Redundancies in France

Licenciement Economique

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Introduction

- Expectations?
- Previous knowledge?
- Previous experiences?
- Question when needed!

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Contents

- Overview
- Preparing the process
- Process
- Main differences with the British system

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Overview

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Reasons

- Economic difficulties
- Technological change
- Reorganisation of the company to safeguard its competitiveness
- Closure of the company
- Prepare well

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Actions prior to dismissal

- Measures to avoid redundancies
- Training and adaptation
- Criteria to determine who will be made redundant

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Any questions?

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Preparing the process

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Reasons

- Reasons unrelated to the employee
- Economic reasons:
  - Economic difficulties
  - Technological changes
  - Need to safeguard the company's competitiveness
  - Cessation of the company's activity (unless due to the employer's fault)

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Economic difficulties

- Significant change in at least one economic indicator:
  - fall in orders or sales
  - operating losses
- Or a deterioration in cash flow

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Economic difficulties

- Significant fall duration is:
  - 1 quarter (fewer than 11 employees)
  - 2 consecutive quarters (11-49)
  - 3 consecutive quarters (50-299)
  - 4 consecutive quarters (300+)
- Not legally defined

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Dismissal “priority”

- Criteria must be used
- Except in case of closure
- Provided by CBA…
- … or defined by employer / CSE
- Using the suggestions of the code

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Dismissal “priority”

- Labour Code criteria:
  - Family responsibilities
  - Length of service
  - The situation of employees
  - Professional qualities
- Priority is possible
- Subtraction is not allowed
- Application to employees

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Conditions for dismissal

- Training and adaptation efforts made
- Redeployment is not possible
- Reclassification attempts made until dismissal notification

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Any questions?

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Process

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CSE consultation

- Non-mandatory if single redundancy
- Consultation before proceeding
- Invitation at least 3 days before the meeting
- It must include:
  - Economic and financial reasons
  - Number of redundancies planned
  - Professional categories involved
  - Calendar
  - Measures to prevent redundancies…

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CSE consultation

- During the meeting:
  - Present and explain the plan
  - Answer questions
- One month to give their opinion
- Send minutes to work inspection

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CSP

- Contrat de Sécurisation Professionnelle
- Scheme to assist employees
- Support measures
- Specific allowance
- Acceptation = immediate termination
- Refusal = process continues

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Invitation letter

- Registered letter / by hand
- Required information:
  - Purpose of the interview
  - Date, time and place
  - Explanation of the economic reasons
  - Possibility of being assisted
  - Contact details
- Minimum delay of 5 working days

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Interview

- Steps are as follow:
  - Reasons
  - Explanation of the CSP
  - Handing over CSP documents
  - Explanation of 21 days delay
- Companies with over 1000 employees have a different process

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Dismissal letter

- After 7 / 15 days
- Contents of the letter:
  - Economic reasons
  - Possibility of benefiting from a CSP
  - Possibility to benefit from a priority of re-employment
- 12 months to challenge the decision
- Notify the Work Inspection (8 days)

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Notice period

End of contract

- Notice period worked except if:
  - Exemption by employer
  - CSP has been accepted
- On termination, employee receives:
  - Severance payment
  - Compensation for notice period (except in case of CSP)
  - Unused accrued paid leave
  - Potential non-compete clause

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Any questions?

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Litigation risks

- 3 different risks:
  - Non-compliance with the legal process
  - Lack of valid economic grounds
  - Insufficient measures taken to limit the impact of redundancies

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Main differences with the British system

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Differences

- Stricter timelines
- Need for a robust rationale
- Need a serious risk
- Representative consultations
- Labour inspection
- Pool: individual family circumstances
- Duty to adapt
- CSP available to all

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Thank you

- Baptiste@viridianhr.co.uk
- We will send you a post-training form
- Thank you in advance for your feedback!

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