



Law n° 2007-1223 dated August 21st 2007 in favour of Work, Employment and Purchasing Power

As you probably know, new dispositions are applicable as of October 1st 2007 regarding overtime. These dispositions are summarised below:

Full time fixed-term or open-ended contract

Applicable rates

Your company does not have a collective bargain agreement

1st eight hours paid +25%,

From ninth hour paid +50%.

Your company has a collective bargain agreement

The rates in the collective bargain agreement are not changed and still apply.

Reduction of social contributions

Employees benefit from:

- A reduction of their social contributions (up to 21.5%),
- An exemption from income tax.

Employers benefit from:

- A reduction of their social contributions (1.50€ per hour for companies employing less than 20 employees; 0.50€ for companies employing 20 or more).

Part time fixed-term or open-ended contract

Hours worked over the contractual working time are complementary hours benefiting only from employee and income tax exemptions in the following conditions:

- Limit of 10% of the weekly or monthly hours stated in the contract with an upper limit, fixed by the collective bargain agreement, which can go up to 1/3 of the contractual working hours.
- The reductions are not applicable to overtime hours worked regularly over 12 consecutive weeks or 12 weeks in any period of 15 weeks, unless they are integrated into the contractual hours by an additional clause for a period of no less than six months; these new hours, now included in the contract, do not benefit from reductions/exemptions.

Other points

1- Conditions to benefit from the reductions:

- Annual information of the Labour Inspection that you exceed the legal 35 hours per week,
- Display of the collective working hours or of the daily and weekly planning for each employee,
- These hours must be actually worked overtime (no reductions for bank holidays, paid holidays, sick leave in any week),
- The reduction only occurs for the month in which the overtime was worked (overtime paid the following month not exempt from social charges),
- No pay element (bonuses .).currently in use can be replaced by overtime – reductions will only occur after a 12 month lapse.

2- From now on, overtime is counted from the first hour on the annual quota. For your information, exceeding the annual quota (220 hours unless otherwise stated in your collective bargain agreement) must be previously authorised by the Labour Inspection.