

Labor Law – REDUNDANCY PROCEDURE FACTSHEET (May 2019)

In France, a redundancy measure can be taken against an employee working under a private law contract only if a specific procedure is strictly followed.

There are two main grounds for redundancy: redundancy for personal reasons and redundancy for economic reasons:

- The redundancy for **personal reasons** is related to the personality of the employee, it can result from a misconduct of the employee but not necessarily (such as underperformance for example).
- The redundancy for **economic reasons** does not relate to the personality of the employee and will apply for instance in cases where the company is facing economic difficulties (decrease of orders, future reorganization of the service etc.)

The procedure to follow and the consequences for the employee will vary depending on the reason for the redundancy, but irrespective of the grounds, in all cases the facts must be serious enough to justify the dismissal.

The redundancy procedure is organized around three main steps:

The NOTIFICATION FOR A PRIOR INTERVIEW which must be addressed to the employee by registered mail with acknowledgment of receipt (or be delivered in person in exchange for a receipt signed by the employee and attesting the delivery). This letter must contain specific information (such as date, place and time of the interview, immediate suspension or not).

The PRIOR INTERVIEW must take place at least five working days after the presentation of the registered letter to the employee's home.

If the dismissal is envisaged because of a disciplinary issue, the interview must take place within two months of the date on which the employer became aware of the misconduct.

The employee may not respond to the notification, but such absence will not prevent the redundancy procedure from continuing.

The DISMISSAL LETTER is sent to the employee following the prior interview, it indicates the reasons for the dismissal that have been ultimately held against the employee by the employer.

The employee may appeal against the dismissal before the Labor Court (*Conseil de Prud'hommes*) which can (in case of a redundancy without "a real and serious cause") indemnify the employee. The indemnification granted by the judge will be added to the legal (or conventional) compensation for dismissal. Specific allowances (for non-compete, compensatory leave with pay or notice) may be added depending on the specific circumstances of the case.