

## PAY AS YOUR EARN IMPLEMENTATION IN FRANCE STARTING JANUARY 2019

**As of January 1<sup>st</sup> 2019, income tax will be withheld at source in France.**

It means that the employer withholds monthly the income tax on your payslip and pays it directly to the tax administration. Normally the applied rate is based on the previous years' income tax declaration and/or is chosen by the employee. For new residents, the income tax rate is based on their monthly taxable income and varies with it as shows the following table:

Monthly taxable income	Tax Rate
Less than 1 368 €	0 %
between 1 368 € and less than 1 420 €	0,5 %
between 1 420 € and less than 1 511 €	1,5 %
between 1 511 € and less than 1 614 €	2,5 %
between 1 614 € and less than 1 724 €	3,5 %
between 1 724 € and less than 1 816 €	4,5 %
between 1 816 € and less than 1 937 €	6 %
between 1 937 € and less than 2 512 €	7,5 %
between 2 512 € and less than 2 726 €	9 %
between 2 726 € and less than 2 989 €	10,5 %
between 2 989 € and less than 3 364 €	12 %
between 3 364 € and less than 3 926 €	14 %
between 3 926 € and less than 4 707 €	16 %
between 4 707 € and less than 5 889 €	18 %
between 5 889 € and less than 7 582 €	20 %
between 7 582 € and less than 10 293 €	24 %
between 10 293 € and less than 14 418 €	28 %
between 14 418 € and less than 22 043 €	33 %
between 22 043 € and less than 46 501 €	38 %
over 46 501 €	43 %

In May of the following year each employee in France will still have to file a tax return stating salary income plus all other incomes, deductions, etc. and tax administration will establish a final income tax statement and either ask for an additional payment or refund already paid tax.

**It is therefore crucial that each new resident and employee in France registers with the social security authorities in France** in order to get a French social security number. This social security number is **THE** identification number in France in order to claim sickness reimbursements, pension fund payments, etc. and the tax refund. Without a social security number in France, administration does not know you and you cannot claim any service whatsoever from the French authorities.

**In order to get a French social security number** each new resident has to register with his/ her CPAM (Caisse Primaire d'Assurance Maladie) office of place of residence. In order to register you have to have a permanent address in France. Resource will provide you with the form and a list of documents you have to produce in order to register with the CPAM office.

As soon as you receive the French social security number (even a temporary one) please provide Resource with it so that the payroll department can assign the tax at source withdrawals to your number.