

France: Agreement on value sharing

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In February 2023, the French social partners concluded an agreement facilitating broader access, for companies with up to 11 employees, to value-sharing schemes (profit-sharing and tax-free bonuses). The signatories forcefully recall that the sums paid under these arrangements must not replace the salary elements in force in the companies. Signed by almost all of the social partners (CFDT, CFE/CGC, FO, CFTC are signatories), the text should be included in a bill to be presented to Parliament by the government later in the spring.

The agreement provides mandatory negotiations in the branches and an obligation to set up a value-sharing mechanism for companies with 11 to 50 employees, under certain conditions.

If a company makes a profit representing at least 1% of its turnover over three years, it will be subject to the obligation of a value sharing agreement. There must be two different discussions in companies, one on wages and the other on employee savings. The salary must remain the norm and cannot be replaced by employee savings.

In companies with 50 employees or more, the interprofessional national agreement makes it compulsory: within the framework of profit-sharing and/or profit-sharing agreements, to negotiate a specific clause setting out the procedures for taking into account results that are exceptional in through either an automatic payment of a profit-sharing or profit-sharing supplement, or a discussion around the payment of a value-sharing mechanism.

In addition, there is an obligation to open negotiations on classifications in the sectors by the end of 2023 for those who have not done so for five years, and the professional branches must set up an observatory on the diversity of professions with indicators on remuneration by level of classification but also by core professions.

The social partners also want future legislation to allow the inclusion of criteria to make social and environmental performance a lever of purchasing power for workers.

President Macron's political party Renaissance organised a convention on value sharing last month. As requested by the social partners, Prime Minister Borne made a commitment to transcribing the text into law. It remains to be seen whether a consensus can be found. If not, the text would only apply to companies that are members of the employers' associations that signed the agreement.

Edited by industriAll Europe.