

# Supplemental employee protection

## What you need to know :

Supplemental employee protection is defined as all the cover implemented by companies for all or some of their employees to supplement the social security benefits paid to cover sickness, disability and death. Implementing such protection can be optional for the company or imposed by the applicable legislation or collective/branch agreements. In all cases, the employer assumes certain obligations in implementing such protection.

### ► Obligation to implement such a scheme

Implementing an employee protection scheme is compulsory for managerial employees and employees in a similar role. The employer pays a minimum contribution of 1.5% of the salary paid subject to the social security ceiling. This contribution is intended to create a fund for supplementary death benefits in addition to the social security benefits.

However, collective agreements often impose the implementation of supplemental protection. These obligations may apply to all employees or just some of them (according to professional categories). The risks covered and the contributions rates are variable.

Furthermore, in accordance with the law, all companies are required to provide compulsory minimum health cover for all employees since 1 January 2016 (mutual fund), funded at least 50% by the employer.

Employers can voluntarily set up employee protection or mutual benefits schemes within the company which exceed their obligations in accordance with the applicable legislation or collective agreements.

### Sanction

*If the employer fails to fulfil its obligations, it shall be liable for the uninsured risks.*

### Information

*Make sure that the policy arranged with your insurer complies with the applicable legislation or your collective agreement.*

### ► The procedures for implementing such schemes

A supplemental employee protection scheme must be implemented on the basis of a legal document:

- Collective agreement,
- Ratification by the majority of parties concerned of a draft agreement proposed by the company manager,
- Unilateral decision by the employer recorded in a written document given to each party concerned.

The content of this legal document is governed by law; it defines in particular the cover provided, the way such cover is financed (employee and the employer's parts) and the cases of exemption.

### Advice

*Ask us about the schemes best suited to your companies and the procedures to be followed.*



## Information

*Make sure that you are able to prove that all your employees have been given the guide detailing employee protection cover available in the company.*

## Employee information

The employer must give the employee a comprehensive guide about the cover provided by the policies arranged within the company and their terms of application.

When changes are made to the policy, a new notice has to be given to the employee.



### Advice

*Ask us, in some cases, the employee can ask to be exempted from registration.*

## Employee registration

The employer must register each beneficiary under the company's protection schemes.

Similarly, when an employee leaves the company, the employer must remove said employee from such schemes.

## Transferability of employee protection

If the employment contract is terminated and the employee is eligible for unemployment benefits (redundancy, termination by agreement, end of short-term contract, resignation for legitimate reasons, and so on), the employee is entitled to the maintenance of the « health » and « employee protection » cover he/she benefited from in his/her previous company. Cover is also maintained during the period of unemployment, for a maximum period equivalent to the duration of the last contract, limited to 12 months.

There is no additional cost to the employee, benefits are funded by mutualisation.

The employer indicates the employee's right to transferability on the employment certificate provided. It also informs the insurance company.



## Sanction

*The employer is responsible for ensuring the transferability of employee protection. The company may be held liable for failure to do so. For example, claims may be made to the company to fund a death benefit or a disability pension.*



### Advice

*Ask us to make sure you are eligible to benefit from exemption from social security contributions, in case you have a URSSAF audit : documents to be produced, collective and compulsory schemes, dispensations, agreements and so on.*

## Funding supplemental employee protection

Such benefits are funded in principle by the employee's and the employer's contributions paid.

The payment by the employer is not submitted to social security contributions if the policies meet certain conditions and if the sums funded are within certain limits.

Employers' contributions funding supplemental employee protection schemes are subject to CSG and CRDS contributions. They are also subject to the forfait social except for companies with less than 11 employees. When the workforce of the company exceed 11 employees for the first time, exemptions are provided for.

Employer's contributions funding « health expenses » cover (mutual funds) are subject to income tax.