86 | 1.62 | 1.08 |

[1] The respective collective agreement may stipulate a different distribution of employer and employee contributions.

[2] Contribution of Technical Balance (CET)

[3] General Equilibrium Contribution (CEG). Employer and employee contributions for those covered under the Association for the Employment of Executives (APEC) remain equal to 0.036% and 0.024% of pensionable salary, respectively (up to four times the SSC) in 2022. The SSC remains equal to €3,428 per month in 2022. Pensionable salary for contribution purposes is based on the employee's salary. Additional employer and employee social security contributions apply.

### Typical Employer Practice

PERECO and PERO

There is no information on the typical level of employer and employee contributions as plans went into force on October 1, 2019. Under PERECO, employers may match up to 3x the employee's contribution, subject to a maximum contribution of 16% of the SSC. Pensionable salary for contribution purposes is typically based on the employee's salary.

Article 83 plan

Employers' contributions typically range from 2% to 5% of total pensionable salaries. Employee contributions typically range from 0% to 2% of the employee's pensionable salary. Additional voluntary employee contributions are permissible. Pensionable salary for contribution purposes is typically based on the employee's salary.

PERCO

Employer contributions typically match the level of employee contributions. Employers may match up to 3x the employee's contribution, subject to a maximum contribution of 16% of the social security ceiling (SSC €3,428 per month in 2022).

Employee contributions typically range from 2% to 4% (3% to 6% for executives) of the employee's pensionable salary. Employees may contribute up to 25% of their pensionable salary. Pensionable salary for contribution purposes is typically based on the employee's salary.

### 2.2.7 Retirement Plan Vesting

General plan – vesting is not a feature of state benefits.

Complementary plans – vesting is immediate.

**Typical employer practice**

PERECO, PERO, Article 83 plans, and PERCO – vesting is immediate.

## 2.3 Death-in-Service

### 2.3.1 Death-in-Service Benefit Provider

Death-in-service benefits are provided through the general plan under the old-age insurance branch and the health insurance branch. Death-in-service benefits are also provided through complementary plans administered by the AGIRC-ARRCO Federation.

The AGIRC-ARRCO Federation was established following the merger of the Association for Employees' Supplementary Plans (ARRCO) and the General Association of Retirement Institutions for Executives (AGIRC) into a single plan.

Employers are required to provide supplementary death-in-service benefits where prescribed under a collective agreement or referendum (see Typical Employer Practice for detail). Employers must also provide death-in-service benefits for managerial employees through self-insurance, an insurance company, or a pension fund as prescribed under the March 14, 1947 national collective agreement (NCA for managerial employees).

**Typical Employer Practice**

Around 90% of multinational and local leading employers provide supplementary death-in-service benefits that are typically provided through a collective insurance contract.

Where the employer provides a PERECO plan, a PERO plan, article 83 plan, or a collective retirement savings plan (PERCO), the plan may incorporate death-in-service benefits (see 'Benefits' section for detail).

PERECO plans and PERO plans were launched on October 1, 2019 to accept contributions and transferred PERCO and article 83 plan funds (no new PERCO and article 83 plans may be established as of October 1, 2020).

Where an existing PERCO plan is converted or transferred to a PERECO before January 1, 2023, capital gains withdrawals will continue to be subject to the historical social security rate in respect of the sums placed in the PERCO plan before January 1, 2018.

## 2.3.2 Death-in-Service Types of plans

General plan and complementary plans – benefits are provided on a defined benefit (DB) basis; benefits are funded through a pay-as-you-go system.

**Typical employer practice**

Collective insurance contracts would be insured.

## 2.3.3 Death-in-Service Eligibility

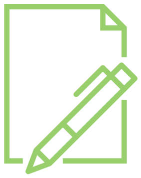
General plan – all employees are covered (exclusions apply for prescribed sectors).

**Complementary plans**

All employees are covered (exclusions apply for prescribed sectors). NCA for managerial employees. Prescribed key employees, professionals, technicians, engineers, supervisors, and managers are covered, dependent upon the employee's occupational classification and respective collective agreement.

**Typical employer practice**

All employees or a prescribed category of employees are covered.



## 2.3.4 Death-in-Service Benefits

General plan, old-age insurance branch

The following means-tested death in service benefits may be payable to a qualifying spouse (in 2022):

- Reversion pension – 54% of the deceased's prospective basic pension, subject to a minimum and a maximum pension equal to €294.23 per month and €925.56 per month
- Widow(er)'s allowance – up to €632.19 per month is payable for two years (or until qualifying for the reversion pension if prescribed conditions are met).

General plan, health insurance branch

Prescribed qualification criteria apply. The death grant is equal to €3,475.48 from April 1, 2021.

Complementary plans, reversion pension

Prescribed qualification criteria apply, such as the qualifying spouse being at least age 55. The reversion pension is equal to 60% of the deceased's complementary pension.

**Complementary plans, orphan's pension**

Prescribed qualification criteria apply, such as the full orphan being under age 25 (no age limit for an orphan disabled prior to age 21). The orphan's pension is equal to 50% of the deceased's complementary pension.

**Complementary plans, NCA for managerial employees**

Employers are required to finance death-in-service benefits with a contribution of at least 1.5% of the employee's salary up to the social security ceiling (SSC; €3,428 per month in 2022) or provide a minimum benefit equal to 3x the annual SSC. Most employers use the 1.5% to purchase a collective insurance contract.

**Typical employer practice**

Collective insurance contract

Death in service benefits is typically based on the deceased's status, salary, family situation, and age at the date of death.

**Survivors' pension**

Survivors' pensions are payable to qualifying survivors, including a spouse and orphans under age 18 or age 21 (age 26 if in full-time education or no age limit if disabled prior to age 18 or age 21).

The survivors' pension is equal to the following:

- qualifying spouse – 1% of the deceased's salary for each year of service remaining between the deceased's date of death and the deceased's prescribed full retirement age

- qualifying orphan – between 10% and 20% of the deceased's salary at the date of death.

**Death benefit**

The sum insured is typically equal to the following ranges:

- managers - two to five times the deceased's annual salary (may depend on whether any survivors' pensions are payable)

- non-management employees - one to one and one-half times the deceased's annual salary

- qualifying dependents - one quarter to one times the deceased's annual salary.

PERECO, PERO, Article 83 plans, and PERCO

Death in service benefits are based on the value of the total accumulated fund.

### 2.3.5 Death-in-Service Contributions

**General plan, old-age insurance branch**

Employer contributions to the old-age insurance branch (covering retirement and death benefits) remain equal to 8.55% of total pensionable salaries up to the social security ceiling, plus 1.9% of total pensionable salaries (in 2022). Employee contributions remain equal to 6.9% of the employee's pensionable salary up to the SSC, plus 0.4% of the employee's pensionable salary. See the Retirement section for further detail

**General plan, health insurance branch**

Employer contributions to the health insurance branch (covering death, sickness, disability, medical, and maternity benefits) remain equal to 7% of total pensionable salaries where the employee's annual salary does not exceed 2.5x the minimum wage, or 13% of total pensionable salaries where the employee's annual salary exceeds 2.5x the minimum wage (employees do not contribute) in 2022. See the Short-Term Sickness section for further detail.

**Complementary plans**

See the retirement section for detail.

**NCA for managerial employees**

Employers are required to contribute 1.5% of the employee's salary up to the SSC to an insurer or pension fund or provide a minimum benefit equal to 3x the annual SSC (in 2022). Employees do not contribute.

**Typical employer practice**

Employers typically finance 60% to 70% of the collective insurance contract premium (employees pay the remaining percentage).

## 2.4 Short-Term Sickness

### 2.4.1 Short-Term-Sickness Benefit Provider

Short-term sickness benefits are provided through the general plan under the health insurance branch. Employers must also provide short-term sickness benefits through paid sick leave. Benefits may be provided through a collective insurance contract

**Typical employer practice**

Around 80% of multinational and local leading employers provide supplementary short-term sickness benefits that are typically provided through a collective insurance contract.

### 2.4.2 Short-Term-Sickness Eligibility

General plan – all employees are covered (exclusions apply for prescribed sectors).

Paid sickness leave – all employees are covered.

**Typical employer practice**

All employees or a prescribed category of employees are covered.

### 2.4.3 Short-Term-Sickness Waiting Period

General plan – the waiting period is three days.

Paid sickness leave – the waiting period is seven days.

**Typical employer practice**

The waiting period varies as prescribed under the collective agreement, typically ranging from three and seven days in line with paid sickness leave.

### 2.4.4 Short-Term-Sickness Payment Period

General plan – the daily allowance is payable for up to 360 days over three consecutive years or three years for prescribed long-term illnesses.

Paid sickness leave – provided for up to 180 days, dependent on the employee's years of service.

**Typical employer practice**

Supplementary short-term sickness benefits are typically payable for up to three years or until the long-term disability is established.

### 2.4.5 Short-Term-Sickness Benefits

**General plan**

Prescribed qualification criteria apply, such as the employee having worked for at least 150 hours over the three months preceding sickness. The daily allowance is equal to 50% of the employee's reference salary, subject to a maximum of EUR 47.43 per day (from January 1, 2022). Reference salary is based on the employee's basic daily earnings averaged over the three months preceding sickness.

**Paid sickness leave**

Prescribed qualification criteria apply, such as the employee must have at least one year of service. The sum of the daily allowance under the general plan and paid sickness leave is dependent upon the employee's period of service and is equal to the following:

- 90% of the employee's salary for the first stage of sickness (maximum period ranges from 30 days to 90 days), and
- 66.66% of the employee's salary for the second stage of sickness (maximum period ranges from 30 days to 90 days).

**Typical employer practice**

Supplementary short-term sickness benefits may provide up to 100% of the employee's salary (inclusive of state and compulsory benefits).

### 2.4.6 Short-Term-Sickness Contributions

**General plan**

Employer contributions to the health insurance branch (covering death, sickness, disability, medical, and maternity benefits) remain equal to 7% of total pensionable salaries where the employee's annual salary does not exceed 2.5x the minimum wage, or 13% of total pensionable salaries where the employee's annual salary exceeds 2.5x the minimum wage (employees do not contribute) in 2022.

Pensionable salary for contribution purposes is based on the employee's salary. Effective January 1, 2022, the minimum wage is equal to €10.57 per hour.

**Paid sickness leave**

Employers finance 100% of paid sickness leave.

**Typical employer practice**

Employers typically finance 60% to 70% of the collective insurance contract premium (the employee pays the remaining percentage).

## 2.5 Long-Term Disability

### 2.5.1 Long-Term Disability Benefit Provider

Long-term disability benefits are provided through the general plan under the health insurance branch. Employers are required to provide supplementary retirement benefits where prescribed under a collective agreement or referendum (see Typical Employer Practice for detail).

**Typical employer practice**

Around 80% of multinational and local leading employers provide supplementary, long-term disability benefits that are typically provided through a collective insurance contract.

PERECO plan, a PERO plan, article 83 plan, or a collective retirement savings plan (PERCO) may incorporate long-term disability benefits (see Long-Term Disability Benefits for detail).

PERECO plans have replaced PERCO plans, and PERO plans replaced article 83 plans. Employers with existing PERCO and article 83 plans had the option to transfer savings into a new PERECO or PERO plan (such plans needed to ensure they satisfied prescribed criteria).

PERCO and article 83 plans are no longer available from October 1, 2020, unless they conform to new requirements.

### 2.5.2 Long-Term Disability Eligibility

All employees are covered (exclusions apply for prescribed sectors).

**Typical employer practice**

All employees or a prescribed category of employees are covered.

### 2.5.3 Long-Term Disability Waiting Period

The disability pension and the disability allowance are payable upon the expiry of any short-term sickness benefits under the general plan (see the Short-Term Sickness section for detail).

**Typical employer practice**

The disability pension is typically payable upon the expiry of any short-term sickness benefits under the collective insurance contract (in case of total and permanent disability, there may be no waiting period).

### 2.5.4 Long-Term Disability Payment Period

The disability pension and the disability allowance would continue up to the legal retirement age so long as the disability continues.

**Typical employer practice**

Collective insurance contract benefits would continue up to the statutory retirement age so long as the disability continues.

### 2.5.5 Long-Term Disability Benefits

Prescribed qualification criteria apply, such as the employee having earning capacity or working capacity reduced by at least two-thirds on an own occupation basis.

The disability pension is dependent upon the employee's disability category, as follows (from January 1, 2022):

| Disability category | Disability pension (% of average salary1) | Minimum monthly pension (EUR) | Maximum monthly pension (EUR) |
|---|---|---|---|
| Category 1[2] | 30 | 297.20 | 1,028.40 |
| Category 2[3] | 50 | 297.20 | 1,714.00 |
| Category 3[4] | 50 plus an increase for constant attendance | 1,423.61 | 2,840.41 |

[1] Averaged from the 10 best years of salary up to the social security ceiling (SSC; €3,428 per month in 2022).

[2] Capable of gainful employment.

[3] Incapable of gainful employment.

[4] Incapable of gainful employment and requires the assistance of another person to perform the essential activities of daily life. In addition, an income-tested disability allowance of up to €800.00 per month for a single person or €1,400.00 per year for married couples (at April 1, 2021) may be payable.

**Typical employer practice**

Collective insurance contract

The disability pension is equal to a percentage (typically between 65% and 100%) of the employee's salary (may be limited to eight times the social security ceiling (SSC), equal to €3,428 per month in 2022) or a fixed amount, inclusive of state and compulsory benefits.

The disability pension is commonly dependent upon the employee's disability category (see State & Compulsory Benefits for detail) and may be increased for a dependent child(ren).

A lump sum advance death benefit may be payable for disability category III.

PERECO, PERO, Article 83 plans, and PERCO

Long-term disability benefits are based on the value of the total accumulated fund.

### 2.5.6 Long-Term Disability Contributions

Employer contributions to the health insurance branch (covering death, sickness, disability, medical, and maternity benefits) remain equal to 7% of total pensionable salaries where the employee's annual salary does not exceed 2.5x the minimum wage, or 13% of total pensionable salaries where the employee's annual salary exceeds 2.5x the minimum wage (employees do not contribute) in 2022. See the Short-Term Sickness section for further detail.

**Typical employer practice**

Employers typically finance 60% to 70% of the collective insurance contract premium (employees pay the remaining percentage).

## 2.6 Medical Benefits

### 2.6.1 Medical Benefits Provider

Medical benefits are provided through the general plan under the health insurance branch. Employers must also provide a collective medical plan.

**Typical employer practice**

Supplementary medical benefits are provided through a collective medical plan (see the benefits section for detail).

### 2.6.2 Medical Benefits Eligibility

**General plan**

All employees are covered (exclusions apply for prescribed sectors). Coverage extends to dependents.

**Collective medical plan**

All employees are automatically covered (prescribed employees, such as apprentices and those on fixed-term contracts, may apply for an enrollment exemption). Coverage often extends to dependents.

**Typical employer practice** – not applicable.

### 2.6.3 Medical Benefits

**General plan**

Employees pay for medical care and are subsequently reimbursed according to a prescribed percentage of costs or set tariffs, including:

- Physicians' fees and outpatient care – 70% (60% for auxiliary medical staff)
- Prescription drugs – 100%, 65%, or 30%, dependent upon the classification of the drug
- Diagnostic tests – 60% to 70% (100% for HIV and Hepatitis C diagnostics)
- Vaccinations – 65% (100% for the MMR vaccine)
- Glasses, contact lenses, hearing aids, and non-drug medical accessories – 60%
- Essential medical accessories, such as prostheses and wheelchairs – 100%
- Inpatient care – 80% (100% from day 31 and in other prescribed circumstances)
- Transport – 65% (100% in prescribed circumstances).

In prescribed cases, such as for long-term illnesses, medical care is reimbursed at 100% of the cost or set tariff.

Additional fees payable (exclusions may apply) include the following (in 2022):

- €20 per day for hospitalization over 24 hours (€15 for a psychiatric ward)
- €19.61 for emergency treatment (reduced to €8.49 in prescribed circumstances, such as for a long-term illness or work-related injury)
- €1 for consultation or care provided by a general practitioner or specialist and radiology and biomedical procedures (subject to maximums of €50 per year and €4 per day for the same general practitioner or specialist and €4 per day for biomedical procedures)
- €0.50 for each prescription drug and for auxiliary medical staff and €2 for transport (subject to maximums of €50 per year and €2 per day for auxiliary medical staff and €4 per day for transport).

In prescribed circumstances (such as for procedures costing the employee over €120 or a reimbursement percentage of 60% or more), the total cost to the employee is capped at €24.

**Collective medical plan**

The reimbursement levels under the ongoing '100% health' reform apply to three benefit baskets and include the following:

- Optics – 100% reimbursement of the basket of prescribed optical aids (including prescribed spectacles)
- Audiology – 100% reimbursement of the basket of prescribed hearing aids
- Dentistry – 100% reimbursement of prescribed dental care.

Other reimbursements outside the 100% health reform include the following:

- Prescribed reimbursements for dental care fees (including prosthetic care and orthopaedics), ranging from 70% to 100%.
- The daily hospitalization fee is equal to €20 (€15 in a psychiatric institution).

Collective medical plans typically cover the difference between the reimbursement from the general plan and the actual costs or set tariff payable.

**Typical employer practice** – not applicable.

### 2.6.4 Medical Benefit Contributions

**General plan**

Employer contributions to the health insurance branch (covering death, sickness, disability, medical, and maternity benefits) remain equal to 7% of total pensionable salaries where the employee's annual salary does not exceed 2.5x the minimum wage, or 13% of total pensionable salaries where the employee's annual salary exceeds 2.5x the minimum wage (employees do not contribute) in 2022. See the Short-Term Sickness section for further detail.

**Collective medical plan**

Employers typically finance 50% to 60% of the collective medical plan premium (employers must finance at least 50% of the collective medical plan premium), and employees pay the remaining percentage.

**Typical employer practice** – not applicable.

## 2.7 Workers' Compensation

### 2.7.1 Workers' Compensation Benefit Providers

Workers' compensation is provided through the general plan under the occupational injuries and illnesses branch.

**Typical employer practice** – not applicable.

### 2.7.2 Workers' Compensation Eligibility

All employees are covered (exclusions apply for prescribed sectors).

**Typical employer practice** – not applicable.

### 2.7.3 Workers' Compensation Benefits

Workers' compensation is payable in case of occupational accidents (includes travel to and from employment) or disease, as below.

**Medical benefits**

Medical benefits include necessary medical and surgical treatment, doctor visits, x-rays, and laboratory tests, hospitalization, medicine, transportation, dentures (reimbursed at 150% of costs or set tariffs), and prescribed medical appliances (such as wheelchairs and prostheses, reimbursed at 150% of costs or set tariffs).

**Temporary disability**

The temporary incapacity allowance remains equal to (from January 1, 2022):

- 60% of the employee's reference salary (subject to a maximum benefit of €205.84 per day) for the first 28 days of temporary incapacity, and
- 80% of the employee's reference salary (subject to a maximum benefit of €274.46 per day) from day 29 of temporary incapacity.

Reference salary is based on the employee's salary in the month preceding temporary incapacity, divided by 30.42.

**Permanent disability**

Prescribed qualification criteria apply.

A lump sum benefit is payable dependent upon the employee's assessed degree of permanent disability and ranges from €419.37 (for 1% assessed degree of permanent disability) to €4,192.80 (for 9% assessed degree of permanent disability) from April 1, 2021.

The permanent disability pension is equal to the employee's reference salary, multiplied by the:

- Employee's assessed degree of permanent disability up to (and including) 50% divided by two, plus
- Employee's assessed degree of permanent disability over 50% multiplied by 1.5. The reference salary is based on the employee's salary averaged over the 12 months preceding permanent disability, subject to a prescribed minimum.

Where the employee has an assessed degree of disability of at least 80% and the employee is unable to perform at least three daily activities without assistance, a supplement of up to €1,696.34 is payable from April 1, 2021.

**Death**

The survivor's pension is payable to qualifying dependents and is equal to a percentage of the deceased's salary, as follows:

- Spouse – 40% of the deceased's annual salary, increased to 60% where the spouse is over age 55 or has working capacity reduced by at least 50%.
- Child(ren) under age 20 – 25% of the deceased's annual salary for each of the first two children and 20% of the deceased's annual salary for each additional child; 30% of the deceased's annual salary for a full orphan.

The maximum total survivors' pension is equal to 85% of the deceased's annual salary.

**Typical employer practice** – not applicable.

### 2.7.4 Workers' Compensation Contributions

Employer contributions to the occupational injuries and illnesses branch (covering workers' compensation benefits) vary according to the risk of the occupation and size of the employer, as follows:

- Less than 20 employees – a community rating.
- 20 to 149 employees – a mixed basis of community rating and past claims experience.
- 150 or more employees – an individual rating based on past claims experience.

Employers receive a reduction in employer contributions according to a prescribed formula for employees earning less than 1.6x the minimum wage (the minimum wage is equal to €10.57 per hour from January 1, 2022).

**Typical employer practice** – not applicable.

## 2.8 Termination Indemnities

### 2.8.1 Termination Indemnities Benefit Provider

Termination indemnities are provided by the employer through severance pay. Termination indemnities may be insured.

In addition, where a National Inter-Professional Agreement applies, the employer may be required to provide a continuation of life, disability, and medical cover for up to twelve months to qualifying former employees during a period of unemployment upon the termination of the employment contract (excludes termination due to gross misconduct).

Employers are required to provide supplementary termination indemnities where prescribed under a collective agreement or employment contract.

**Typical employer practice**

Employers are required to provide supplementary termination indemnities where prescribed under a collective agreement or employment contract.

### 2.8.2 Termination Indemnities Eligibility

All employees are covered. There is no typical employer practice.

# 3. Gerep Contact

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