



# **Incapacity, disability and death covers Corporate Provident Insurance**

Gain a comprehensive understanding of the company's insurance plan and its details (Klesia).

03-12-2025 webinar



# Introduction and Agenda

# Presentation Overview



## Training Session Purpose

Explore the Company's supplementary insurance plan for incapacity, disability and death protection .



## Core Topics Covered

Provides an overview of Provident insurance principles, regulatory framework and KLESIA guarantees  
Excludes medical expense risks, covered by MESE (Mutuelle d'Entreprises Schneider Electric)



## Target Audience

Designed for foreign employees of Schneider Electric in France

# Agenda



## **Definitions and framework**

Explain the framework of provident insurance, its differences from health insurance, key actors, and scope.

## **Death benefits**

Detail benefits provided by Social Security and those covered by KLESIA

## **Incapacity and disability benefits**

Define incapacity and disability  
Detail benefits provided by Social Security, the employer, and KLESIA.

## **Get informed on the KLESIA web site**

## **Wrap up**





# Provident insurance framework

# Overview and Importance



### **Employee Financial Protection**

Corporate insurance and social security safeguard employees against death, disability, and incapacity risks.

### **Employer Risk Management**

These systems protect employers from unforeseen liabilities and compliance challenges.

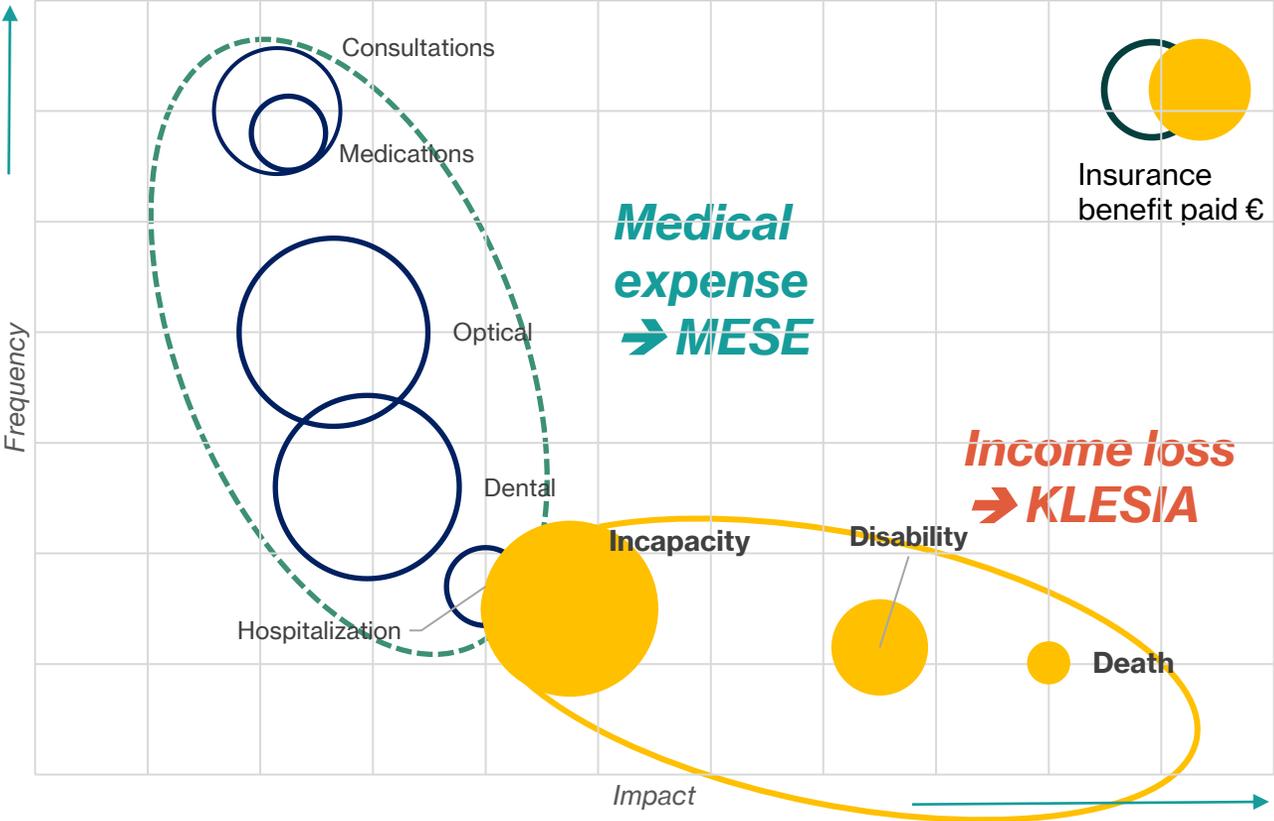
### **Legal and Practical Frameworks**

Social security provides mandated coverage, while corporate insurance offers additional tailored guarantees.

### **Importance for Workforce Security**

Understanding these systems is vital for HR, managers, and employees to ensure comprehensive coverage.

# Provident insurance vs. Health insurance



While **health insurance** protects employees against unplanned expenses, more frequent but with a smaller € impact,

**provident insurance** protects employees against income loss related to incapacity/ work stoppages, disability or death, less frequent but with a bigger € impact

Illustration, not real figures

# Actors and Structure



## Social Security Foundation

Social security provides statutory benefits like death capital and incapacity allowances as a base for employee insurance.



## Employer Obligations

Employers are legally required to offer additional insurance coverage defined by labor laws or agreements.



## Complementary Insurance Plans

Companies negotiate complementary insurance through industry agreements or internal initiatives for enhanced protection.



## Voluntary Supplementary Insurance

*Employees can choose voluntary supplementary insurance, adding an extra layer of personal coverage.*

# Clarifications on generic Provident insurance scope



## **Coverage Scope**

Applies to employees under the general Social Security regime covering various risk types.

## **Risk Distinctions**

Differentiates between private life risks and professional risks like work accidents and occupational diseases. Both are covered.

## **Legal Limitations**

Certain employee categories may be excluded from some coverages due to legal provisions.

## **Complementary Coverage**

Additional coverage applies when risks are recognized, including work stoppage and death scenarios.

# PST Comprehensive Coverage and Options



## **Integrated Employee Protection**

The PST regime offers comprehensive coverage for work stoppages, invalidity, and death under one framework. It includes both life and professional risks.

## **Flexible Death Benefit Options**

Includes flexible death benefits like education annuities and spousal pensions to support employee families.

## **Uniform and Equitable Application**

Applies uniformly across personnel categories with benefits based on a standardized salary base for equity. All employees are enrolled in the plan from the first day of their employment.

## **Simplified Administration and Security**

Consolidation under one framework simplifies management and enhances security for employees.



# Death benefit

# Minimum Social Security Cover



## **Life- Related Death allowances**

Social Security provides a lump-sum payment of 3 977€. Allowances for dependent children and surviving partners are not available.

## **Work-Related Death allowances**

Additional pensions apply for work-related deaths, with specific percentages per dependent child and special conditions if both parents are deceased.

Spouse's pension is at least 40% of deceased's salary with conditions on age and remarriage affecting eligibility.

## **Pension Limits**

Total pensions cannot exceed 85% of the deceased's annual salary to ensure fair distribution of benefits.

# Klésia cover for Schneider employees

KLÉSIA



NATURE OF THE GUARANTEES	Option 1	Option 2	Option 3
<b>DEATH</b>	<b>Enhanced death benefit + education annuity</b>	<b>Death benefit + enhanced education annuity</b>	<b>Death benefit + education annuity + spousal annuity</b>
Benefit amount expressed as a percentage of gross annual salary. <b>Death/</b>	TA / TB / TC (1)		
<b>Permanent Total Disability Capital (all causes).</b>			
CVD without dependent children	340 % (2)	Nothing	Nothing
Married, Civil Partnership, Cohabiting without dependent children CVD with one dependent child	390 % (2)		210 % (2)
Married, Civil Partnership, Cohabiting with one dependent child	460 % (2)	340 % (2)	280 % (2)
Per dependent child from the 2nd child onwards	460 % (2)	340 % (2)	280 % (2)
	120 % (2)	70 % (2)	70 % (2)
<b>Education allowance per dependent child</b>			
Payment due by the day before the 17th anniversary of an annuity equal to ...	8 %	24 %	8 %
Payment from the 17th birthday until the day before the 26th birthday (or the day before the 27th birthday) according to the situations defined in the scheme	10 %	30 %	10 %
<b>Spousal annuity: Guarantee expressed as a function of age at death <math>[(x\% \text{ salary} \times (65 - X)) = \text{Life annuity}]</math> and <math>[x\% \text{ salary} \times (X - 25)] = \text{Temporary}]</math></b>			
Payment of a life annuity equal to	Nothing	Nothing	0.50% of the basic treatment x (65 - X) (3)
Payment of a temporary annuity equal to			0.25% of the baseline treatment x (X - 25) (3)

CVD : Single, Widow or Divorced

(1) The basic salary may not be less than one PASS (annual social security ceiling) for the year in which the loss occurred, for a full-time employee. This minimum may be reduced pro rata in the case of part-time work.

(2) Ascendants as defined in the paragraph "Definition of family situation" located on page 16 of this notice are treated as dependent children.

(3) X: Corresponds to the Participant's age at the date of his death calculated by the difference in vintage between the year of his birth and the year of his death.

## Flexible death benefits

The choice of option will be determined at the time of the participant's death by the designated beneficiaries.

## Enhanced benefits

Benefits are enhanced if the death results from an accident, if dependent children are orphaned or disabled, or if there was a prior death of a dependent child or partner

## Gross salary used for calculation

Gross salary received during the 3 months preceding that of the loss x 4, increased by variable pay of the last 12 months. The amount cannot be less than one PASS (Annual Social Security Ceiling) i.e. 47 100€ in 2025.

## Exclusions

Guarantees are not covered if the occurrence of risk results from voluntary or intentional actions of the participant or beneficiary, war, riots, etc

## Funeral expenses

Allowance up to 100% PMSS (Monthly Social Security Ceiling) i.e. 3 925€ in 2025



# Incapacity & Disability benefits

# Incapacity Definition and Legal Framework



## Legal Definition of Incapacity

Incapacity is legally defined as the inability to continue work, confirmed by a medical practitioner and regulated by social security.

## Duration of Incapacity Benefits

Incapacity benefits last up to 360 days within three years, extendable to three years for long-term conditions. Reasons for leaving the state of incapacity can be recovery, transition to disability or death.

## Compensation and Allowances

Daily allowances are a percentage of salary, capped by legal ceilings, to compensate income loss during incapacity.

## Employer Supplementary Benefits

Employers may provide salary maintenance schemes, offering partial or full income replacement under collective agreements.

# Incapacity Benefits : social security and employer legal obligations



	DURATION		AMOUNT	
	Seniority years	Maximum Duration days	Gross Salary days	Gross Salary days
<b>EMPLOYER</b> Legal general obligations	<i>Waiting period 7 days</i>			
	1-5	60	30	30
	6-10	80	40	40
	11-15	100	50	50
	16-20	120	60	60
	21-25	140	70	70
	26-30	160	80	80
	>= 31	180	90	90
<b>SOCIAL SECURITY</b> Daily allowances	<i>Waiting period 4 days</i>		<b>50% of basic daily wage.</b> The considered salary is capped at 1,4 times the minimum wage or 2 522€ in 2025	
	<b>Maximum of 360 daily allowances per 3 year period</b>			



# Incapacity Benefits : employer obligations per collective agreement



## EMPLOYER Collective Agreement obligations

### DURATION

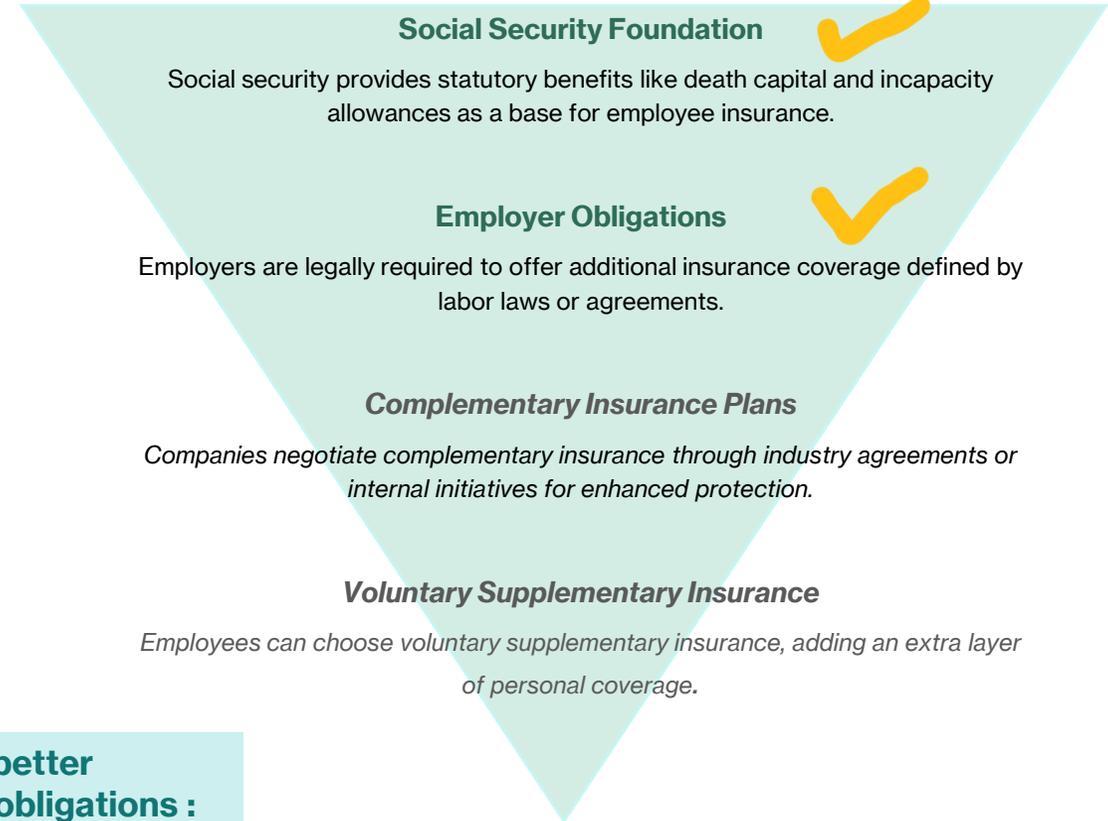
Compensation from the 1st day of work stoppage

Seniority years	Grades A to E Nb days 100%	Grades F to I Nb days 100%	Grades F to I Nb days 50%
1-5	90	90	90
6-10	120	120	120
11-15	150	150	150
>= 15	180	180	180



**The Metallurgy Collective agreement provides better compensation than the employer general legal obligations :**

- Compensation starts from the 1<sup>st</sup> day of work stoppage
- Compensation period is longer
- Percentage of gross salary is higher

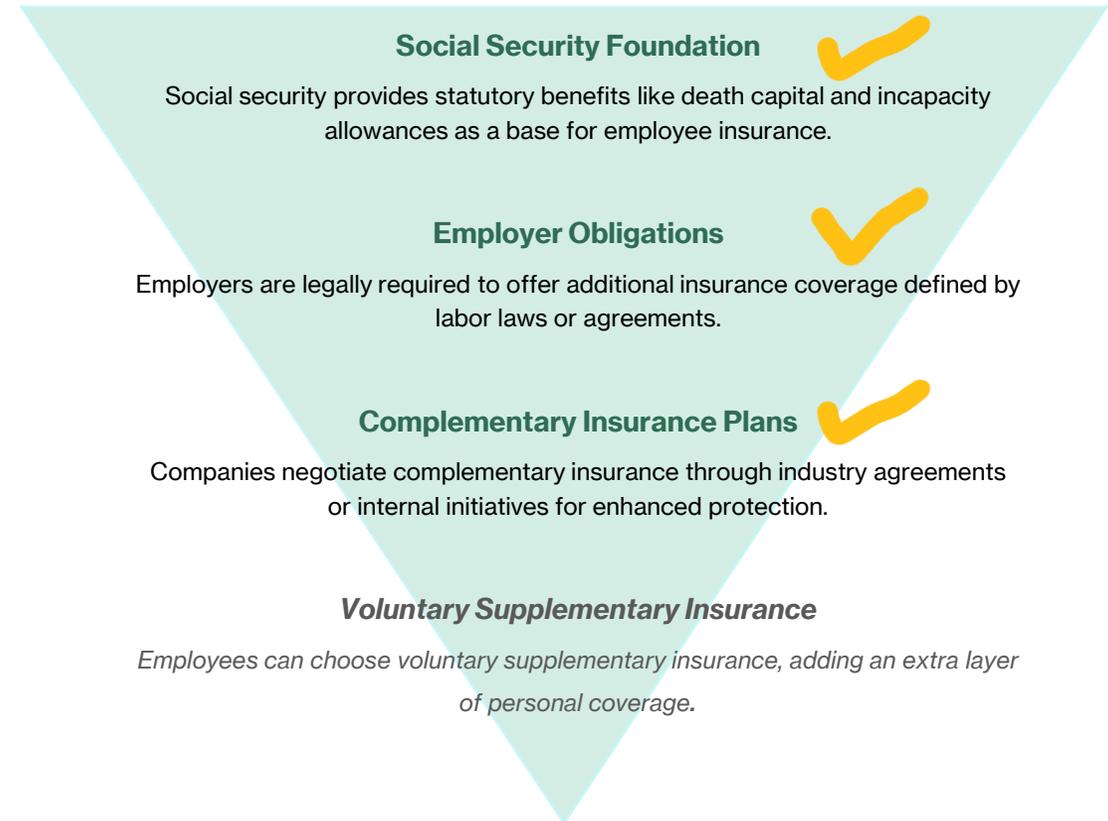


# Incapacity Benefits : complementary insurance plan

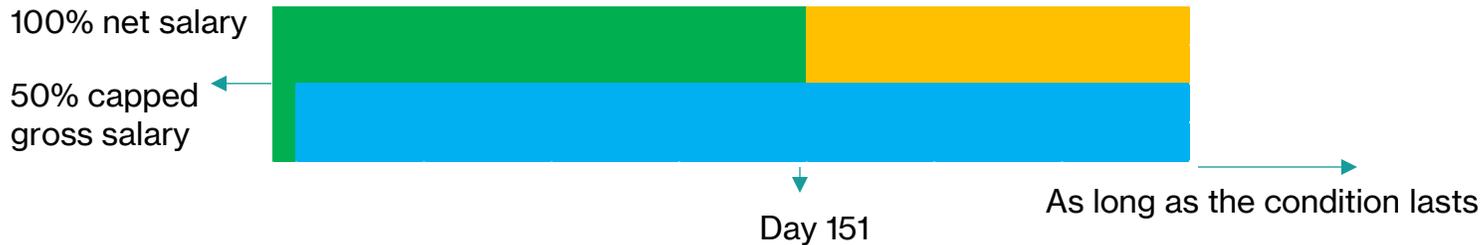


## The KLESIA plan :

- Is the result of a bargaining agreement between the Company and the Labour Unions
- Is funded 75% by Schneider and 25% by employees
- Is governed by a Joint Oversight Committee composed of 50% Schneider representatives and 50% Employees representatives
- **Provides 100% net salary** compensation to employees in a state of incapacity state for as long as the condition lasts, going beyond collective agreements and Labour law requirements.



## Example for a 12- year seniority employee, grade E



- Salary maintenance by Schneider
- Daily allowances by Social Security
- Complementary allowances by KLESIA

# Disability Definition and Legal framework



## **Invalidity Categories**

Invalidity is classified into three categories based on an employee's work capacity and need for assistance.

## **Pension Compensation**

Pensions are calculated from the employee's average annual salary during their best ten years, with statutory limits applied.

## **Corporate Insurance Benefits**

Corporate insurance may provide lump-sum payments and enhanced annuities to support long-term financial stability.

## **Employee Security**

These compensation measures ensure dignity and security for employees facing irreversible health challenges.

# Disability benefits



## Social Security :

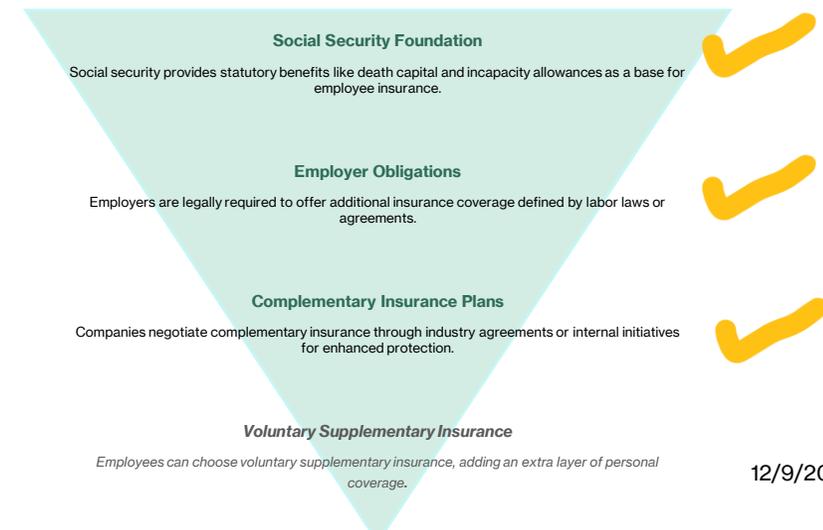
- **Limited benefits** (see table below) depending on the assessed level of disability
- Calculated on gross salary of the best 10 years of the career, capped at one Annual Social Security Ceiling
- **Payable until the age of 62** if the beneficiary is unemployed (transition to retirement) or later if the beneficiary continues working.



## Complementary insurance KLESIA :

- **Complementary allowances up to 100% of net salary** as long as the condition lasts
- No payment is made by Schneider except if the disabled employee works part time. In that case, the combined amount of salary and total allowances (Social Security + Klesia) cannot exceed the original salary.

CATEGORY	% OF SALARY	MIN MONTHLY	MAX MONTHLY
1st	30%	€335	€1,177
2nd	50%	€335	€1,962
3rd	50% + assistance	€335 + €1,288	€1,962 + €1,288



# Ways to get informed : <https://klesia-schneider-electric-prevoyance.fr>



# KLESIA

[Accueil](#) | [Klesia Schneider Electric](#)  
**Prévoyance** : a gold mine of useful and practical information !

Focus on a few sections :



[Accueil](#) > [Salariés Schneider](#) > [Practical documents - UK version](#)

## Practical documents – UK version

View all usefull documents in pdf format

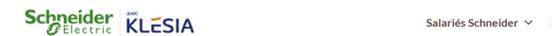
### DOCUMENTS TO DOWNLOAD

[Designating of Beneficiary - UK version](#) (.pdf 84 ko)

[Application to maintain death cover - UK version](#) (.pdf 213 ko)

[Presentation leaflet - UK version](#) (.pdf 463 ko)

[Information document - UK version](#) (.pdf 913 ko)



[Accueil](#) > [Salariés Schneider](#) > [Votre désignation de bénéficiaires](#)

## Votre désignation de bénéficiaires

En tant que salarié SCHNEIDER ELECTRIC, vous bénéficiez d'un contrat prévoyance permettant le versement de prestations en cas de décès.

### QUELS SONT LES MODES DE DÉSIGNATION ?

Il existe deux possibilités : la désignation contractuelle ou la désignation personnalisée.

- La clause contractuelle
- La désignation personnalisée

Si la clause contractuelle répond à votre volonté, **alors vous n'avez rien à faire**, elle s'appliquera de fait.

COMMENT RÉALISER VOTRE DÉSIGNATION DE BÉNÉFICIAIRES ?



# Appendices