

Partial employment is credited through contributions from 2021

REMINDER: PARTIAL-EMPLOYMENT COMPENSATION IS NOT LIABLE TO CRPN CONTRIBUTIONS

Partial-employment compensation paid to air crew members by their employer does not constitute a wage and is therefore not included in members' CRPN contribution basis. It follows from the above that **partial-employment compensation is not liable to CRPN contributions.**

As an exception to this principle for periods of employment accrued from May 1st, 2020: when the total of the member's statutory partial-employment compensation plus any supplementary compensation paid by their employer pursuant to a collective agreement or unilateral decision comes to **more than 3.15 times the French hourly minimum wage, the portion of the supplementary compensation that exceeds this amount is liable to social security contributions** on earned income.

PERIODS OF PARTIAL EMPLOYMENT ACCRUED FROM 2021 ARE CREDITED THROUGH CONTRIBUTIONS

While the principle of excluding partial-employment compensation from CRPN contributions has not been set aside, **decree No. 2021-570 of May 10, 2021, regarding the crediting of periods of partial employment toward retirement pension entitlements** amends a number of provisions that apply to France's supplementary retirement pension scheme for professional air crew members in civil aviation and allows for **periods of partial employment accrued from 2021 to be credited to our members' accounts on the basis of contributions.**

DAYS OF PARTIAL EMPLOYMENT ACCRUED FROM 2021 ARE CREDITED ON THE SAME BASIS AS DAYS WORKED.

As a reminder, periods of partial employment accrued from March 1st, 2020 through December 31st, 2020 on which no contributions were paid are credited free of charge with regard to length to our members' accounts (decree No. 2020-1491 of December 1st, 2020 - article 5).

Pursuant to decree No. 2021-570 of May 10, 2020, as from 2021, periods of partial employment will be treated as periods of contributions, which means they will be credited on the basis of contributions with no actual assessment.

For periods of employment accrued from January 1st, 2021, days of partial employment must no longer be subtracted from the days worked¹ reported by our members' employers (please refer to our updated guide to tallying CRPN days).

Example: an air crew member under contract who had 10 days of partial employment in January 2021 must be reported as having accrued 30 CRPN days for January.

This means that some corrections will need to be made for the first part of 2021².

¹ "Work" must be broadly defined to include such concepts as actual work, paid leave, related rest periods, etc.

² In the DSN electronic payroll report, the day value must be entered as 38 CRPNPAC days under Block 53 "Occupation."

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AN EQUIVALENT GROSS WAGE WILL BE TAKEN INTO ACCOUNT FOR PERIODS OF PARTIAL EMPLOYMENT FROM 2021

Also pursuant to Decree No. 2021-570 of May 10, 2021, an equivalent gross wage, added to the member's capped gross wage liable to contributions, will be taken into account for periods of partial employment from 2021.

When reporting equivalent gross wage to CRPN, employers will need to specify each member's "A" day count (days of partial employment) and "T" day count (days worked) that were plugged into the calculation formula set forth by the decree:

$$\text{Equivalent Gross Wage} = A \times \min \left(\frac{\text{Gross Wage}}{T} ; 3.15 \times \text{Wage} \right)$$

A is equal to the difference between the number of actual days off work during the year and the number of guaranteed days off work during the year.

- ⇒ In other words, it is equal to the number of days of compensated partial employment during the year. This number generally appears on the payslips of members to whom this applies.
Example: an air crew member who was compensated for 5 days of partial employment needs to be reported with an A value = 60 days (5 days of compensated partial employment x 12 months).

T is equal to the number of days worked during the year

- ⇒ In other words, it is equal to the number of days that corresponds to air crew members' applicable working time for the year (all periods of paid holiday or medical leave are treated as days worked), prorated if the member was not employed for the entire year, minus any days of compensated partial employment during the year (A).
Example: an air crew member who has a notional working time of 18 days worked per month and had 1 month of unpaid leave and 55 days of partial employment during the year, needs to be reported with a T value = 143 days (18 days ON x 12 months – 18 days for the month of unpaid leave – 55 days of partial employment).

Important: these calculation rules are not the same as those that apply to CRPN days, which must be reported by electronic payroll report ("DSN") (please refer to page 1 and to our informational guide on tallying CRPN days).

The rules for reporting "A" and "T" day counts will be published at a later date.

HOW THE MEASURE WILL BE FINANCED FROM 2024

The adjustment factor that applies to retirement pension fund contributions has been set at 111% from the 2024 fiscal year.

If necessary at the end of that fiscal year, CRPN's board of directors will apply to the French government to **change the adjustment factor** sufficiently to cover the financial commitments that result from an equivalent gross wage being taken into account for periods of partial employment from 2021.