
Law on Labour Market Modernisation

As the law on labour market "modernisation" has been published in the Journal Officiel, employers must introduce the changes brought by this law.

I - The trial period of open-ended contract is regulated

From now on the trial period is regulated by the labour law.

The trial period is not presumed and must be therefore expressly provided in the work contract.

If the renewal of the trial period is accepted by collective agreements, this possibility must be provided in the work contract too.

The new durations of trial periods are laid out in articles L. 1221-19 and L. 1221-21:

- 2 months (4 if renewal) for workers and employees,
- 3 months (6 if renewal) for supervisors and technicians
- 4 months (8 if renewal) for executives

Provisions of branch agreements, concluded before 26 June 2008, and with shorter durations, remain in force until 30 June 2009.

When the employer breaks the trial period, he must keep to a time limit for consideration. This time limit cannot result in

an extension of the trial period.

II - A special new fixed-term contract for engineers and executives

Experimentally, and for the next 5 years, the employer can set up an 18- to 36-month contract, non renewable, with engineers and executives in order to achieve a well-defined objective.

It is possible to resort to this fixed-term contract only if a collective or company agreement has been created.

III - Creation of a contractual breach

A new way of breaking a work contract applies in the labour law which gives the employee the right to get a jobseeker's allowance if he/she meets the compensation conditions.

This contractual breach requires some interviews to occur between employer and employee, the signing of an agreement and the approval from the Departement Director of Work and Employment (Directeur Départemental du Travail et de l'Emploi).

IV - Indemnity payment

The length of service required for having the right to a legal indemnity payment is reduced to 1 year instead of 2 years. The amount of the indemnity is the same whether it is a dismissal or a redundancy.

V - "Acknowledgment of payment in full"

With this document the employer is relieved from any responsibility with respect to the sums of money mentioned if the employee does not contest it within 6 months after it has been signed.

VI - Manifold measures

The new employment contract (Contrat Nouvelle Embauche - CNE) has been abolished. Therefore any current CNE is amended in a common-law fixed-term contract.

For the salary to still be paid by the employer in case of sick leave pursuant to the law on monthly payment, the employee must have been employed for at least 1 year instead of 3 years in the past.

Regarding restaurant-vouchers, if the employer's contribution exceeds 60 % of the value of the restaurant-voucher, the surplus only will be reintegrated and not the whole amount.

This also applies to transport-vouchers.

Should you need further information, or want a more precise explanation with regards to these social changes, please do not hesitate to contact us.

To summarise...

The law on working time reform has been passed.

Among other things, it suppresses the prior agreement of the labour office with regards to overtime hours above the legal limit, and reforms the mechanisms of the time off in lieu, of the agreements regarding the number of working days fixed annually, and of the calculation of working hours on a yearly basis.

