

The buyingback of RTTs

November 2023



Preamble

At the end of the year, it may be necessary to anticipate the purchase of the rest days of your employees on a fixed number of days contract as well as their RTT.

There will be two different mechanisms between the buying back of rest days as part of a fixed number of days contract and the monetization of RTT. We take stock of the situation in this note.

1. The mechanism for buying back rest days

1.1. The conditions

An employee may, in **agreement** with his/her employer, give up part of his/her rest days in exchange for an **increase in salary**. In this sense, the employee will voluntarily work beyond the 218-day limit with the agreement of his/her employer.

The buy back must be formalised by an **amendment** to the flat-rate agreement determining the rate applicable to the remuneration of this additional working time, which may not be less than 10%.

Our employment law department can assist you in drafting the amendment and establishing the amount of this buy back.

1.2. Social security and tax system

The compensation of the employee due to the excess of his fixed days benefits from a reduction in social security contributions in respect of the part of the remuneration corresponding to the rest days renounced.

In addition, the increased remuneration for days worked in excess of 218 days allows a flat-rate deduction of employer contributions.

Finally, with regard to the tax system, days worked in excess of 218 days are exempt from income tax.

2. The RTT monetization mechanism

2.1. What is it?

This is a new mechanism introduced by the amended Finance Act of 16 August 2022 providing for the option for employees to monetise all or part of their rest days or half-days acquired for periods after **1 January 2022 and until 31 December 2025**.

The employee may waive all or part of his RTT days. The employer can refuse the request to monetize RTT days.

The law does not impose any particular formality for requesting the redemption of RTTs. In this sense, the employee can make his request by any means.

2.2. Which employees are affected?

The employees concerned are:

- Employees benefiting from rest days or half-days pursuant to an **agreement or a collective agreement establishing a system for reducing working time** maintained in force pursuant to Law No. 2008-789 of 20 August 2008 on the renewal of social democracy and the reform of working time;
- Employees benefiting from **conventional rest days** under Articles L. 3121-41 to L. 3121-47 of the French Labor Code.

On the other hand, the following are excluded from the scheme:

- Employees on a fixed number of days,
- Days deposited into a Time Savings Account (TSA),
- Equivalent compensatory rest days in lieu of overtime pay and days or half-days of rest settled in any account.

2.3. Social security and tax system

The monetisation mechanism benefits from the overtime scheme.

In this sense, monetization allows the reduction of social contributions for old-age and widowhood insurance. The remuneration to be taken into account is that of the rest day that the employee renounces, taking into account the associated increases.

In addition, a flat-rate deduction of employer contributions of €1.50 for companies with fewer than 20 employees and €0.50 for companies with 20 employees and less than 250 employees.

The monetisation mechanism also entitles the holder to an income tax exemption applicable to the remuneration.

*This fact sheet contains summarized information. Please contact us for advice tailored to your situation.
We cannot be held responsible for any misinterpretation.*

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