

GIFTS & VOUCHERS FOR EMPLOYEES

Conditions of validity and tax exemptions

December 2022



Preamble

At certain events, the Social and Economic Committee (CSE) or the employer directly may give employees gifts, vouchers or gift certificates. This is optional, no collective agreement or employment contract can make it compulsory.

1. What kind of gift?

Three types of benefits can be offered to employees:

- **Vouchers:** have a certain monetary value to use in one or more stores or shops
- **Gift vouchers:** voucher of a certain value offered as a gift for the purchase of a good or service in the designated store(s) or business(es)
- **Gifts:** any type of physical object.

2. For which employees?

The awarding of gifts must respect the principle of equal treatment between the company's employees. Thus, the awarding of the gift must in no case be discriminatory. As such, this advantage must be granted indifferently to all members of the company and not be used as a sanction.

Attention: seniority is considered a discriminatory criterion.

The following may benefit from this:

- **Employees:** all types of employees (including professionalization contracts) regardless of their hierarchical position, their years of seniority or their level of skills.
- **Managers:** can benefit in the same way as employees as long as they have an employment contract.
- **Trainees:** the law provides that they must have the same access to social and cultural activities as the company's employees. As such, they must benefit from gift certificates, gifts and vouchers.

3. How much is exempt?

The amount of the benefit is exempt from social security contributions within the limit of 5% of the monthly social security ceiling, i.e. €171.40 for 2022 during the same calendar year and per employee (€183.30 for 2023 depending on the increase in the planned ceiling).

It is then quite possible to give several gifts per year and to each employee of the company.

4. Beyond this limit, can the amount be exempt?

Beyond the limit, if several gifts and/or vouchers are also exempt subject to compliance with the following 3 cumulative conditions:

- The allocation of the voucher must be related to a specific event

The list of events concerned is exhaustive: marriage, PACS, birth, adoption, retirement, Mother's Day/Father's Day, St Catherine/St Nicolas, Christmas of children up to 16 years of age and employees, back to school of children under 26 years of age.

- The use of the voucher must be related to the event for which it is awarded

Its purpose must be related to the event, it must mention either the nature of the goods, one or more departments of the store, or the name of one or more stores. And it cannot be exchanged for fuel or food products, unless they have a festive character.

- The value of the voucher must be in accordance with customs

This condition is presumed to be fulfilled if the amount of benefits awarded to employees for an event does not exceed the threshold of 5% of the monthly social security ceiling per calendar year.

If these three conditions are not met simultaneously, the voucher and/or gift is subject to social security contributions for its total amount.

5. No exemption

The tolerance for exemption does not apply to vouchers or gifts paid by the employer when there is a Social and Economic Committee in companies with more than 50 employees.

In addition, it is the non-discriminatory nature between employees that determines the granting of the exemption from contributions.

This information sheet contains summary information that does not cover all possible situations, nor the legal texts applicable in France.

Please contact us for advice tailored to your situation. We cannot be held responsible for any misinterpretation of information sheet.

Contact

Claire APPELGHEM

Head of the HR/Employment Law Department

Claire.appelghem@groupe-aplitech.com

01 40 40 38 38



4-14, rue Ferrus 75014 Paris
contact@groupe-aplitec.com | 01 40 40 38 38
www.groupe-aplitec.com