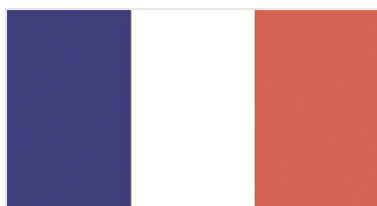


THE OECD TAX-BENEFIT DATABASE

Description of policy rules for
France 2024



THE OECD TAX-BENEFIT DATABASE FOR FRANCE

Description of policy rules for 2024

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Preface

This report provides a detailed description of the tax and benefit rules in France as they apply to working-age individuals and their dependent children. It also includes output from the [OECD Tax-Benefit model \(TaxBEN\)](#), which puts all these complex legal rules into a unified methodological framework that enables international comparisons of how tax liabilities and benefit entitlements affect the net disposable income of families in different labour market circumstances, e.g. in employment versus unemployment.

The **main body** of the report describes the rules that are relevant for the family and labour market characteristics that are within the scope of the **TaxBEN** model (see below for the methodology and user guide). The **annex** provides information on other cash benefits and taxes on employment income that are relevant for other groups of the working-age population, but are outside the scope of the **TaxBEN** model.

TaxBEN is essentially a large cross-country calculator of tax liabilities and benefit entitlements for a broad set of *hypothetical* families (“vignettes”), e.g. a married couple of 40-years-old adults with two children aged 4 and 6 (click [here](#) for a quick overview of the **TaxBEN** model). **TaxBEN** incorporates rules on the main taxes on employment income, social contributions paid by employees and employers, as well as the main cash and near-cash benefit programmes, including unemployment benefits, family and childcare benefits, guaranteed minimum-income benefits, cash housing benefits, and employment-conditional benefits. Disability benefits, maternity and parental leaves benefits are included in the model for a sub-set of countries and years. The main policy instruments that are currently not included in the **TaxBEN** model are taxes on wealth (e.g. taxes on immovable and unmovable properties), indirect taxes (e.g. VAT), early-retirement benefits, short-time work compensation schemes, sickness benefits, and in-kind benefits (e.g. subsidised transport and free health care).

Useful online resources for the OECD tax-benefit model (TaxBEN)



[TaxBEN web calculator](#)



[Methodology and user guide](#)



[OECD tax-benefit data portal](#)



[Network of national experts](#)


Guidelines for updating this report (for national experts)



[General guidelines](#)

Detailed [guidelines for updating Section 5](#) “Net costs for Early Childhood Education and Care”

Reading notes and further details on the content of this report

- **Reference date** for the policy rules described in this report: **January 1, 2024**.
- The symbol  in the text provides a link to the glossary of technical terms.
- Section titles provide the names of taxes and benefits as they are known in the country: first, direct translation into English, then (in brackets) the name in the national language.
- **TaxBEN** variables are indicated in the text using the format `[variable name]`.

The OECD tax-benefit model for France: Policy rules in 2024

1. Reference wages and other reference amounts

Average wage [AW]: The OECD tax-benefit model (TaxBEN) uses Secretariat estimates of the average full-time wage (which are available [here](#)).¹ In cases where Secretariat estimates are not available yet, the model uses wage projections derived from forecasted wage growth² applied to the latest available wage estimate.

As of January 1, 2024, **the gross minimum wage [MIN]** is €11.65 per hour and €1 766.92 per month. The annual earnings of a full-time minimum wage worker is computed by multiplying the hourly minimum wage by 35 hours and 52 weeks, i.e. $€11.65 * 35 * 52 = €21\ 203.00$.

The gross minimum wage is automatically indexed every year on January 1, based on inflation and purchasing power indicators. Throughout the year, if the consumer price index increases by at least 2 % compared to the last indexation, the gross minimum wage is automatically increased in the same proportions.

The amount of certain family benefits is computed by applying a monthly calculation base known as the **monthly family benefits calculation basis** (*base mensuelle de calcul des allocations familiales, BMAF*). As of January 1, 2024, it is set at €445.93. Its amount is set annually by decree, on April 1st of each year. Additional increases may occur if the consumer price index exceeds a certain ceiling and are set by decree.

2. Unemployment benefits

2.1. Unemployment insurance / Assurance chômage (Allocation d'aide au retour à l'emploi (ARE))

Variable names:³ **[UB; UI_p; UI_s]**

¹ Average Wages are estimated by the [Centre for Tax Policy and Administration](#) at the OECD. For more information on methodology see the latest [Taxing Wages publication](#).

² Wage growth projections are based on [OECD Economic Outlook](#) and [EU economic forecasts](#) (for non-OECD countries).

³ Each (sub-)section in this chapter lists the variable names for the different benefits and taxes as they are used in TaxBEN. The first variable usually denotes the aggregate component while variable names ending with “_p” refer to the first adult (so-called “principal” adult) whereas those ending with “_s” are related to the spouse (alternative specifications to denote adults are possible, e.g. “_1” and “_2”). For instance, in this section, **UB** denote unemployment benefits, which are the sum of individual-specific unemployment insurance benefits of the principal adult, **UI_p**, and the spouse, **UI_s**, as well as unemployment assistance benefits **UA** from Section 2.2 (as relevant).

This is an unemployment insurance benefit, contributory, not means-tested and taxable.



All private sector employees must be affiliated with the unemployment insurance (ARE) scheme by their employer. ARE benefits also vary according to the employee's status. For instance, a specific compensation scheme is in place for intermittent entertainment workers, expatriate employees and seasonal workers (*OECD note: not modelled*).

2.1.1. Eligibility conditions

1. **Age.** There is no minimum age. It is possible to receive unemployment benefits from the legal school-leaving age (16 years old).

In addition, the applicant should not have reached the age specified for eligibility for a retirement pension. However, individuals who have reached this age without being able to demonstrate the required number of insurance quarters to qualify for a full-rate pension, as defined in Article L. 351-1 to L. 351-5 of the Social security code, may receive benefits until they provide proof of this number of quarters and, at the latest, until the age at which they can qualify for a full-rate pension, regardless of the duration of insurance.

2. **Contribution/employment history.**

- For employees below the age of 53: Worked 130 days or 910 hours (6 months) in the last 24 months immediately preceding unemployment.
- For employees above the age of 53: Worked 130 days or 910 hours (6 months) in the last 36 months immediately preceding unemployment.

This measure applies to all jobseekers whose employment contract comes to an end, or whose redundancy procedure is initiated, on or after December 1, 2021.

3. **Behavioural requirements and related eligibility conditions.**

TaxBEN assumes that the following mandatory conditions are met during the simulation of the ARE⁴.

- Being involuntarily deprived of employment. The loss of employment must result from one of the following cases:
 - (1) Any form of termination (for whatever reason);
 - (2) The expiration of a fixed-term contract;
 - (3) Amicable agreement between employer and employee to end an indefinite employment contract, following the provisions set out in Article L. 1237-11 and subsequent of the Labor Code;
 - (4) Termination of the employment contract for economic reasons as set out in Article L. 1233-3 of the Labor Code;
 - (5) A resignation considered legitimate by the unemployment insurance system (in accordance with application agreement n°14 of the May 14, 2014 convention).

⁴ Details on behavioural requirements and sanction provisions for unemployment benefits are reported in regularly updated companion reports, see Immervoll and Knotz (2018, forthcoming), [Langenbacher \(2015\)](#) and [Venn \(2011\)](#).

- (6) When an employee terminates his employment contract to enroll in a civic service contract, he is entitled to unemployment insurance benefits upon completion of the service.
- (7) Additional specific conditions may be applicable for contractors on fixed-term contracts and public or civil servants in the public sector (e.g. public servants who resign to follow a spouse relocating for a new job, or contract workers who resign due to substantial modifications to the employment contract without justification by the employer...).

Note: The job seeker is not considered to be in a situation of involuntary unemployment when the termination of the employment contract, occurring for one of the reasons stated above, is preceded by a voluntary departure and, since then, he has a period of employment of less than 65 days or 325 hours.

The termination of the employment contract considered for the commencement of entitlement must occur within a period of 12 months, with the endpoint being the registration as a job seeker. This 12-month period may be extended under the conditions specified in Article 7 of the general regulation attached to the May 14, 2014 convention, referred to above.

- Actively and continuously seek employment. Be registered as a job seeker or undertake a training action included in the personalized employment plan (*Projet personnalisé d'accès à l'emploi*, PPAE). This condition is also met when individuals undertake positive and repeated actions (e.g. daily consultations of job offers) aimed at finding employment, creating or taking over a business. In the absence of such efforts, the allowance may be reduced or even terminated.
- Be physically fit for employment. This condition is presumed to be met as soon as a person is registered on the list of job seekers.
- Reside in a territory covered by the unemployment insurance system. This includes metropolitan France, Monaco according to adapted modalities and overseas departments and territories excluding Mayotte, Saint-Barthelemy, Saint-Martin and Saint-Pierre-et-Miquelon).

Note: Former employees of the public sector (non-permanent employees of local authorities, both civil servants and non-civil servants of the state...) may also be eligible for the ARE, paid by the unemployment insurance system or by their former employer if an agreement has been concluded for this purpose.

2.1.2. Benefit amount

Calculation base: The ARE corresponds to a percentage of the daily reference wage (*salaire journalier de référence*, SJR). Since October 1, 2021, for individuals under 53, the SJR includes all gross salaries received in the last 24 months (including bonuses, fringe benefits, gratuities or allowances but excluding contract termination-related indemnities) divided by 365 * 2 days. For individuals aged 53 or older, the SJR is calculated as the total gross earnings received during the three years preceding the end of the employment contract divided by 365 * 3 days.

Note: The gross monthly salary is capped at €15,456 (as of January 1, 2024).

Benefit amount: The ARE is calculated in three steps:

- Step 1: the calculation is performed in two different ways:

(1) 40.4 % of the SJR + a fixed amount of €12.95 (as of January 2024);

(2) 57.0 % of the SJR.

- **Step 2:** the higher of the two calculated allowances is retained.
- **Step 3:** this amount should fall within the range of the minimum allowance (57 % of the SJR, €31.59 gross per day or 75% of gross salary for salaries below €1,281.15) and the maximum allowance (75 % of the SJR, up to a limit of €274.80 gross per day).

These formulas apply to full-time employees. In the case of part-time employment, the amount is prorated based on the ratio between part-time and full-time hours.

The ARE is paid once a month: the daily allowance is multiplied by the number of days in the month. Therefore, the ARE amount paid varies depending on whether the month has 30 or 31 days (or 28 or 29 days in February).

Degressivity of the ARE. For recipients over the age of 57, whose daily amount of ARE exceeds €159.68, a degressivity coefficient of 30 % is applied from the 7th month. However, the allowance after degressivity may not be less than €91.02 gross per day.

Benefit indexation. The ARE indexation is not automatic; it is the Board of Directors of Unedic (National interprofessional union for employment in industry and commerce), that decides on the amount of the revaluation of the parameters of unemployment benefits on July 1, taking into account the economic context, inflation, and the financial balance of the system. In July of 2023, the parameters were increased by 1.9%.

2.1.3. Benefit duration

Waiting period. The waiting period is 7 days from the termination of the employment contract. It is automatically applied after the registration with Pôle emploi. If the waiting period has already been applied in the past 12 months, Pôle emploi does not apply it a second time. Two waiting periods before the start of compensation:

1. The waiting period for paid leave is obtained by dividing the compensatory paid leave allowances paid at the end of the employment contract in the 6 months preceding the date of the last termination of the employment contract.
2. The waiting period is equal to the amount of the termination indemnities (only indemnities exceeding the legal minimum are taken into account) divided by 95.8, up to a limit of 150 days (75 days in the case of economic dismissal).

Compensation period: As of February 1, 2023:

Age	Rules
Under 53	Minimum 182 calendar days and: (1) if the overall unemployment rate is less than 9 % and has not increased by 0.8 % over one quarter, the compensation period is reduced by 25 % resulting in 548 calendar days; (2) 730 calendar days;
Between 53 and 54	Minimum 182 calendar days and: (1) if the overall unemployment rate is less than 9 % and has not increased by 0.8 % over one quarter, the compensation period is reduced by 25 % resulting in 685 calendar days; (2) 913 calendar days;
55 or older	Minimum 182 calendar days and: (1) if the overall unemployment rate is less than 9 % and has not increased by 0.8 % over one quarter, the compensation period is reduced by 25 % resulting in 822 calendar days; (2) 1,095 calendar days;

Note: The days not worked can only be taken into account up to 75 % of the days worked.

Rechargeable rights. In the event of a business loss, the applicant will be entitled to the reactivation of his initial rights until they are exhausted.

Conditions: The applicant should have returned to work before depleting his rights, and should have worked 6 months (either 130 days or 910 hours) within the last 24 months to qualify for new rights and a new compensation period.

Right to choose between old and new rights: Under certain conditions, the applicant has to option to select the allowance resulting from the last period of activity (better remunerated) without waiting for the exhaustion of the unused allowances from a previous unemployment entitlement. Indeed, it is possible to choose between the new right and the old one if the beneficiary is compensated under a right resulting from the end of a professionalization or apprenticeship contract, or if his new right is at least 30% higher than the total gross amount of the old right, or if the current daily allowance is less than or equal to 20 euros.

2.1.4. Means test

The benefit is not means-tested.

2.1.5. Tax treatment

The ARE is subject to income tax, and to reduced social security contribution rates. Recipients of the ARE who are tax residents in France are subject to the generalized social contribution (*contribution sociale généralisée*, CSG), the contribution to the repayment of social debt (*contribution au remboursement de la dette sociale*, CRDS) and, if applicable, to the local health insurance scheme in Alsace-Moselle. However, non-taxable recipients are fully exempt from CSG and CRDS if their income does not exceed a limit that varies depending on the number of tax units. The deduction of CSG and CRDS must not result in reducing the amount of ARE paid to an amount below €53.

Contribution	Rate	Exemption
Supplementary pension (<i>Retraite complémentaire</i>)	3 % of the SJR	<u>Total exemption:</u> allowance less than or equal to €31.59/day (ARE, after deduction, must not be less than €31.59/day)
CSG ⁽¹⁾	6.2 % * 0.9825 of the allowance (if the amount does not exceed 4 * the annual ceiling of social security [€185,472], otherwise 6.2 % * 1)	<u>Total exemption:</u> if taxable reference income < €12,230 per unit <u>Reduced CSG rate (3.8 %):</u> if taxable reference income >= €12,230 per unit but < €15,988 per unit <u>General case (6.2 %):</u> if taxable reference income >= €15,988
CRDS ⁽²⁾	0.5 % * 0.9825 of the allowance (if the amount does not exceed 4 * the annual ceiling of social security [€185,472], otherwise 6.2 % * 1)	<u>Total exemption:</u> if taxable reference income < €12,230 per unit Exemption from CRDS if CSG rate is 0

Note: The social security ceiling is equal to €46,368 per year, as of 1st January, 2024.

⁽¹⁾ The CSG is only partially deductible for income tax calculation. The non-deductible portion is either the same as in the general case (2.4 % * 0.9825 – [See section 8](#)) or in the reduced one (3.6 % * 0.9825).

⁽²⁾ The CRDS is not deductible for income tax calculation.

The income tax thresholds used to determine the CSG rate are as follow (as of January 1, 2024):

CSG rates according to the taxable reference income (RFR) for 2022, taken into account for the CSG rate 2024			
Family quotient	0 %	3.8 %	6.2 %
1	Until €12,230	From €12,230 to €15,988	More than €15,988
1,5	Until €15,495	From €15,495 to €20,257	More than €20,257
2	Until €18,760	From €18,760 to €24,526	More than €24,526
2,5	Until €22,025	From €22,025 to €28,795	More than €28,795
3	Until €25,290	From €25,290 to €33,064	More than €33,064
Additional quarter share	€1,633	€1,633	€2,134.5
Additional half share	€3,265	€3,265	€4,269

OECD note. Example to explain how the TaxBEN model calculates CSG and CRDS paid on ARE: Consider a household consisting of two adults and one child. The number of fiscal unit in the household is 2.5. Suppose further that the head of the family is unemployed and receives an unemployment benefit of €1,587.50 euros net taxable per month. The annual income is €19,050 (= €1,587.50 * 12), which is below the threshold of €22,025 meaning that both CSG and CRDS rates are set to 0. Let's now consider the same household but with a higher unemployment benefit amount, equal to €1,985 euros net taxable per month (annual amount of €23,820). In this case, the contribution for CSG is reduced to the rate of 3.8 % and applies to 98.25 % of the unemployment benefit amount: €23,820 * 0.038 * 0.9825 = €889.32. The contribution paid for CRDS remains at 0.5 % since the household is not eligible for the CSG zero rate: €23,820 * 0.005 * 0.9825 = €117.02

2.1.6. Interactions with other components of the tax-benefit system

ARE is included in the family allowances resource base. However, there is a specific deduction provided for in Article R. 532-7 of the Social security code which stipulates that when, for two consecutive months, the person or one of his spouses or partners is unemployed and received unemployment benefit, the income from professional activity received by the individual during the reference calendar year is subject to a 30 % deduction. ARE is also included in the RSA resource base. However, when ARE recipients stop receiving ARE and become RSA recipients (without becoming ASS recipients), ARE is not taken into account when estimating RSA entitlements.

2.1.7. Combining benefit receipt and employment/starting a new job

Under certain conditions, it is possible to combine ARE with income from occasional or reduced professional activity. Since July 1, 2014, in the case of resuming activity, the calculation of the monthly allowance is as follows:

- Monthly gross allowance amount: 70 % of the gross salary from the resumed activity.
- The combination of the salary from the resumed activity with the allowance cannot exceed the previous gross salary (equivalent to 30 * SJR).

The number of compensable days in the case of combining unemployment and part-time work is calculated as follow:

- **(Monthly gross allowance amount – 70 % of the gross salary from the resumed activity) / daily ARE amount.** The result is rounded up to the nearest whole number.
- Days of the month not eligible for compensation under ARE are not lost; they extend the term of compensation accordingly. ARE is paid until the exhaustion of rights (rechargeable rights).

2.2. *Unemployment assistance / Assistance chômage (Allocation de solidarité spécifique (ASS))*

Variable names: **[UA]**

This is an unemployment assistance benefit, contributory, means-tested and not taxable.



2.2.1. *Eligibility conditions*

TaxBEN assumes that the following mandatory conditions are met during the simulation of the ASS⁵.

1. **Beneficiaries.** ASS can be granted to:

- Former recipients of unemployment insurance benefits, benefits for job seekers in training, end-of-training allowance, or end-of-training remuneration.
- Recipients of ARE aged 50 or older who voluntarily choose ASS.
- Job seekers belonging to certain professions such as self-employed, fishermen, artists, or occasional dockworkers.

2. **Contribution/employment history:** the applicant must have worked at least 5 years (full-time or part-time, fixed-term or indefinite contract, national service and vocational training) within the 10 years preceding the termination of the contract. The periods of activity taken into account include those assimilated to periods of effective work, such as national service or professional training. In the case of a career break for childcare, the 5-year requirement is reduced by one year per child, up to a limit of 3 years.

3. **Age.** There is no minimum age requirement.

4. **Behavioural requirements and related eligibility conditions:**

To qualify for ASS, the applicant must be physically fit for employment and undertake positive and repeated actions (e.g. daily consultations of job offers) aimed

⁵ Details on behavioural requirements and sanction provisions for unemployment benefits are reported in regularly updated companion reports, see [Immervoll and Knotz \(2018\)](#), [Langenbacher \(2015\)](#) and [Venn \(2011\)](#).

at finding employment, creating or taking over a business. Applicants should also have exhausted their rights to ARE or to the end-of-training fee.

2.2.2. Benefit amount

Based on the beneficiary's resources, the allowance is paid at either the **full or reduced rate**. The amounts of the daily solidarity allowance are:

- **Full rate:** As of January 1, 2024, the amount of the allowance paid at the full rate is €18.17 per day if the monthly income of the household does not exceed €726.95 for a single person and €1,453.90 for a couple. The amount considered is the average of the total resources received in the 12 months before the month of application. As of January 1, 2024, the full monthly amount is therefore €18.17 * 30.4 = €552.37.
- **Reduced rate:** Monthly resources must be between €726.95 and €1,272.16 for a single person, and between €1,453.90 and €1,999.11 for a couple.

The ASS is not paid when the amount due is lower than the SJR amount.

	Monthly resources	Monthly allowance
Single person	From €0 to €726.95	€552.37*
	From €726.95 to €1,272.16	Reduced allowance equal to €1,272.16 minus the amount of resources
	Above €1,272.16	No allowance
Couple	From €0 to €1,453.90	€552.37*
	From €1,453.90 to €1,999.11	Reduced allowance equal to €1,999.11 minus the amount of resources
	Above €1,999.11	No allowance

*Amount calculated on the basis of 30.4 days multiplied by the daily amount of the allowance €18.17. In addition to these amounts, there is an exceptional year-end bonus (see Section 3.1).

Benefit indexation. ASS is indexed automatically every year (on April 1) according to inflation and purchasing power indicators. The increase is set by decree (Article L.5423-6 of the Labour code; Article L.161-25 of the social security code). Exceptional revaluations may also occur.

2.2.3. Benefit duration

Relationship between ASS and RSA: ASS is granted to individuals who have exhausted their entitlement to ARE, while the payment of RSA is not linked to having previously contributed. The ASS is included in the RSA resource base. However, it's possible to combine both aids (RSA and ASS). In practice, it is preferable to continue meeting the conditions to benefit from ASS (even though both aids are cumulative, ASS will then be deducted from the RSA amount) since ASS beneficiaries contribute to retirement (unlike RSA beneficiaries) and there is no deduction for housing allowances while on ASS (whereas RSA may be reduced based on the amount of housing allowances received).

The duration of compensation is six months. Subsequently, the rights are renewed every six months if the person continues to meet the required conditions. The payment of ASS is interrupted:

- When the resources of the beneficiary exceed the ceilings;
- In case of absence of job search;

- During periods of paid training;
- In case of resumption of non-cumulative activity with ASS;
- When the beneficiary receives daily sickness, maternity benefits, parental presence allowance or the CMG at full-rate;
- In case of exclusion from the benefit of allowances by decision of the prefect or following removal from the list of job seekers;
- When the beneficiary meets the conditions to qualify for a full-rate retirement or at the age from which the beneficiary is entitled to a full-rate retirement even if he has not validated all required quarters.

2.2.4. Means test

The applicant must have monthly resources, including ASS, lower than: €1,272.16 for a single person and €1,999.11 for a couple.

The resources considered for determining the right to the allowance include all personal resources of the individual declared to the tax authorities (including income from movable and immovable property, but only if these incomes are taxable), as well as those of the spouse, partner, or the person with whom a civil partnership (PACS) has been concluded. The categorized net income of 2023 is considered for the assessment of entitlements for the year 2024.

The following resources are not taken into account for determining the right to ASS: (1) unemployment insurance allowance previously received; (2) family benefits; (3) housing assistance; (4) flat-rate monthly return-to-work premium; (5) alimony or compensatory allowance owed by the individual.

2.2.5. Tax treatment

The ASS is subject to income tax but in practice, the amount of the allowance is too low to trigger social security contributions and taxes.

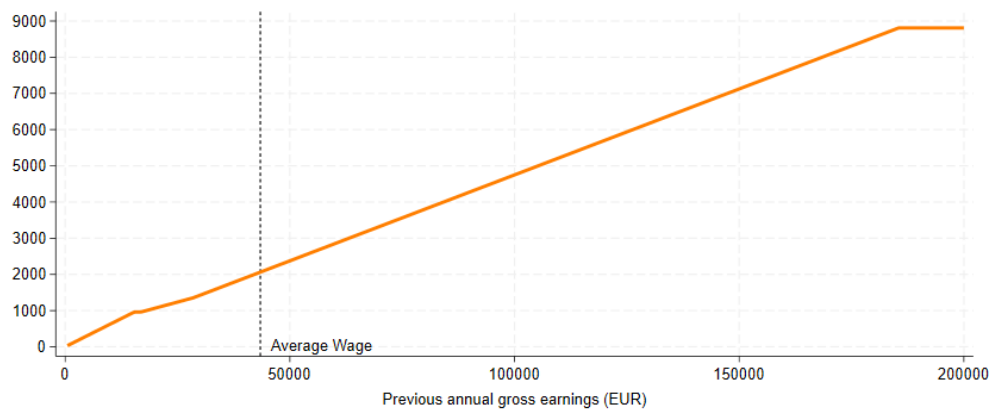
2.2.6. Interactions with other components of the tax-benefit system

2.2.7. Combining benefit receipt and employment/starting a new job

All beneficiaries of ASS resuming an activity can fully cumulate the remuneration earned from one or more professional activities with the payment of ASS for a period of three consecutive or non-consecutive months, within the remaining entitlement period. The income received from the new job is taken into account in the verification of resources to determine the amount of ASS during these three months⁶. They can also benefit from the Christmas bonus (see section below).

⁶ Source : [Intéressement à la reprise d'activité des bénéficiaires de l'allocation de solidarité spécifique \(cumul des revenus avec l'allocation\) - Ministère du Travail, du Plein emploi et de l'Insertion \(travail-emploi.gouv.fr\)](#).

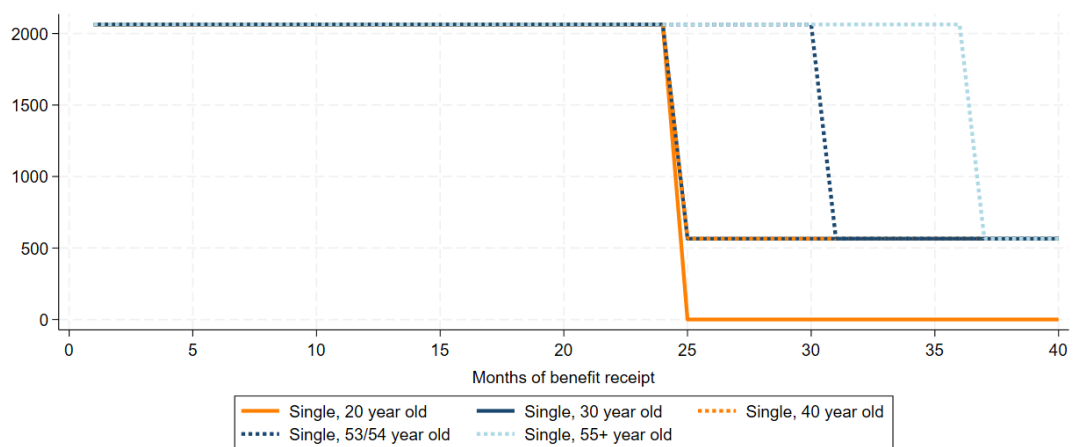
Figure 1. Monthly unemployment insurance benefit (Allocation d'aide au retour à l'emploi, ARE) by previous gross earnings



Note: 40-year old single person. Long and continuous employment record (22 years) assumed. Figures for second month of benefit receipt.

Source: [OECD tax-benefit model, 2024](#)

Figure 2. Monthly unemployment benefits (ARE and ASS) by duration of unemployment and age



Note: Long and continuous employment record (working since age 18) assumed. Previous earnings assumed to be average wage. The decrease in the benefit amount after the 24th month represents the passage from the ARE to the ASS. The ASS is 0 for a 20 years old individual as they don't satisfy the minimum working condition (since TaxBEN assumes that employment started at the age of 18).

Source: [OECD tax-benefit model, 2024](#)

3. Social assistance and housing benefits

3.1. *Guaranteed minimum income benefit (Revenu Solidarité Active [RSA] and Christmas bonus [Prime de Noël])*

3.1.1. *Revenu de solidarité active (RSA)*

Variable names: [SA]

The Guaranteed minimum income benefit (RSA) is a non-contributory benefit, means-tested and not taxable benefit. It came into effect on June 1, 2009 in metropolitan France, and on January 1, 2011 in the French overseas departments and territories and provides a minimum level of income for people with no or very low resources that varies according to the composition of the household⁷.

Eligibility conditions

1. Age. A person must be at least 25 years old. There is no age requirement if the person is considered:

- *Young active:* A young person aged between 18 and 25 years old who has been working full-time (or the equivalent) for at least two of the last three years (*RSA jeune*).
- *Young parents:* A young person aged below 25 years old who is pregnant or have a dependent child.
- *Lone parent:* A young single parent aged below 25 years old (i.e. single, divorced, separated, widowed with depend children or pregnant woman not living in a declared and permanent relationship and not sharing her resources).

2. Behavioural requirements and related eligibility conditions.

- *Nationality/residence requirement:* The applicant must reside in France in a stable and effective manner and

(1) Be French or;

(2) Be European and have right of residence in France and have lived there for at least three months at the time of application; or have declared work in France and be unemployed, be on sick leave or be in vocational training at the time of application or;

(3) Be a foreigner of another country and have for at least 5 years a residence permit allowing to work in France; or have the residence card; or have the refugee status; or be recognized stateless person; or be a beneficiary of the subsidiary protection.

- *Activity requirement:* Persons on parental or sabbatical leave, unpaid leave or unpaid students or trainees (unless they are single parents) are not eligible.

3. Employability requirements. RSA applicants are processed administratively, under conditions laid down by decree, by the services of the department or the organization responsible for the RSA services. In some cases, it is carried out by the municipal or intercommunal social action center in the applicant's place of

⁷ This population effectively corresponds to former beneficiaries of minimum insertion income (*revenu minimum d'insertion*, RMI) or of single parent allowance (*allocation parent isolé*).

residence, or by non-profit associations under conditions defined by agreement. They identify potential barriers to employability, this assessment being discretionary and based on criteria such as housing difficulties, mobility, prior need for training or state of health. These organizations then assist the applicant.

- If the lack of employment is not the result of particular social difficulties, the recipient is referred to an organization (usually Pôle emploi) which is required to assist him/her in a job search⁸.
- If the RSA recipient is considered "not very or not at all employable", he or she is referred to an organization participating in the public employment service (SPE) other than Pôle emploi, or to an organization outside the SPE⁹.

Failure to comply with the commitments set out in the CER may also lead to a reduction or suspension of the benefit.

Benefit amount

The amount of RSA is variable and depends on the family situation and the resources received within the household, including the in-kind benefit related to the provision of accommodation free of charge. It is calculated by adding a fraction of earned income and a variable flat-rate amount.

Formula:

RSA total amount = RSA base amount – household considered resources (including family benefits and housing benefits or flat-rate)

⁸ The personalized employment access plan (PPAE), for individuals supported by Pôle emploi, specifies the components of a reasonable job offer and the actions towards which the job seeker is directed. Pôle emploi is committed to implementing these measures to facilitate the return to employment, particularly in terms of personalized support, training, and assistance with mobility. The plan must be followed for the individual to continue receiving the allowance. If the recipient does not fulfill their commitments, they are notified, and their situation is reviewed by the multidisciplinary team (EP), composed of professionals in social and vocational integration, representatives of the department, and representatives of RSA beneficiaries. The president of the departmental council decides, based on the opinion of the EP, whether or not to apply the sanction. This applies to the entire household even if it concerns only one of its members. It may involve a reduction or suspension of the allowance and may lead to the removal of the right to RSA in case of recurrence.

⁹ They then sign, with the department represented by the president of the departmental council, within one month after this orientation, a freely debated contract listing their reciprocal commitments in terms of professional integration (Article L. 262-35 of the Code of Social Action and Families). This contract of reciprocal commitments (CER) formalizes the path of the beneficiary, their goals in terms of professional and social integration, and defines deadlines adapted to their situation. It may have a predominantly professional content (in case of orientation towards an SPE organization other than Pôle emploi), or a predominantly social content (in case of orientation towards an organization outside SPE - voluntary activity can validly count among the commitments of beneficiaries, even if this possibility is not explicitly stated in the law).

RSA base amounts as of January 1, 2024 (in euros) (including supplement for single parents and single-parent households)

Number of children (or dependents) under 25	Alone	Lone parent	Couple
Pregnant (is lone parent)	€607.75	€780.42	€911.62
1 child	€911.62	€1,040.56	€1,093.95
2 children	€1,093.95	€1,300.70	€1,276.27
Per additional dependent/child	€243.10	€260.14	€243.10

Household considered resources include: net income from work¹⁰; housing benefits, in the limit of a fixed amount, depending of the household (cf. below); family benefits: (ASF, AF, CF, basic allowance of Paje¹¹). Art L262-3 of code de la sécurité sociale gathers the exhaustive list of elements in the household considered resources.

Maximum considered amount of housing allowance based on the number of people in the household

Household members	Flat-rate
1	€72.93
2	€145.86
3 or more	€180.50

Supplement for single parents and single-parent households. Single parents are eligible for an enhanced RSA base. A single parent is a single, divorced, separated, or widowed person with dependent children¹² or a pregnant woman who does not live in a declared and permanent couple and does not share resources and expenses with a spouse or partner (registered or not). Geographical separation of a couple is not considered a situation of isolation. The duration of this supplement is 12 months and must be paid within 18 months following the date of the event if the event occurs after 3 years of age of the dependent child. If the event occurs before the child turns 3, the supplement lasts until the child is 3 years old.

The RSA is not paid when the amount due is less than €6.

Examples:

- As of January 1, 2024, a pregnant single woman with no other resource (work income or family benefits) received €780.42 before deducting the housing allowance and $€780.42 - €72.93 = €707.49$ after deducting the housing allowance (see below).
- A single parent with three dependent children with no work income and receiving ASF (187.24 € per child) will receive $€1,300.70 + €260.14 - 3 * €187.24 = €999.12$ before deducting other resources, such as housing benefits or other family benefits.

¹⁰ Household considered resources also includes unemployment benefits, financial incomes, and disability pensions.

¹¹ Other family benefits, such as the birth premium, are not included and also not taken account by Taxben.

¹² A child in charge means having a child for whom one bears the effective and permanent costs of maintenance, including education, clothing, food, and housing. There is no need for a filial relationship.

Benefit indexation. RSA is indexed automatically every year (on April 1) according to inflation and purchasing power indicators. The increase is set by decree (Article L.262-3 of the social action and family code; Article L.161-25 of the social security code). Exceptional revaluations may also occur.

Benefit duration

There is no time limit for RSA. The individual's situation is updated every quarter, considering, as needed, events that could alter the guaranteed income level to which the beneficiary's family configuration is entitled, which may occur in the meantime.

Means test

The basis for assessing resources is the cumulative amount of all the resources of all household members over the 3 months preceding the RSA application. A monthly average is established based on these received resources. These resources include earnings from activities as well as other income. Income considered in TaxBEN includes:

1. Income from activity (salaries, training internship income, income from self-employment);
2. Unemployment benefits (Aide au Retour à l'Emploi, ARE; [Section 2.1](#)),
3. Specific Solidarity Allowance (Allocation de Solidarité Spécifique, ASS; [Section 2.2](#)),
4. Certain family benefits ([Section 4](#)): family allowances (Allocations Familiales, AF), family supplement (Complément Familial, CF), basic allowance of the Early Childhood Reception Benefit (Prestation d'Accueil du Jeune Enfant, PAJE), Single Parental Support Allowance (Allocation de Soutien Familial, ASF). Back-to-school allowance (Allocation de Rentrée Scolaire, ARS) is excluded¹³. The return-to-work bonus paid to beneficiaries of Specific Solidarity Allowance (ASS) is also excluded.

Resource test: There is no asset test carried out when assessing RSA applications. The interest from savings is deducted from the RSA, but the level of wealth as such does not typically factor into determining eligibility for the benefit.

However, when a significant disparity is noted between the household's lifestyle and declared resources, a flat-rate assessment of lifestyle elements, excluding professional assets, is carried out to determine the rights of the RSA recipient. Taken into account in this evaluation are: (1) Owned or occupied buildings (one-quarter of their annual rental value); (2) Vehicles (cars, pleasure boats, and motorcycles) valued above €10,000 (6.25% of the fair market value); (3) Artworks and jewelry (0.75% of their fair market value); (4) 2.5% of capital, 80% of certain expenses¹⁴.

¹³ Although not modeled in TaxBEN, the resource assessment base for the RSA also includes the following elements: the Disabled Adult Allowance (AAH), the Personalized Autonomy Allowance (APA), the Additional Disability Allowance (ASI), the Minimum Old Age Allowance (ASPA), work accident pensions, war veteran pensions, and income from assets.

¹⁴ (1) Work, charges, and maintenance expenses for buildings owned by the household; (2) Leisure, outings, travel, restaurants, reception expenses, cultural, educational,

Tax treatment

The RSA is exempt from income tax and does not need to be declared.

Interaction with other components of the tax-benefit system

If the person receives housing assistance (such as family housing allowance (ALF), social housing allowance (ALS), or personalized housing assistance (APL)), the amount is added to the RSA, **with a flat-rate reduction (the 'housing allowance')** applied to the RSA amount (*see table below*). This same flat-rate reduction is applied if the household does not receive housing assistance but owns or occupies its accommodation free of charge. Its amount depends on the number of people in the household.

A household receiving the 'RSA socle' receives the maximum housing assistance. If the RSA recipient earns income (close to the minimum wage for an individual) that results in housing assistance lower than the housing allowance amount defined below, the reduction in their RSA will be limited to the amount of housing assistance received.

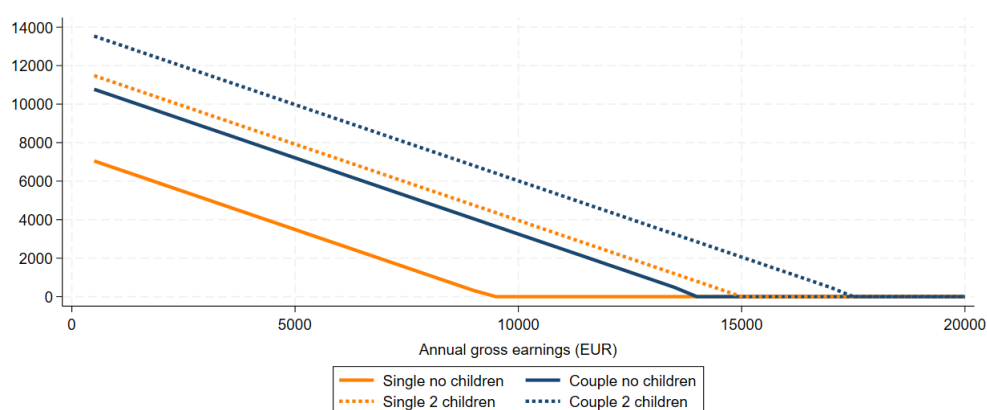
Housing allowance based on the number of people in the household (monthly amounts)

Household members	Flat-rate
1	€72.93
2	€145.86
3 or more	€180.50

Combining benefit receipt and employment/starting a new job

See [Section 6](#), In-work benefits (prime d'activité).

Figure 3 – Social assistance (Revenu Solidarité Active, RSA) by gross earnings and household type



Note: Adults are 40 years old. Children, if present, are 4 and 6. In case of couples, spouse does not work. Beneficiaries do not receive Housing Benefit.

Source: [OECD tax-benefit model, 2024](#)

communication, and leisure goods and services; (3) Home appliances, computer, or audio-visual equipment if valued over €1000.

3.1.2. Christmas bonus

Moreover, the recipients of RSA and ASS receive a lump sum bonus at the end of each year.

Exceptional end-of-year bonus (December 2023). In addition to RSA, there is an exceptional end-of-year bonus (Christmas bonus) that depends on the household composition.

RSA:

Number of child (or dependent) under 25	Single	Couple
0	€152.45	€228.68
1	€308.72	€274.41
2	€370.45	€320.15
3	€452.78	€381.13
4	€535.10	€442.11
Per additional dependent*	+€82.32	+€60.98

*Not simulated in TaxBen, maximum of four dependents.

If the applicant receives ASS, the amount of his bonus is fixed if he is not a single-parent family. However, if the applicant is raising his children alone, he is eligible for the Christmas bonus supplement.

ASS:

Number of child (or dependent) under 25	Single	Couple
0	€152.45	€152.45
1	€205.81	€152.45
2	€232.49	€152.45
3	€248.49	€152.45
4	€269.84	€152.45
Per additional dependent*	+€21.34	+€0

3.2. Housing benefit (Allocations logement)

Variable names: [\[HB\]](#)

The housing benefit is non-contributory, means-tested and not taxable. It may be paid to any person who rents a dwelling or is resident in a household, under conditions. There are three types of assistance: personalized housing assistance (*aide personnalisée au logement*, APL), family housing allowance (*allocation de logement familial*, ALF) and social housing allowance (*allocation de logement à caractère social*, ALS).

3.2.1. Eligibility conditions

1. Conditions related to the accommodation.

The AL are granted for the principal residence located in France, if the accommodation respects certain standards of decency and minimum conditions of occupation. The accommodation must be decent, occupied for at least eight months in the year, and have a surface area greater than the minimum required size (9m² for a single person, 16m² for a couple, and increased by 9m² per additional person).

2. Age. No minimum age requirement is required.

3. **Nationality requirements.** No nationality requirements. Foreigner should complete some conditions related to the regularity of their stay.
4. **Specific conditions for APL.** APL is granted when: (1) the applicant is a tenant; (2) the applicant is a subtenant (declared to the landlord) of a property rented in full or in part, if the applicant is under 30 are is hosted by a family caregiver; (3) or the applicant is a resident in Ehpad, independence residence or student residence.
5. **Specific conditions for ALF.** ALF is granted when: (1) the applicant is a tenant or a subtenant who do not fall into the scope of the APL; (2) is in one of the following situation: benefit from family benefits or AEEH, have one dependent child up to 21 not entitled to family benefits, be married with no dependent children, be pregnant alone with no dependants, have an ascendant over 60 (under conditions) or 65 and no ressources above the Aspa, or have an ascendant in charge, descendant or collateral with a disability which results in a permanent disability of at least 80 % or which, because of his disability, is unable to obtain employment.
6. **Specific conditions for ALS.** ALS is granted when: (1) the applicant is a tenant or a resident in Ehpad, independence residence or student residence who do not fall into the scope of the APL; (2) the applicant is a subtenant (declared to the landlord) of a property rented in full or in part, if the applicant is under 30 are is hosted by a family friendly; (3) or to all other persons excluded from other housing assistance.
7. **Resource ceiling.** The resources should not exceed the amount determined based on the applicant's family situation. All the resources of the persons making up the household are taken into account on the Last 12 months. They are updated automatically every 3 months.

3.2.2. *Benefit amount*

The housing allowance (AL) represents a certain percentage of a portion of the housing expenses. Its amount is higher (or equal) when: the income is low, the number of children is significant, and the housing expenses are high. To determine the amount of the housing allowance, the CAF establishes a rent ceiling that serves as the basis for calculating entitlements based on the place of residence and family composition. If the rent exceeds the ceilings, the excess is not considered in the calculation of the AL.

Formula¹⁵.

$AL = L + C - P_0 + (TP * R_p)$ where AL represents the monthly amount of AL (APL, ALF or ALS); L is the capped monthly rent; C is the flat-rate charge; P_0 is the minimum contribution; $TP (= TF + TL)$ is the personalized contribution rate; $R_p (= R^{16} - R_0)$ is the resource base reduced by a fixed amount R_0 , which varies depending on the family size.

¹⁵ All the details can be found in a document by the French directorate in charge of this benefit (in French) : <https://www.ecologie.gouv.fr/sites/default/files/Brochure-bareme-avril-2023-APL.pdf>

¹⁶ The resource base is the reference fiscal income, namely the net categorized income (gross income - employee social security contributions - deductible CSG) minus a 10% deduction (for professional expenses), see Section 8.1. Rights are now recalculated every three months: household resources will be automatically updated every quarter to recalculate the beneficiaries' rights every 3 months. For example, your housing

TaxBEN note: the quarterly update is not modeled in TaxBen. Additionally, to simplify, for a person in employment, the earnings of year N are used to calculate the AL. For an unemployed person receiving unemployment benefits, the gross earnings of year N-1 are used for the calculation of the AL.

1. L = capped monthly rent (in EUR) – applicable on January 1st, 2024

Household composition	Zone I ⁽¹⁾	Zone II ⁽²⁾	Zone III ⁽³⁾
Single or person alone	€319.30	€278.28	€260.82
Couple without dependents	€385.09	€340.62	€316.17
Single person or couple with one dependent	€435.24	€383.28	€354.51
Per additional dependent	+€63.15	+€55.79	+€50.81

(1) Paris regions and new towns in the Paris region.

(2) Cities with more than 100,000 inhabitants and other new towns.

(3) Rest of France (metropolitan).

OECD note: The amounts used in the model correspond to Zone II.

2. C = flat-rate charge, all zones (in EUR) – applicable on January 1st, 2024

Household composition	All zones
Single, person alone or couple without dependents	€58.08
Per additional dependent	+€13.17

3. P0 = the minimum contribution, equal at the highest value between:

1) €37.91 as of September 22, 2023 and ;

2) 8.5 % of the capped housing expenses (= L + C), rounded to the nearest cent.

4. TP = personalized contribution rate = TF + TL with TF the participation rate determined based on the family size and TL the additional rate linked to the amount of the capped rent.

5. TF = participation rate based on family size (in percentage)

Household composition	TF
Single without dependents	2.83 %
Couple without dependents	3.15 %
Single or couple with one dependent	2.70 %
Single or couple with two dependents	2.38 %
Single or couple with three dependents	2.01 %
Single or couple with four dependents	1.85 %
Per additional dependent*	- 0.06 pp

*Not simulated in TaxBen, maximum of four dependents.

6. TL = Additional participation rate based on the amount of rent

TL is calculated based on the ratio $RL = L / LR$, with L the capped rent and LR the reference rent amount, which is equal to the ordinary rental ceiling applicable in Zone

assistance for January, February, and March 2021 will be calculated based on the income received from December 2019 to November 2020. That for April, May, and June 2021 will be calculated using your income from March 2020 to February 2021.

II according to the size of the beneficiary's family. TL moves in the same direction as the capped rent.

7. Reference rents (LR) for the calculation of RL = L / LR (in EUR) – as of September 22, 2023 (Zone II metropolitan)

Household composition	LR
Single without dependents	€278.28
Couple without dependents	€340.62
Single or couple with one dependent	€383.28
Per additional dependent	+€55.79

Calculation of TL: for the determination of TL, the progressive rates and successive RL ranges are fixed as follow, with RL the capped rent:

- 0 % for the RL range below 45 %;
- 0.45 % for the RL range between 45 % and 75 %;
- 0.68 % for the RL range above 75 %.

If RL < 45 %	If 45 % < RL < 75 %	If RL > 75 %
TL = 0 %	TL = 0.45 % * (RL - 45 %)	TL = 0.45 % * 30 % + 0.68 % * (RL - 75 %)

TL is expressed in percentage. It is rounded to the nearest 3rd decimal place.

- 8. R_p: resource base, reduced by a fixed amount R₀ that varies depending on the size of the family as of R_p = R - R₀ where R is the resource base rounded to the nearest higher multiple of €100 and R₀ a fixed deduction that increases with the size of the family, revalued each year on January 1.**

Household composition	R ₀ (applicable on January 1st, 2024)
Single without dependents	€5,186
Couple without dependents	€7,430
Single or couple with one dependent	€8,862
Single or couple with two dependent	€9,061
Single or couple with three dependent	€9,408
Single or couple with four dependent *	€9,758
Single or couple with five dependent *	€10,105
Single or couple with six dependent *	€10,454
Per additional dependent *	+€343

*Not simulated in TaxBen, maximum of four dependents.

Benefit indexation. The annual revaluation of AL parameters is carried out annually by decree (every October 1), according to the Law n°2013-1278 of December 13, 2019.

3.2.3. Benefit duration

Not limited in time. The AL is not paid when the amount due is less than €10.

3.2.4. Means test

The allowance is granted if the tenant's income does not exceed certain ceilings that vary depending on the household composition and the location of the housing. APL calculations are based on the income of the last 12 months with quarterly revisions.

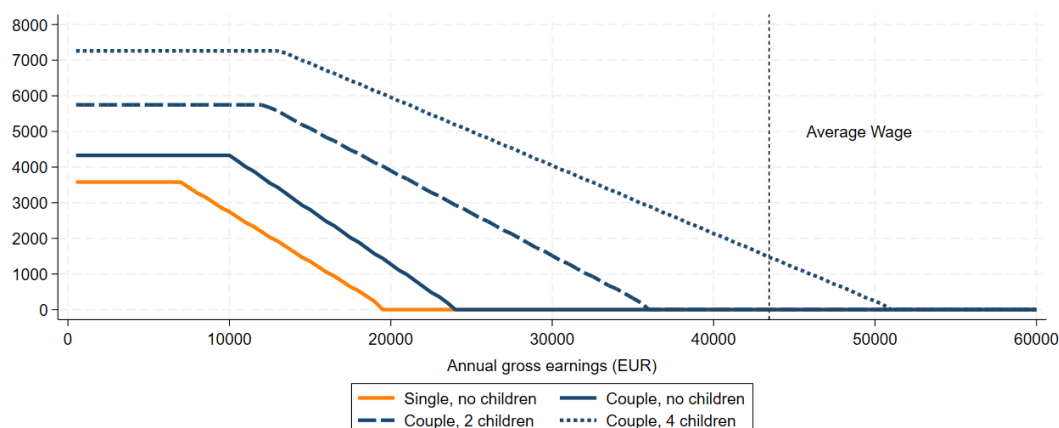
3.2.5. Tax treatment

The AL is not taxable, but it is subject to the CRDS.

3.2.6. Interaction with other components of the tax-benefit system

The APL, ALS and ALF are not cumulative. The AL is included in the resource base for the RSA (income allowance) and for the in-work benefit at a flat rate (see Sections 3.1 and 6).

Figure 4. Housing benefit (Allocations logement) by gross earnings and household type



Note: All adults are 40 years old. In case of couples, spouse does not work. Children, if present, are 4, 6, 8, 10. Rent is 20% of AW, i.e. 696.30 EUR/month.

Source: [OECD tax-benefit model, 2024](#)

4. Family benefits

Variable names: [\[FB\]](#)

4.1. General family benefit (Allocations Familiales [AF])

Variable names: [\[FAMBEN_base\]](#)

The general family benefit is non-contributory, means-tested and not taxable. It is granted to family with at least two children under the age of 20.

4.1.1. Eligibility conditions

TaxBen assumes that the following mandatory conditions are met during the simulation of the AF:

- 1. Conditions related to the children.** Have at least two dependent children under 20. AF are paid from the month following the birth (or reception) of a second (or subsequent) child. When the family has only one child under 20, the AF are

stopped at the end of the month preceding this change in situation. Children are considered to be in their care if they fulfill the obligation of school instruction between the ages of 3 and 15, and if their monthly earnings do not exceed 78 % of the net SMIC between the ages of 16 and 20.

2. **Nationality requirements.** No nationality requirements. Foreigner should complete some conditions related to the regularity of their stay.
3. **Residency requirements.** Reside in France and stay there for more than 6 months of the year (consecutive or not). The children should also reside in France. If they leave the country for more than three months, even alone, the AF are suspended except if they are abroad to learn a foreign language, receive medical care or pursue their study or vocational training and regularly return to their family.
4. **Resource ceiling.** The resources should not exceed the amount determined based on the applicant's family situation.

Income thresholds for the basic allowance of the AF (in euros), applicable from January 1, 2024 to December 31, 2024 (net income from 2022¹⁷) *

	Bracket 1 - Below	Bracket 2 - Between	Bracket 3 - More than
2 children	€74,966	€74,966 and €99,922 included	€99,922
Per additional child	+€6,246	+€6,246	+€6,246

*Include income earned in France and abroad (salaries, unemployment benefits, daily social security allowances, pensions and retirement income, property income, deductible expenses, etc.) from both the person and their spouse or partner are taken into account. These are compared to the income ceiling of the relevant benefit.

4.1.2. Benefit amount

The amount is determined by applying a percentage of the BMAF (cf. Section 1), which varies according to the size of the family and the amount of resources (the categorized net income of 2022 is considered for the assessment of rights for the year 2024). Additionally, the age of the children leads to additional increases.

	Bracket 1	Bracket 2	Bracket 3
2 children	32 %	32/2 %	32/4 %
3 children	73 %	73/2 %	73/4 %
Per additional child	41 %	41/2 %	41/4 %
Majoration ⁽¹⁾	16 %	16/2 %	16/4 %
Lump-sum allowance ⁽²⁾	20.234 %	20.234/2 %	20.234/4 %

⁽¹⁾ **Majoration:** When the child reaches the age of 14, parents receive a monthly increase. However, if the applicant has only two dependent children aged more than 14, he will not receive the premium for the senior. E.g. if the applicant has two children aged 15 and 16, he will receive a premium only for the one aged 15. However, if the applicant has three children (or more), he will receive the premium for each child from 14 of age.

¹⁷ The taxable net income, see Section 8.1. In the TaxBEN model, for simplification, the incomes of year N are used to calculate all family benefits.

⁽²⁾ **Lump-sum allowance:** To prevent a sudden financial loss associated with the reduction of family allowances when children reach the age of 20, a lump-sum allowance is paid for one year after the child's 20th birthday if they still reside in the beneficiary's household and do not earn a professional income exceeding €1,082.87, and if, during the month preceding the child's 20th birthday, family allowances are paid for at least 3 children (*not simulated in TaxBEN*).

Amount:

	Bracket 1	Bracket 2	Bracket 3
2 children	€141.99	€71.00	€35.50
Per additional child	€181.92	€90.95	€45.48
Majoration ⁽¹⁾	€71.00	€35.50	€17.75
Lump-sum allowance ⁽²⁾	€89.79	€44.90	€22.45

Benefit indexation. The amount of the AF depends on the monthly calculation basis for family benefits (BMAF), which is set annually by decree, every April, 1. Article D.521-1 of the Social security code states that the second dependent child provides 32 % of the BMAF, and each subsequent child provides 41 %. An additional 16 % of the BMAF is granted for each child aged over 14 years (see table above).

4.1.3. Benefit duration

As long as the eligibility conditions hold.

4.1.4. Means-test

See resource ceiling above.

4.1.5. Tax treatment

The AF are not subject to income tax, but is subject to the CRDS.

4.1.6. Interaction with other components of the tax-benefit system

The AF are included in the income calculation for RSA or for the in-work benefit (cf. Sections 3.1 and 6), excluding age supplement.

4.2. School allowance (Allocation Rentrée Scolaire [ARS])

Variable names: **[FB_ARS]**

The school allowance (ARS) is non-contributory, means-tested and not taxable. It helps to finance the expenses of the school year¹⁸.

4.2.1. Eligibility conditions

TaxBen assumes that the following mandatory conditions are met during the simulation of the ARS.

- 1. Conditions related to children.** The child must be between 6 and 18 years old (the child must be born between September 16, 2005 and December 31, 2017). The child must be enrolled in school, in the Cned, in apprenticeship (if his

¹⁸ The ARS is an exceptional benefit paid around the end of August each year. For simplification, TaxBEN simulates the ARS for year N in January of year N.

compensation does not exceed a certain ceiling). For children under 16, the CAF automatically disburses the ARS to eligible beneficiary families. For children aged 16 to 18, parents must inform the CAF that the child is still enrolled in school or engaged in an apprenticeship for the school year.

2. **Fulfill the generation conditions to be eligible for family benefits.**
3. **Resource ceiling.** The resources should not exceed the amount determined based on the applicant's family situation.

Income thresholds for the basic allowance of the ARS (in euros), applicable from January 1, 2024 to December 31, 2024 (net income from 2022).

Number of dependent children	Ceiling
1 child	€27,141
2 children	€33,404
3 children	€39,667
Per additional child	+€6,263

Note: In Mayotte, the eligible conditions for the allowance are more favorable and, in 2022 correspond to an income ceiling of €31,720 for one child, €34,604 for two children and €2,884 per additional child. Furthermore, in Mayotte, benefits are provided for children enrolled in school up to the age of 20.

Differential ARS. If household income slightly exceeds the applicable threshold, the family receives a reduce ARS allowance (differential ARS), calculated based on the income. Resources refer to the net categorized income of the year 2022, which is equal to the taxable net income minus a 10 % reduction for professional expenses. Families eligible for an ARS differential include those with a net income ranging between: €25,775 for one child and €25,775 + ARS.

4.2.2. Benefit amount

The ARS amount per child is (**applicable on January 1, 2024**):

Child age	Amount
6-10 ⁽¹⁾	€398.09
11-14 ⁽²⁾	€420.06
15-18 ⁽³⁾	€434.60

⁽¹⁾ Child who turned 6 before January 1, following the start of the school year and has not yet reached 11 years old by December 31, of the school year, and younger child already enrolled in CP (first grade).

⁽²⁾ Child who turned 11 by December 31 of the school year and has not yet reached 15 years old by that same date.

⁽³⁾ Child who turned 15 by December 31 of the school year and has not yet reached 18 years old by September 15 of the school year.

Differential ARS. If the income slightly exceeds the applicable threshold, the household receives a reduced ARS allowance (differential ARS), calculated based on income. The amount of the differential ARS is then calculated as follows:

$ARS_D = [\text{ceiling} + (ARS * N) - \text{resources}] / N$, with N the number of children aged 6-18, ARS the amount of the allowance depending on the child age and the ceiling (equal to €25,775 for one child).

Benefit indexation. The amount of the ARS depends on the monthly calculation basis for family benefits (BMAF), which is set annually by decree, every April, 1. The ARS is

equivalent to 89.72% of the BMAF for ages 6-10, 94.67% of the BMAF for ages 11-14, and 97.95% of the BMAF for ages 15-18.

4.2.3. Benefit duration

As long as eligibility conditions hold. For children aged 16 to 18, parents must inform the CAF that the child is still enrolled in school or engaged in an apprenticeship for the school year.

4.2.4. Means-test

See section above.

4.2.5. Tax treatment

The ARS is not subject to income tax, but is subject to the CRDS.

4.2.6. Interaction with other components of the tax-benefit system

The ARS is not considered in the income calculation for RSA or for the in-work benefit.

4.3. Large family allowance (Complément Familial [CF])

Variable names: **[CF]**

The large family allowance is non-contributory, means-tested and not taxable. It is granted under income conditions to persons with at least three children over 3 years of age.

4.3.1. Eligibility conditions

TaxBen assumes that the following mandatory conditions are met during the simulation of the CF.

1. **Conditions related to children.** Have at least three dependent children, over 3 and under 21 years of age.
2. **Fulfill the general conditions to be eligible for family benefits.**
3. **Resource ceiling.** The resources should not exceed the amount determined based on the applicant's family situation.

Income thresholds for the basic allowance of the CF (in euros), applicable from January 1, 2024 to December 31, 2024 (net income from 2022).

Number of dependent children	Increases amount		Base amount	
	Couple with one income	Couple with two incomes or lone parent *	Couple with one income	Couple with two incomes or lone parent *
3 children	Below €20,971	Below €25,653	Between €20,971 and €41,933	Between €25,653 and €51,296
4 children	Below €24,466	Below €29,148	Between €24,466 and €48,922	Between €29,148 and €58,285
Per additional child	+€3,495	+€3,495	+€6,989	+€6,989

*There are two incomes if each person receives an annual amount of €5,594 or more.

4.3.2. Benefit amount

The monthly amount (after CRDS) is:

	Amount
Base amount	€184.81
Increased amount	€277.23

Benefit indexation. The amount of the CF depends on the monthly calculation basis for family benefits (BMAF), which is set annually by decree, every April, 1. The CF is equivalent to 41.65 % of the BMAF and 62.48 % of the BMAF for its enhanced amount (Article 2 of Decree No. 2017-551 of April 14, 2017, concerning the family supplement and the increased amount of the family supplement, and Article L755-16-1 of the Social Security Code).

4.3.3. Benefit duration

As long as eligibility conditions hold.

4.3.4. Means-test

See section above.

4.3.5. Tax treatment

The CF is not subject to income tax, but is subject to the CRDS.

4.3.6. Interaction with other components of the tax-benefit system

The CF (excluding its enhanced portion, the CF is included as a lump sum of €184.81) is included in the income calculation for RSA (income Support) and for the in-work benefit (prime d'activité).

4.4. Lone-parent benefits (Allocation de soutien familial (ASF))

Variable names: [\[LPB; LP_ASF\]](#)

The lone-parent benefit is non-contributory, not means-tested and taxable. It is granted to a parent raising a child alone without the support of the other parent, subject to specific conditions (e.g. orphans, children not recognized by at least one parent, children for whom at least one parent is not fulfilling their maintenance or child support obligations, or where the maintenance obligation is less than the amount of the ASF).

4.4.1. Eligibility conditions

TaxBen assumes that the following mandatory conditions are met during the simulation of the ASF.

- 1. Age.** Have responsibility for at least one child under 20 years of age, either as a father or mother living alone, or having taken in the child.
- 2. Residency condition.** Reside in France.
- 3. Child support condition.** Have at least one dependent child for whom the other parent is not longer involved for at least one month, is unable to afford child support, is not paying or partially paying child support, or pays less than

€187.25 (or €249.59) per month. Legal proceedings to establish child support should be initiated.

4. **Living alone.** The ASF benefits ceases if the applicant resumes cohabitation (living together, civil partnership, marriage, or remarriage), unless he has taken in a child for whom he is neither the father nor the mother.
5. **Assumption of responsibility.** Assume the emotional, educational and financial responsibility for the child.
6. **Fulfill the general conditions to be eligible for family benefits.**

4.4.2. Benefit amount

The monthly amount per child (after CRDS) is:

Case	Amount
Child deprived of the support of both parents	€249.59
Child deprived of the support of one of his two parents	€187.24

Note:

The ASF is not paid when the amount due is less than €15.

Benefit indexation. The amount of the ASF depends on the monthly calculation basis for family benefits (BMAF), which is set annually by decree, every April, 1. The ASF benefit is equivalent to 42.2 % of BMAF (€187.24) and 22.5 % of BMAF excluding aid majoration.

4.4.3. Benefit duration

As long as eligibility conditions hold.

4.4.4. Means-test

Not means-tested.

4.4.5. Tax treatment

The ASF benefit is not subject to income tax, but is subject to the CRDS.

4.4.6. Interaction with other components of the tax-benefit system

The ASF benefit is included in the resource base for the RSA (income support) and for the in-work benefit up to a ceiling calculated as $22.5\% * BMAF * (1 - CRDS) = 22.5\% * €445.93 * (1 - 0.005) = €99.8$. (This means that only the base amount of the ASF benefit is included in these resource bases, the majoration of the ASF benefit is not taken into account.)

4.5. Basic allowance of the young child benefit (*Allocation de base de la prestation d'accueil du jeune enfant (PAJE)*)

Variable names: **[BASIC_PAJE]**

The young child benefit (PAJE) is non-contributory, means-tested and not taxable. It includes several aids intended for parents of a newborn. These aids can be combined with each other and with other allowances under certain conditions. Only the basic allowance is modeled in TaxBen. The other benefits are described in the Annex.

1. **Basic allowance of the young child benefit.** A means-tested allowance to help finance expenses related to the maintenance and education of a child under three years of age.
2. **Birth or adoption premium.** A means-tested premium paid during pregnancy to prepare for the child's arrival.
3. **Shared child education benefit (PreParE).** Allows one or two parents with at least one dependent child under the age of three (or under the age of 20 in the case of adoption) to stop or reduce their work to care for them.
4. **Free choice of mode of care (CMG).** Partial payment of the remuneration of an approved childminder.

4.5.1. Eligibility conditions

Resource ceiling. The resources should not exceed the amount determined based on the applicant's family situation.

Income thresholds for the basic allowance of the PAJE (in euros), applicable from January 1, 2024 to December 31, 2024 (net income from 2022).

Number of dependent children	Partial rate		Full rate	
	Couple with one income	Couple with two incomes or lone parent *	Couple with one income	Couple with two incomes or lone parent *
1 child	€34,791	€45,979	€29,120	€38,483
2 children	€41,749	€52,937	€34,944	€44,307
3 children	€50,099	€61,287	€41,933	€51,296
Per additional child	€8,350	€8,350	€6,989	€6,989

*There are two incomes if each person receives an annual amount of €5,594 or more.

4.5.2. Benefit amount

Amounts (after CRDS) of the basic allowance of the PAJE (as of January 1, 2024)

Child born since April 1, 2018	Amount
Full rate	€184.81
Partial rate	€92.40

Benefit indexation. The amount of the PAJE depends on the BMAF which is set each year by decree (on April, 1). The PAJE is equivalent to 41.65% of the full-rate BMAF and 20.825% of the partial-rate BMAF.

4.5.3. Benefit duration

Duration. The basic allowance is granted: (1) from the month following the birth of a child until the month preceding the child's 3rd birthday; (2) for a maximum of 36 months up to the child's 20th birthday in the case of adoption.

4.5.4. Means-test

See Section above.

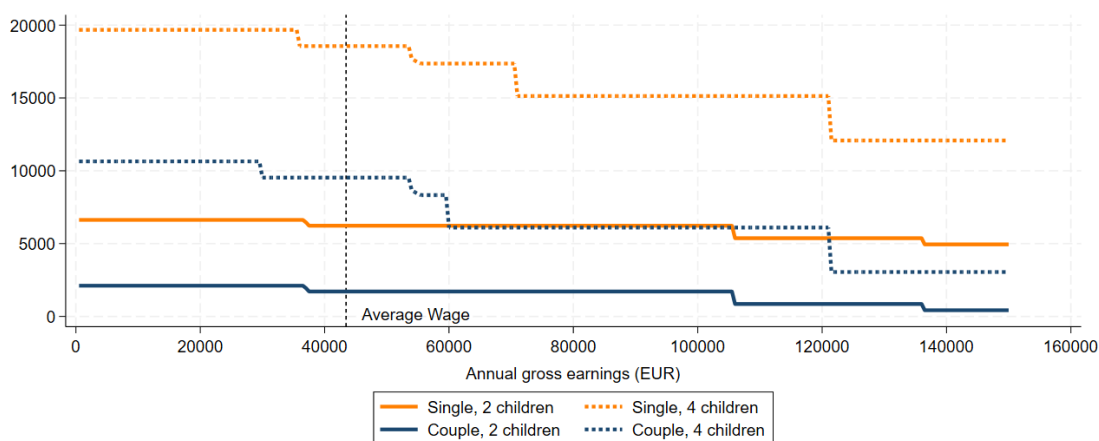
4.5.5. Tax treatment

The basic allowance of the PAJE is not taxable, but it is subject to the CRDS (Social Debt Repayment Contribution)

4.5.6. Interaction with other components of the tax-benefit system

The basic allowance cannot be combined with the family supplement (*complément familial*, CF) or the basic allowance for another child under 3 years old.

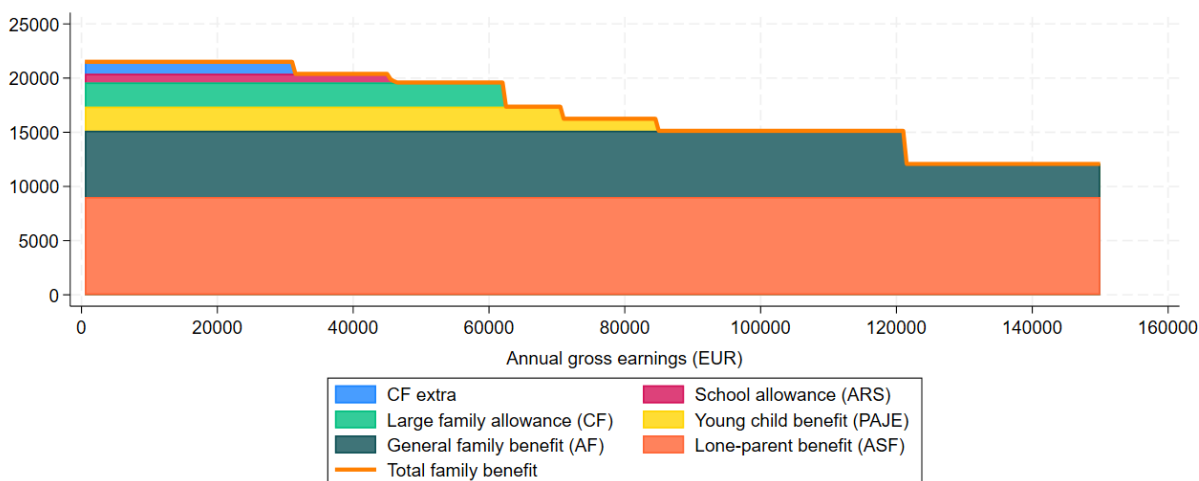
Figure 5. Family benefits by family size and earnings



Note: All adults are 40 years old. In case of couples, spouse does not work. Children are 4, 6, 8, 10.

Source: [OECD tax-benefit model, 2024](#)

Figure 6. Family Benefit Composition by gross earnings



Note: Single 40-year old with 4 children (aged 2, 4, 6, 8).

Source: [OECD tax-benefit model, 2024](#)

5. Net costs of Early Childhood Education and Care

5.1. Gross childcare fees in child care centers

Variable names: `[FRcc_cost]`

The **hourly rate** is calculated as a percentage of the family's monthly resources (categorical net income), depending on its composition (number of dependent children in terms of family benefits) and the type of care (assuming 10 hours of childcare per day):

Family contribution rate per billed hour in collective care (modelled), multi-collective care, and micro-creche (for new contracts):

Number of children	2024
1 child	0.0619 %
2 children	0.0516 %
3 children	0.0413 %
4-7 children	0.0310 %
8 or more children	0.0206 %

Note: Percentage of monthly family resources

5.1.1. Discounts for part-time usage

The hourly rate is calculated as a percentage of the family's monthly resources, regardless of whether childcare is used on a full-time or part-time basis. Childcare costs for part-time users are also influenced by the household income, as follows:

Hourly rate = (annual family income * effort rate) / 12

Monthly fee = (hourly rate * annual reserved hours) / number of months the child attends

The family participation rate applies to the families' resources. The resources to be considered from January 1 to December 31 of year N are the income received in year N-2, subject to an upper and lower limit.

5.1.2. Fees Indexation

Family Participation Rate: The national scale of family contributions for one hour of childcare in Early Childhood Education and Care (EAJE) is set by the National Family Allowance Fund (Cnaf) through a circular and applied by all childcare facilities benefiting from the single service provision.

5.2. Fee discounts and free provision

Variable names: `[cc_subsidy]`

A **minimum hourly rate** is mandatory when the family's monthly resources are less than or equal to €765.77 on January 1, 2024.

A **maximum hourly rate** can be applied when the family's monthly resources are greater than or equal to €6,000.00 on January 1, 2024.

Minimum and maximum hourly rate

Number of children	Floor	Ceiling
1 child	€0.47	€3.71
2 children	€0.40	€3.10
3 children	€0.32	€2.48
4-7 children	€0.24	€1.86
8 or more children	€0.16	€1.24

Note: Calculation formula: €0.47 (= 0.0619 % * €765.77 [ressources])

OECD Note: Until the year 2021, the TaxBEN model determines the use of childcare services based on the number of days per week both parents (or the single parent) work. Starting from the year 2022, the TaxBEN model allows selecting the weekly hourly use of childcare services independently of the employment status of the parent(s). This enables modeling childcare costs for households where one parent does not work or where the single parent is unemployed. "Full-time" use of childcare services in the model is set at 40 hours per week, with 8 hours per day. In practice, more than 40 hours per week of childcare would be needed to support a full-time working parent (considering the time required for dropping off and picking up the child from the institution, for example), but this simplification allows the TaxBEN model to maintain comparable results across different countries. The following example briefly describes how the contribution for childcare and corresponding subsidies are calculated in TaxBEN.

Example: Let's consider a couple with a 2-year-old child, where the main earner works 5 days a week at the average wage (€43437.84 per year), and the partner works 5 days a week at the minimum wage (€20511.4 per year). The total net taxable amount is €51642.03 per year. Since both parents work full-time, they use 40 hours per week of childcare. Therefore, their hourly rate is: €51642.03 * (0.0619 % / 12) = €2.66. Next, we apply this hourly rate to the number of hours needed in a month to get the monthly fee paid: €2.66 * 8 * 5 * (52 / 12) = €461.07 Thus, **the household we have considered pays €461.07 per month for 40 hours of childcare per week.**

5.3. Child-care benefits for formal centre-based care

Variable names: `[cc_benefit]`

If you use a micro-creche or certain nurseries that do not apply the fixed rates set by the Caisse Nationale des Allocations Familiales (CNAF) [See section 5.1], then you may be eligible for the Complément de Libre Choix du Mode de Garde (CMG) if the child is cared for at least 16 hours in the month and if the hourly rate practiced is not higher than 10 euros per child cared for.

The amounts differ from those described in the following section (5.4.). For the sake of simplification in TaxBEN, we can assume that this legal provision does not exist.

5.4. Child care allowance for children not using child care centers (*Le complément de libre choix du mode de garde [CMG]*)

The CMG will depend on income, the number of children, and their age (before and after 3 years and according to entry into preschool).

OECD note: TaxBEN does not model this option for childcare. In fact, it assumes that parents use childcare services in centers (nurseries) or take care of their child(ren) at home. Detailed information on this childcare option is provided in the appendix.

5.5. Other child care allowance: parental leave benefits (*Prestation partagée d'éducation de l'enfant [PreParE]*)

The PreParE is a financial aid provided to parents who cease or reduce their professional activity to take care of their child(ren) under 3 years old.

OECD note: TaxBEN does not model this program, as it does not cover parental leave benefits. Detailed information on this childcare option is provided in the appendix.

Benefit indexation. PreParE is equivalent to 96.62% of the full-rate BMAF, 62.46% of the partial-rate BMAF (less than 50%), and 36.03% of the partial-rate BMAF between 50 and 80%.

5.6. Tax concessions for childcare expenditures

Variable names: `[cc_TaxCred]`

Any individual who incurs expenses for the childcare of one or more of their children may benefit from a tax advantage, taking the form, as the case may be, of a tax reduction or credit. This advantage varies depending on whether the child is cared for at the parents' home or by an accredited childminder, at the childminder's home. TaxBEN only simulates the latter case. The tax advantage also applies when the child is cared for outside the parents' home in a childcare facility: daycare center, nursery, kindergarten, daycare center, after-school care, etc.

5.6.1. Eligibility

The tax credit is available to taxpayers residing in France for expenses actually incurred by them: (1) paid to an accredited childminder; and (2) for the care of their dependent children under the age of six as of January 1 of the tax year.

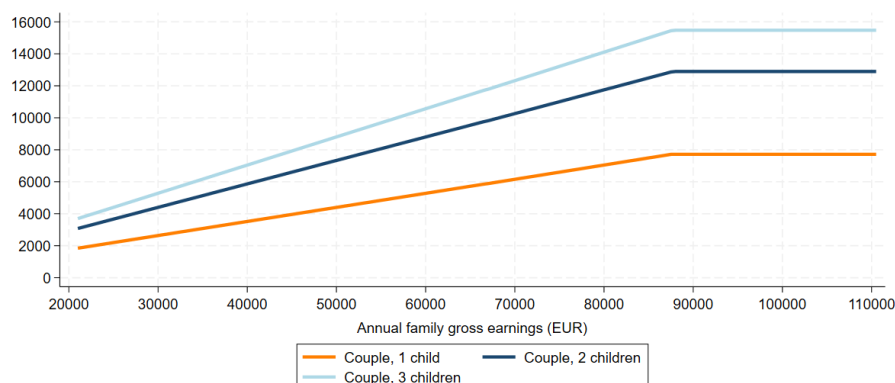
No condition of professional activity is required to benefit from this tax credit.

5.6.2. Maximum amount

Parents who have their children cared for outside their home, aged under six as of January 1, 2024, are entitled to a tax credit on the income tax due for the year 2024 (declaration 2025).

Expenses incurred for the care of one or more children by a childminder entitle the taxpayer to a tax credit equal to 50% of these expenses, within an annual cap set at €3,500 per dependent child (the tax credit will, therefore, be a maximum of €1,750, €875 maximum for a child in shared custody). As with any tax credit, if it exceeds the amount of the tax owed, the excess is refunded to the taxpayer.

Figure 7. Annual net childcare cost by gross annual earnings and number of children



Note: All adults are 40 years old. The spouse earns Minimum Wage.

Source: [OECD tax-benefit model, 2024](#)

6. In-work benefits (*Prime d'activité*)

Variable names: **[IW]**

Activity premium to encourage workers (employed or self employed), with modest resources, to pursue or resume a professional activity and to support their purchasing power.

6.1.1. Eligibility conditions

1. **Age.** Be 18 or older.
2. **Activity requirement.** Have a professional activity and receive modest income.
3. **Nationality/residence requirement.** The applicant must reside in France in a stable and effective manner and
 - (1) Be French or;
 - (2) Be European and have right of residence in France and have lived there for at least three months at the time of application;
 - (3) Be a foreigner of another country and have for at least 5 years a residence permit allowing to work in France; or have the residence card; or have the refugee status; or be recognized stateless person; or be a beneficiary of the subsidiary protection.
4. **Subject to meeting these conditions, are eligible for this activity bonus:**
 - (1) The student, trainee or apprentice whose earned income exceeds €1,082.87 as of January 1, 2024 (78 % of the net minimum wage) over a reference period set at 3 months.
 - (2) The person on parental, sabbatical, unpaid or availability leave, receiving modest professional income.
 - (3) Self-employed individuals receiving modest professional income.

6.1.2. Benefit amount

Amount of in-work benefits:

PA Amount = fixed amount based on the household composition + 61% of the household's work net income + bonus – max(fixed amount, resources of the household).

The work premium is not paid when the amount due is less than €15.

Household considered resources (other than work income): If you have non-professional resources (unemployment benefits [ARE], family allowances, disability pension, etc.) other than the minimal income [RSA], they are considered in the resource base and will be deducted from your entitlement to the work premium. The calculation of the work premium also takes into account housing-related assistance or benefits. These housing-related assistance and in-kind benefits are assessed on a monthly and flat-rate basis according to the number of people in your household. Their amount must be subtracted from the work premium in case of receiving housing assistance.

Fixed amount. Differential allowance supplementing the household's resources up to the following amounts (as of January 1, 2024).

Number of children	Single	Lone Parent	Couple
Without children	€595.25	€764.37	€892.88
1 child	€892.88	€1,019.17	€1,071.46
2 children	€1,071.46	€1,273.96	€1,250.04
Per additional child	+€238.10	+€254.79	+€238.10

Single Parent Supplement. The above amounts include the supplement granted to single parents taking care of one or more children or to single pregnant women who have declared their pregnancy. The duration of this supplement is 12 months if the event occurs after the child in care turns 3. If the event occurs before the child in care turns 3, the supplement lasts until the child reaches 3 years old. *OECD note:* In the TaxBEN model, the increased amount for a single parent is classified differently based on the age of the youngest child. When the youngest child is under 3 years old, the increased amount is granted without any time limit since, in TaxBEN, the baseline assumption is that household characteristics, such as the age of its members, do not change during the calculation of net monthly income from employment (or unemployment). This assumption, though unrealistic, is tied to the static nature of the model. On the other hand, if the youngest child is 3 years old or older, the increased amount is only granted when the simulated parent has just taken up employment and for a maximum duration of 12 months. This choice is linked to the assumption that an individual in employment is presumed to have been working at the same salary levels since reaching the age of 18. Therefore, if we assume there has been no change in the worker status and the single parent has always been employed, they would have already exhausted the increased amount for single parents since they were entitled to this benefit in the years preceding the one considered by the model. Hence, the increased amount is simulated for a parent who was unemployed and then takes up employment, for a maximum duration of 12 months. In the model, this specific scenario is simulated, taking into account short-term employment insertion benefits.

Bonus. Bonus revalued every April 1, applicable to each worker within the household engaged in professional activity at least equivalent to part-time work. As of January 1, 2024:

- Amount equal to 29.101 % of the lump sum amount for a single person, meaning $29.101 \% * €585.25 = €173.22$ for professional incomes exceeding €1,398.00 (120 times the gross hourly minimum wage as of January 1, 2024);

- **Progressive amount up to €173.22** for incomes ranging between €687.35 (59 times the gross hourly minimum wage as of January 1, 2024) and €1,398.00 (120 times the gross hourly minimum wage as of January 1, 2024);
- **Amount is zero** for monthly professional incomes below €687.35 (59 times the gross hourly minimum wage as of January 1, 2024).

Household considered resources include: net salary of the household, housing benefits in the limit of a fixed amount (cf. below), and family benefits¹⁹. Those family benefits are the *allocations familiales*, the *complement familial*, the *allocation de soutien familial* and the *PAJE*. Art R844 of code de la sécurité sociale gathers the exhaustive list of household considered resources.

Flat-rate assessments of housing-related in-kind benefits and housing assistance = monthly lump sum (as of January 1, 2024):

Number of person	Monthly lump sum
1	€72.93
2	€145.86
3 or more	€180.50

Benefit indexation. The in-work benefit is indexed automatically every year (on 1 April) according to inflation and purchasing power indicators. During the year, the in-work benefit may increase if inflation is too high (Article L.161-25 of the social security code; L.842-3 of the social security code).

Example:

For a household constituted by a single person, who earns 500 euros gross per month, the fixed amount is 595.25 €. The net salary, ie 500 – employee’s contributions, is 395.80€ (cf below for the calculation of employee’s contribution). The bonus is equal to 0 because the work income is below 687.35€. The considered resources here are the net salary and housing flat-rate (monthly lump sum: 72.93€) because the actual amount of housing benefit is higher than this amount (cf. below for the calculation of housing benefits). The PA amount is therefore equal to $595.25 + 395.80 * 0.61 + 0 - \max(595.25 ; 395.8 + 72.93) = 241.44€$

6.1.3. Benefit duration

In-work benefit beneficiaries must declare their income every quarter. The benefit is paid monthly as long as their income remains compatible with eligibility.

6.1.4. Means-test

See Section 6.1.2

6.1.5. Tax treatment

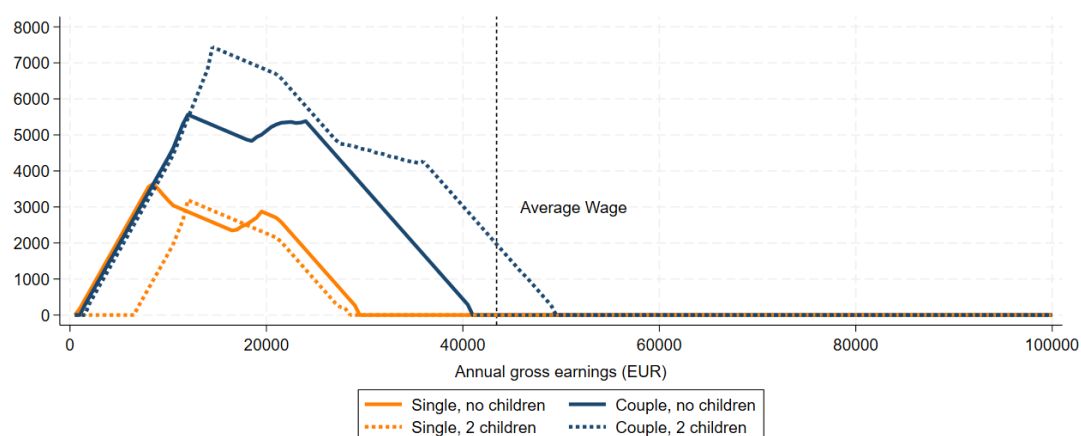
Not taxable for income tax, not subject to social security contributions ; however the PA is subject to CRDS.

¹⁹ Family benefits included in the Household considered resources are the AF, ASF, CF and a part of the Paje. Social benefits not included, such as the birth premium, are not taken into account by Taxben.

6.1.6. Interaction with other components of the tax-benefit system.

The prime d'activité is compatible with any of the social benefits to which the household is entitled. The amount of the prime d'activité is calculated taking into account certain of these benefits. The resources base for the prime d'activité includes, in addition to the household's income from professional activity and unemployment benefits, housing assistance, the allocation de soutien familial (ASF, see Section 4.4), or the complément familial (CF, see Section 4.3) within certain limits. It excludes the prime de naissance from the PAJE (not simulated in TaxBEN, see Section 4.5), and the allocation de rentrée scolaire (ARS, see Section 4.2), and the minimal income (RSA).

Figure 8. In-work Benefit by gross earnings



Note: All adults are 40 years old. In couples, the spouse does not work. Children, if present, are 4 and 6. The lower benefit amount for single parents with two children is linked to the fact that that type of households receives a much higher amount of Family and Housing benefits, which in turn reduce the Prime d'activité through the means-testing.

Source: [OECD tax-benefit model, 2024](#)

7. Social security contributions and payroll taxes

7.1. Employees contributions²⁰

Variable names: [[SC](#) ; [SOCSEC_p](#); [SOCSEC_s](#)]

The table below shows how employees contributions are calculated on the gross salary. All those contributions are deductible from income for income tax purposes, which means that the taxable income is equal the gross earnings net of the employees contributions.

Type of contribution	Contribution base	Rate
<i>Social security contributions</i>		
Unlimited old-age insurance (<i>Assurance vieillesse déplafonnée</i>)	Salary amount	0.40 %
Capped old-age insurance (<i>Assurance vieillesse plafonnée</i>)	Salary amount up to €3,864 per month	6.90 %

²⁰ The figures below are only for contributors to the general regime.

<i>Pension contributions</i>		
Agirc-Arrco	Salary amount up to €3,864 per month	3.15 %
	Salary amount between €3,864 and €30,912 per month	8.64 %
Generalized equilibrium contribution (<i>Contribution d'équilibre généralisée</i>)	Salary amount up to €3,864 per month	0.86 %
	Salary amount between €3,864 and €30,912 per month	1.08 %
Technical equilibrium contribution (<i>Contribution d'équilibre technique</i>)	Salary amount up to €3,864 per month	0 %
	Salary amount between €3,864 and €30,912 per month	0.14 %
<i>Unemployment contributions</i>		
Agency for management employment (Apec)	Salary amount up to €15,456 (Professions with executive status or managerial positions only)	0.024 %

7.2. Employers contributions

7.2.1. Rates

Variable names: [\[SSCR; SSCR_p; SSCR_s\]](#)

Type of contribution	Contribution base	Rate
<i>Social security contributions</i>		
Health, maternity, disability and death insurance (<i>Assurance maladie, maternité, invalidité et décès</i>)	Salary amount – In case of earnings less than or equal to 2.5*SMIC	7.0 %
	Salary amount – In case of earnings exceeding 2.5*SMIC	13.0 %
Unlimited old-age insurance (<i>Assurance vieillesse déplafonnée</i>)	Salary amount	2.02 %
Capped old-age insurance (<i>Assurance vieillesse plafonnée</i>)	Salary amount up to €3,864 per month	8.55 %
Autonomy of elderly and disabled people (<i>Contribution solidarité autonomie CSA</i>)	Salary amount	0.30 %
<i>Unemployment contributions</i>		
Unemployment insurance (<i>Assurance chômage</i>)	Salary amount up to €15,456 per month	4.05 %
Salary guarantee fund (AGS)	Salary amount up to €15,456 per month	0.20 %
Agency for management employment (Apec)	Salary amount up to €15,456 per month	0.036 %
<i>Pension contributions</i>		
Agirc-Arrco ²¹	Salary amount up to €3,864 per month	4.72 %
	Salary amount between €3,864 and €30,912 per month	12.95 %
Generalized equilibrium contribution (<i>Contribution d'équilibre généralisée</i>)	Salary amount up to €3,864 per month	1.29 %
	Salary amount between €3,864 and €30,912 per month	1.62 %
Technical equilibrium contribution (<i>Contribution d'équilibre technique</i>)	Salary amount up to €3,864 per month	0 %
	Salary amount between €3,864 and €30,912 per month	0.21 %

²¹ The social protection scheme is named ARRCO for non-managers and AGIRC for managers. From 1 January 2019, AGIRC and ARRCO are merged in a single scheme.

		<i>Other</i>
Family allowance (<i>Allocations familiales</i>)	Salary amount – In case of earnings less than or equal to 3.5*SMIC	3.45 %
	Salary amount – In case of earnings exceeding 3.5*SMIC	5.25 %
Work accident contributions (<i>Contributions pour accidents du travail</i>)	Salary amount	Variable (av. 2.23 %)
Housing contributions (FNAL)	Salary amount – fewer than 50 employees	0.10 %
	Salary amount – equal to/more than 50 employees	0.50 %
Contribution to social dialogue (<i>Contribution au dialogue social</i>)	Salary amount	0.016 %
Contribution to professional training (<i>Contribution à la formation professionnelle</i>)	Salary amount – fewer than 11 employees	0.55 %
	Salary amount – equal to/more than 11 employees	1.0 %
Apprenticeship tax (<i>Taxe d'apprentissage</i>)	If at least one employee – exempt in the case of employing at least one apprentice and if the payroll is less than or equal to 6*SMIC	0.68 %
Construction contribution (<i>Contribution à la construction</i>)	Salary amount – equal to/more than 50 employees	0.45 %
<i>Other (not modeled in TaxBen)</i>		
Contribution CPF-CDD	Gross payroll of employees on fixed-term contracts (<i>not modeled, as TaxBEN only takes into account permanent contracts</i>)	1.0 %
Transport tax (<i>Taxe pour les transports</i>)	Salary amount – equal to/more than 10 employees	Variable *
Social lump-sum tax (<i>Forfait social</i>)	Remunerations/gains not subject to social security contributions (CSG). By exception:	20.0 %
	Payments contributing to a collective retirement saving plan, if more than 50 employees	16.0 %
	Employer contributions to employee savings plan, if includes company shares and if more than 50 employees	10.0 %
	For financing additional insurance benefits paid to employees, former employees, their beneficiaries and apprentices, if more than 11 employees	8.0 %
Tax on pension funds (<i>Taxe sur la prévoyance</i>)	Salary amount up to €3,864 per month (at least 50 % of the tax is paid by the employer). For executives only.	1.5 %

* Between 1.6 % and 2.95 % in Ile-de-France. Between 0 % and 2.5 % outside of Ile-de-France.

Note: Starting from 2015, the Responsibility Pact (Phase 1) includes new reductions in labour costs. A total exemption of all URSSAF employer contributions on the minimum wage (except unemployment contributions) and a reduction of 1.8 points on employer-paid contributions for family allowance (3.45% instead of 5.25% for salary up to 1.6 times the minimum wage, and up to 3.5 times from April 2016). Since January 1, 2019, the competitive tax credit (CICE - Crédit d'impôt pour la compétitivité et l'emploi) has been abolished and replaced by a reduction in employers' contributions: this reduction amounts to a 6 % cut in the sickness contribution rate on salaries up to 2.5*SMIC. Additionally, a global cut of 4.05 % in employers' social security contributions, applicable to salaries up to 1.6*SMIC has been implemented since October 1, 2019. This reduction applies to employers' contributions related to illness, pregnancy,

disability, death, family, housing, pensions and supplemental pensions (but excluding the unemployment contribution until October 1, 2020). It is calculated in the same manner as the present general cuts (reduction Fillon).

7.2.2. Reduction of employer-paid social insurance contributions

When the employee's salary is less than 1.6 times the gross minimum wage, the employer can reduce the amount of his contributions. As of January 1, 2024, the maximum reduction is 31.94 % for companies with fewer than 50 employees, and up to 32.34 % for companies with more than 50 employees. For part-time wage earners, the relief is calculated using an equivalent full-time salary and is then adjusted proportionally to the number of hours paid.

OECD Note: TaxBEN simulates the rules for companies with more than 50 employees (maximum reduction of 32.34 % at the minimum wage, gradually declining to zero at 1.6 times the gross minimum wage) following this formula: **Reduction = $(0.3234 / 0.6) * [1.6 * (\text{annual gross minimum wage} / \text{annual gross salary}) - 1]$**

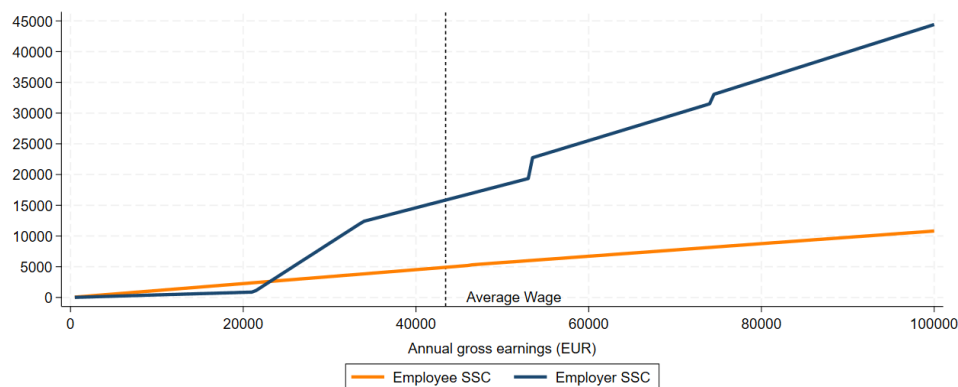
7.2.3. Rates indexation

Indexation, when implemented, is specified by a decree amending the corresponding legal text.

7.3. Payroll taxes

None.

Figure 9. Social Security Contributions by gross earnings



Note: For 40-year old one-earner couple with 2 children (ages 4, 6).

Source: [OECD tax-benefit model, 2024](#)

8. Taxes (Taxation system)

This pertains to income tax collected by the state. Local taxes (property tax, land tax) are not simulated in TaxBen.

OECD note: The TaxBen model for 2024 applied the rates imposed on income earned during the fiscal year 2024. However, the rules presented in this section are those applicable to income earned in the previous year (2023) since the rates for 2024 will be disclosed at the end of the year. To ensure comparability of results across countries,

when the rates for income earned during the year 2024 become available, the model will be updated to reflect these rules. Until then, the model will use the available rates.

8.1. Income tax (*Impôt sur le revenu*)

Variable names: **[IT]**

8.1.1. Tax base (*Revenu imposable*)

Variable names: **[TAX_INC; SOCSEC_p_all; SOCSEC_s_all; CSG_D_p_prev; CSG_D_s_prev]**

Earned income is reported net of compulsory employer and employee payroll deductions, excluding 2.4 percentage points attributed to CSG (*contribution sociale généralisée*) and the 0.5% CRDS (*contribution pour le remboursement de la dette sociale*), which are not deductible from the income tax base. The table below provides an overview of the various reference incomes used in TaxBEN for the different taxes and benefits:

Concept	Formula	Used for
Declared income / Net imposable income [NET_IMP, NET_IMP_p, NET_IMP_s ; DECL_INC_TOT, DECL_INC_p, DECL_INC_s]	Gross income - Social security contributions - Deductible part of CSG	Means-test for family benefits FB (as applicable)
Taxable income [TAX_INC]	Net imposable income - 10 % work allowance	Means-test for housing benefit HB ; tax base to calculate income tax IT

8.1.2. Income tax schedule (*barème d'imposition*)

Variable names: **[INCTAX]**

	Income brackets (applicable to income earned in 2023)	Bracket rate (%)
1 st bracket	Up to €11,294	0
2 nd bracket	From €11,295 to €28,797	11
3 rd bracket	From €28,798 to €82,341	30
4 th bracket	From €82,341 to €177,106	41
5 th bracket	Above €177,106	45

8.1.3. Tax allowances and credits (*abattements et crédits d'impôts*)

Variable names: **[ALLOW; WORK_ALL]**

- Professional expenses are taken into account in the calculation of the income tax. A flat deduction of 10 % of net pay is automatically applied to the declared salary amount (with a minimum of €472 and a maximum of €13,522).
- The “family quotient” (*quotient familial*) involves dividing net taxable income into specific shares:

Number of dependent children	Single or divorced	Married couple
0	1	2
1	1,5	2,5

2	2	3
3	3	4
4	4	5
Per additional child	1	1

The total tax due is calculated by multiplying the amount of tax corresponding to one share by the total number of shares. In 2023, the benefit for a half-share is capped at €1,678 per half-share in excess of two shares for a couple. In case of shared custody, the shares for the children are halved (0.25). The benefit for a quarter share is limited to €839. For a single person, the benefit is capped at €3,756 for the full share granted for his first dependent child.

In practice, let R be the taxable income of the household, n the number of shares and n' the number of shares without counting the children. Five steps must then be carried out: (1) calculating the “normal” income tax: $I_0 = R/n$; (2) calculating the income tax “without children”: $I_1 = R/n'$; (3) calculating the tax advantage provided by children: $I_1 - I_0$; (4) capping the advantage of the family quotient: $\min(I_1 - I_0, \text{ceiling})$; (5) If the advantage is above the ceiling: the income tax $IT = I_1 - \min(I_1 - I_0, \text{ceiling})$; If the advantage is not capped: $IT = I_1 - (I_1 - I_0) = I_0$.

E.g., one married couple with two children (3 parts) received a net taxable income of €60,000. His family quotient is $\text{€}60,000/3 = \text{€}20,000$. Calculation of the tax: (1) up to €11,294: 0 %; (2) from €11,295 to €20,000: $(\text{€}20,000 - \text{€}11,294) * 11 \% = \text{€}957.66$. The gross tax of the family is $\text{€}957.66 * 3$ or €2,872.98.

8.1.4. Discounts

A special discount for taxpayers with low tax liability is applied to the calculated tax amount, excluding reductions and tax credits. To qualify, the household’s income tax must be less than €1,929 for a single adult household and €3,191 for a couple. The discount is the difference between €873 (for a single adult) or €1,444 (for a couple) and 45.25 % of the gross tax amount. **For example**, if a couple’s gross rate is €1,400, the discount would be $\text{€}1,444 - (\text{€}1,400 * 45.25 \%) = \text{€}810.50$. The income tax amount after the discount is $\text{€}1,400 - \text{€}810.50 = \text{€}589.50$.

An exceptional contribution on high revenues is calculated based on the reference taxable income (“revenu fiscal de référence”). **For example**, for a single individual with a taxable reference income of €550,000, the exceptional contribution is $[(\text{€}500,000 - \text{€}250,000) * 3\%] + [(\text{€}550,000 - \text{€}500,000) * 4\%] = \text{€}9,500$.

Exceptional contribution on high incomes (applicable to income earned in 2023)		
Fraction of the taxable reference income	For a single person	For a couple subject to joint taxation
Equal to or less than €250,000	0 %	0 %
Between €250,001 and €500,000	3 %	0 %
Between €500,001 and €1,000,000	4 %	3 %
More than €1,000,000	4 %	4 %

8.2. Universal social contribution (contribution sociale généralisée, CSG)

Variable names: `[CSG_D_p; CSG_D_s]`

From 1 January 2018, the rate of CSG is 9.2%. This rate is applied to a base of 98.25% of the current earnings (gross). This lump-sum deduction of 1.75 % for professional

expenses is capped at four times the social security ceiling. Beyond €185,472, the CSG will be calculated on the entire remuneration (100 %).

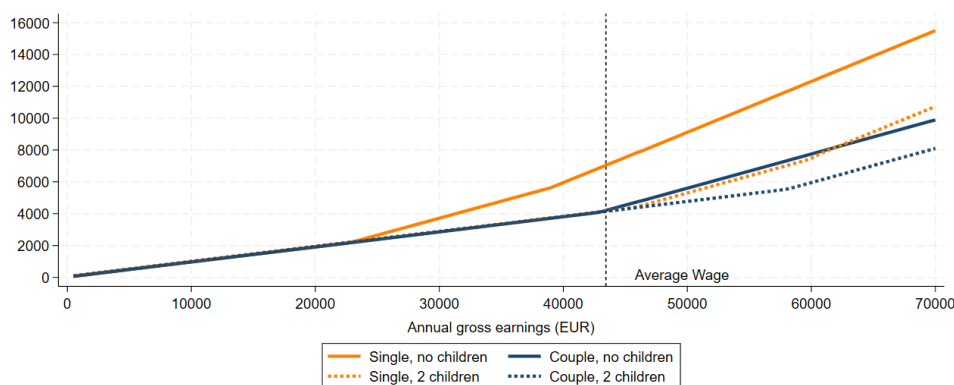
The CSG is deductible for income tax, but at a lower rate of 6.8%. The rest of the CSG is not deductible: 2.4 %.

8.3. Contribution to the reimbursement of social debt (contribution au remboursement de la dette sociale, CRDS)

Variable names: `[CRDS_CSG_p; CRDS_CSG_s; crds_hb; crds_famben]`

Like the universal social contribution, its base has passed to 98.25% of the current earnings (gross pay), as of 1st January 2013. The rate is set at 0.5%. Similarly to the CSG, when revenues exceed €185,472, the CRDS is calculated on the entire remuneration (100 % instead of 98.25 %, meaning four times the social security ceiling). However, unlike social security contributions, CRDS payments are not deductible from taxable income.

Figure 10. Income Taxes by gross earnings



Note: All adults are 40 years old. In case of two-earner couples, the spouse does not work. Children, if present, are 4 and 6.

Source: [OECD tax-benefit model, 2024](#)

9. Selected output from the OECD tax-benefit model (TaxBEN)

This section shows selected output of the TaxBEN model for France in 2024 (*see figure below*). TaxBEN by default produces the following output: 1) net household incomes (**black line**) and 2) related income components (**coloured stacked areas**) for selected family and individual circumstances (users are free to select many of these circumstances). The model and the related web calculator is accessible from the [project website](#). The figure below shows output for a two-adult family with two children (adults are both 40 years old whereas children are 4 and 6 years old respectively) and four different scenarios:

- By percentage of the average wage (**Panel A**);
- By unemployment duration (in months) for a jobseeker claiming unemployment benefits (**Panel B**);
- By previous gross earnings levels for a jobseeker claiming unemployment benefits (**Panel C**);

- By previous employment record (in months), for a jobseeker claiming unemployment benefits (**Panel D**).

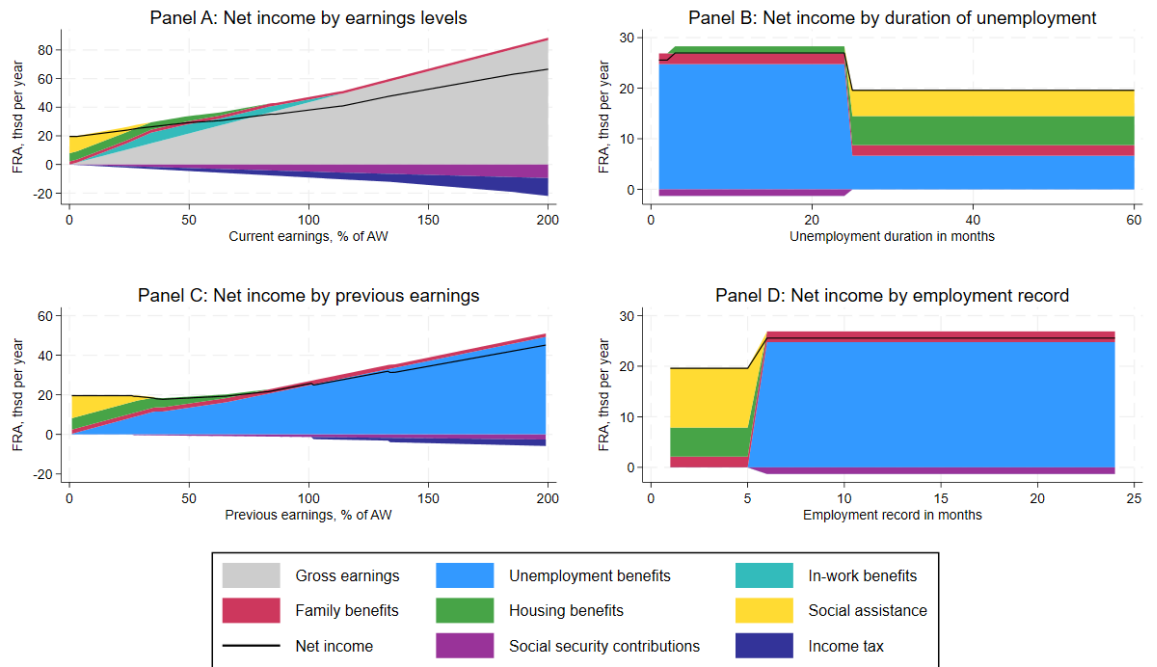
The stacked areas show the following household income components: **GROSS** = gross earnings; **UB** = unemployment benefits; **SA** = social assistance / guaranteed minimum income benefits; **HB** = housing benefits; **FB** = family benefits; **IW** = in-work benefits; **SSC** = social security contributions; **IT** = income tax. Note that these components may be the result of the aggregation of more than one benefit/tax into a composite category. Please refer to the sections above for the benefits/taxes included in each category.

Social assistance and housing benefit supplements are assumed to be available in all the four scenarios provided that the necessary income and eligibility requirements are met. Where receipt of social assistance or other benefits is subject to activity tests (such as active job-search or being available for work), these requirements are assumed to be met.

Panel A assumes that one adult family member (the so-called ‘second adult’ using the TaxBEN terminology) is out of work and not eligible for unemployment benefits (e.g. because they have expired) whereas the other adult member (the so-called ‘first adult’) is employed full-time throughout the entire year at different earnings levels ranging between 0 and 200% of the average wage (AW). When earnings of the first adult are precisely 0% of the AW this person is assumed to be out of work without receiving unemployment benefits (again, e.g. because they have expired) but claiming social assistance or guaranteed minimum income benefits, as applicable.

Panels B to D assume that the second adult is out of work and not eligible to unemployment benefits whereas the first adult is also out of work and claiming unemployment benefits. In Panel B and C the first adult is assumed to have a ‘long’ employment record of 264 consecutive months before the job loss. The x-axis in Panel B measures the time of benefit receipt, starting from the first month. The x-axis in Panel C shows the amount of previous gross earnings (before any social contribution payments). Results in Panels C and D refer to the 2nd month of unemployment benefit receipt. In Panel B and D, previous earnings are assumed to be equal to the average wage.

Figure 11. Selected output from the OECD tax-benefit model - Couple with two children



Source: Calculations based on [OECD tax-benefit model, 2024](#)

Annex: Other benefits and direct taxes

This section provides a brief description of other cash benefits and taxes on employment incomes in France that are relevant for some members of the population below the statutory retirement age, but which are not included in the OECD tax-benefit model.

1.1. Persons creating or taking over an existing business under the ACRE scheme (aid for the creation or resumption of a company)

By way of derogation from the rules set out above, individuals who create or take over an existing business under the ACRE scheme (aid for the creation or resumption of a company) while concurrently receiving a Special solidarity allowance (ASS) are eligible for a distinct profit-sharing scheme known as ACRE-ASS. Under this scheme, they are entitled to a monthly payment from the state equal to the full-rate ASS for a duration of one year.

1.2. Moving allowance

A moving allowance is available under specific conditions following the birth of the 3rd child (or any subsequent child) when a household relocates. As of January 1, 2024, the allowance is equivalent to the actual moving expenses up to a specified ceiling, which varies depending on the number of dependent children: €1,070.23 for three dependent children (+€89.19 for each additional child). The premium is granted if the family:

- Has a minimum of three dependent children, including one under the age of two, whether born or unborn.
- Moves between the 1st day of the calendar month following the 3rd month of pregnancy and the last day of the calendar month preceding the 2nd of the 3rd (or subsequent child).
- Meets the eligibility criteria for housing benefit for the new residence.

1.3. Early Childhood Care benefit (Prestation d'accueil du jeune enfant, PAJE): Birth and Adoption premium

There are means-tested premium designed to cover expenses related to the arrival of a new child.

- 1. Birth premium, conditions related to pregnancy:** Being pregnant and undergo the first prenatal medical examination;
- 2. Adoption premium, conditions related to adoption:** Adopting a child under the age of 20.
- 3. Resource ceiling:** for the year 2024, based on the household's 2022 income. The family situation considered is that of the 6th month of pregnancy, with an unborn child counting as one dependent child. The benefit amounts are as follow:

Number of dependent children	Couple with two incomes or lone parent	Couple with one income
1 child	€45,979	€34,791
2 children	€52,937	€41,749
3 children	€61,287	€50,099
Per additional child	€8,350	€8,350

- 4. Benefit amount:** As of January 1, 2024, the net amount of the birth premium is €1,019.43. In case of multiple expected births, the premium is paid for each unborn children, based on a medical certificate stating the number of unborn children. The adoption premium is a fixed amount of €2,038.85.

1.4. Home-based employee, Employment tax credit

This benefit provides a tax advantage (tax reduction or tax credit) when employing a home-based employee. The service must be performed by (1) the employee of which the applicant is the direct employer; (2) by a registered association, company or body; (3) or by a non-profit organization providing home help. **The tax credit amounts to 50 % of the expenses incurred in the year, up to a maximum depending on the applicant's situation:**

- €12,000 per year (i.e. a maximum tax reduction/credit of €6,000). This amount may be increased to €15,000 per year (i.e. a maximum tax reduction/credit of €7,500) for the first tax year benefiting from this advantage.
- This ceiling is further increased by €1,500 (up to €15,000 or €18,000) for each dependent child (€750 in case of alternate custody), each household member aged 65 and over, and if the taxpayer pays an employee to work in the home of an ascendant aged over 65.

1.5. Energy checks

This annual benefit is provided every year to households whose reference tax income, divided by the number of consumption units, falls below specific thresholds. The check's amount ranges from at least €48 to a maximum of €277 TTC. It can be used to settle bills for electricity, natural gas, tank gas, fuel oil, wood or energy charges included in the fees. Additionally, it can be used for specific energy renovation projects.

1.6. Child care allowance for children not using child care centers (le complément de libre choix du mode de garde [CMG])

This is a partial payment of the remuneration of an approved childminder. The amount varies based on the number of dependent children, their age and the households' level of resources.

1. Eligibility conditions:

- (1) The child should be under 6 years of age, kept for at least 16 hours a month.
- (2) The gross remuneration should not exceed €58.25 per day and per child cared for.
- (3) At least one of the two parents should have a professional activity (including student couples, couples with at least one member receiving disabled adult allowance, couples receiving minimum income allowance and individuals receiving sickness, maternity, adoption, paternity or industrial benefits, paid vocational training or unemployment benefits).

2. Benefit amount and means test: The add-in supports up to 85 % compensation (with a minimum of 15% of the cost of childcare borne by the parents)

	Couple			Lone parent		
	< €22,809	> €22,809 < €50,686	< €50,686	< €31,933	> €31,933 < €70,960	< €70,960
1 child	< €22,809	> €22,809 < €50,686	< €50,686	< €31,933	> €31,933 < €70,960	< €70,960
2 children	< €26,046	> €26,046 < €57,881	< €57,881	< €36,465	> €36,465 < €81,033	< €81,033
Additional child	+€3,237	+€7,195	+€7,195	+€4,532	+€10,073	+€10,073
Amount						
Child under 3*	€506.01	€319.07	€191.42	€657.81	€414.79	€248.84
Child aged 3-6	€253.00	€159.56	€95.71	€328.91	€207.43	€124.42

*If the child turns three between January 1 and August 31, the maximum monthly amount applicable to children aged 0 to 3 is extended to the month before the start of the school year in September.

In case of part-time work, the CMG may be cumulated with the PreParE. If the part-time parent has a working time of less than or equal to 50 % of his usual working time, the CMG amount is divided by two. Moreover, the maximum amount might be increased by 10 % if the child is looked after for at least 25 hours in the month during the night (from 10 p.m. to 6 a.m.), Sunday or public holidays. It can also be increased by 30 % if one of the parents benefit from the education allowance for disabled children; or if one of the parents benefit from the disabled adult allowance.

1.7. Other child care allowance: parental leave benefits (*Prestation partagée d'éducation de l'enfant [PreParE]*)

The benefit allows one or two parents with at least one dependent child under the age of three to either stop or reduce their work to take care of their child. PreParE can be assigned to a single parent or both parents simultaneously or successively. However, the total amount of the two benefits may not exceed €428.71.

1. Eligibility conditions:

- (1) To have at least one child under the age of three (or under the age of 20 in the case of adoption).
- (2) Completely or partially interrupt your professional activity.
- (3) Validate at least eight quarters of old age contributions over a reference period that varies according to the number of children: in the last 2 years when

there is one dependent child, in the last 4 years when there are two dependent children; in the last 5 years when there are three or more dependent children.

2. Benefit amount: As of January 1, 2024.

Parent's situation	Monthly amount paid
Activity completely interrupted	€428.71
Part-time (50 % maximum)	€277.14
Part-time (between 50 % and 80 %)	€159.87

3. Benefit duration*:

	1 child	From 2 children
For a couple	6 months for each parent up to the 1 st child's birthday	24 months for each parent up to the youngest child's 3 rd birthday
Lone parent	1 year up to the 1 st child's birthday	3 years up to the youngest child's 3 rd birthday

* In the case of adoption, PreParE is granted for the first 12 months following the child's arrival in the household.

'PreParE majorée' (enhanced): Parents with at least three dependent children who have stopped working and have validated eight quarters of old age contributions in the last 5 years may qualify for the 'PreParE majorée'. The amount is €700.74 per month, and it is disbursed for a maximum of 8 months, up to the month preceding the youngest child's 1st birthday.