



No More Family Allowances for Seconded Workers As Of 1 January 2007!

May 2007

The 2007 social security budget law has made serious changes in the way family allowances are granted to foreign nationals seconded to France. Up until 31 December 2006, all the latter had to do was to *reside* in France with their children in order to receive French family allowances: this is what is known as the “residence requirement”.

As of 1 January 2007, this residence requirement is no longer enough: **workers seconded to France under a social security agreement binding France and the country of origin no longer receive any family allowances, even if their children are with them in France!**

This new law can be explained by the fact that these seconded workers—as far as the social security system is concerned—do not contribute to the French social welfare system, but rather to that of their country of origin. The French law, then, would like the country that receives the contributions to pay the allowances.

However, *these new measures only apply to seconded workers who arrived in France after 1 January 2007*. All workers currently seconded in France starting on a date prior to 1 January 2007 will continue to receive their French family allowances up until the end of their secondment. However, if they end up being seconded again in France, they will be subject to the new law.

Foreign nationals seconded to France do not contribute to the French social security system as a result of bilateral agreements France has signed with numerous partner countries. There are, however, countries with which France does not have social security agreements. In these cases, even if the foreign nationals are *seconded* as far as labour laws are concerned, their employers are nevertheless required to contribute to the French social security system. Foreign nationals in these cases can receive French family allowances if their children are present with them in France. **Where there is no social security agreement between the country of origin and France, foreign workers can continue to receive French family allowances.**

There is also another situation in which foreign seconded workers can receive French family allowances: when they are accompanied in France by their spouse and the latter works in France. If the spouse contributes to the French social security system, the family has the right to French family allowances when their children are present in France. **When the spouse of a seconded worker works in France, the family can also continue to receive French family allowances.**

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Let's look at four concrete examples:

Example 1:

An employee of Italian nationality was seconded to France on 1 January 2007, his/her spouse works in France, but the children stayed in Italy. The Italian family allowances authority will pay Italian family benefits. The French Family Allowances Offices will pay the difference only if the French family allowances are higher than those paid in Italy.

Example 2:

An employee of Italian nationality was seconded to France on 1 January 2007, his/her spouse works in France and the children are in France. The French Family Allowances Offices will pay all family benefits for which the family is eligible as a resident in France in application of article L 512-1 of the Social Security Code.

Example 3:

An employee of Italian nationality was seconded to France on 1 January 2007 with his/her children and spouse, who does no work in France. This seconded worker will receive no family benefits from the French Family Allowances Offices.

Example 4:

An employee of Brazilian nationality is seconded to France—as far as labour laws are concerned—with his/her children and spouse, who does not work. As no social security agreement exists between France and Brazil, the employer must contribute to the French social security system. The Brazilian worker can therefore receive French Family allowances.

This article was written with the help of Carine Idé, social security expert

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APPENDIX 1: SOCIAL SECURITY CODE

Article L 512-1

(Act no. 95-116 of 4 February 1995 art. 48, Journal Officiel of 5 February 1995)

(Act no. 2006-1640 of 21 December 2006 art. 130 II, Journal Officiel of 22 December 2006)

All French or foreign persons residing in France, with one or more dependent children residing in France, shall benefit from family allowances for these children under the conditions provided for in this book subject to the latter not being personally recipients of one or several family benefits, the social housing allowance or the personalized housing aid.

The preceding paragraph **shall not apply to seconded workers temporarily in France** to work and exempt from coverage by the French social security system in application of an international social security agreement or a community regulation, nor to their dependents, except where there exists a specific stipulation in the said agreement.

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APPENDIX: Countries that have signed a social security treaty with France

Algeria	Madagascar
Andorra	Mali
Benin	Morocco
Bosnia-Herzegovina	Mauritania
Cameroon	Monaco
Canada	Niger
Cape Verde	New Caledonia
Chile	Philippines
Congo	French Polynesia
Ivory Coast	Quebec
Croatia	Romania
United States	San Marino
European Union (the 25), EEA and Switzerland	Senegal
Gabon	Serbia and Montenegro
Guernsey, Alderney, Herm, Jethou	Slovenia
Israel	Togo
Jersey	Tunisia
Macedonia	Turkey