End of the employment contract

	Definition	Notice period	Redundancy Legal Redundancy Payment (LLI) Conventional Redundancy Payment (ICL)	Tax and social security regime of the indemnity 2025 PASS value: €48,060	Return-to-work allowance (ARE) formerly known as unemployment benefit.
End of Employment Mutual termination	• It allows the employer and the employee on an Permanent Employment Contract / Open-ended Employment Contract (CDI) to come to a mutual agreement on the conditions for the termination of the employment contract between them. • It is possible under conditions and compensation. • A termination agreement must be drawn up. • It must be validated by the DREETS.	• No notice period but departure date as mutually agreed.	• At least equivalent to the more advantageous of ILL or ICL. • Employee can negotiate additional compensation with the employer • The employee receives the holiday pay (CPs), if he/she has not taken all the holidays earned at the date of termination of the contract.	• Tax-exempt up to the limit of the legal or contractual indemnity or 2 years' salary (or 50 % of the total indemnity) up to 6 PASS. • Exempt from social security contributions up to 2 PASS.	• The employee is entitled to the ARE. • Waiting period depending on the amount of the supra-legal severance pay received and the paid holidays. • MESE portability [1]
Resignation	• Allows you to terminate your permanent contract (CDI) on your own initiative. • The departure date is linked to the notice period. Abandoning one's post is no longer considered a resignation, so it is not covered by unemployment insurance and, above all, it is impossible to work in another company.	• The length of notice depends on the job group: 2 calendar weeks for A and B, 1 month for C, 2 months for D and E, 3 months for F to I. • Note: the employer can decide to exempt you from giving notice. • Taking paid leave (CP) during the notice period extends the end date of the notice period, unless the leave was requested after the resignation was submitted.	• No ILL (no severance pay) • Payment of untaken holiday days (CPs).	• Compensation of notice period, payment of CPs, non-competition indemnity are subject to income tax.	• Except in special cases, resignation does not entitle you to receive ARE • No portability from the MESE
Dismissal for poor performance	• The employer can invoke this reason to dismiss an employee who has not been able to carry out his task as stipulated in the employment contract (incompetence, professional unsuitability, errors, failures, disorganisation, insufficient or unusable work, lack of qualifications despite the employer's training efforts, etc.). • Minimum 8 months of uninterrupted seniority.	• The length of notice (1 to 3 months and up to 6 months for executives) depends on the job group, employee seniority and age. • Note: the employer can decide to exempt you from giving notice. • Taking paid holiday during the notice period pushes out the end date.	• The employee receives ILL or ICL • Payment of untaken CPs.	• Tax-exempt up to the limit of the legal or contractual indemnity or 2 years' salary (or 50 % of the total indemnity) up to 6 PASS and exempt from social security contributions up to 2 PASS	• The employee is entitled to the ARE. • Waiting period depending on the amount of the severance pay received in excess of the statutory minimum received and the paid holidays. • MESE portability [1]
Dismissal for unfitness physical or mental	• The employer does not have the right to dismiss an employee who has an accident/illness and who can no longer fulfil their role without having first tried to modify/adapt their role according to the recommendations of the occupational physician. • In some cases, it may be important to start the disability recognition process (see the Klesia insurance policy)	• No notice period and no compensation in lieu of notice	• The employee receives ILL or ICL. • Special compensation if the physical unfitness is of professional origin (accident at work/ occupational disease). • The amount of the special compensation is at least equal to double the legal redundancy compensation without any seniority condition.	• Exempt from income tax if the incapacity is of • professional origin.	• The employee is entitled to the ARE. • MESE portability [1]
Dismissal for serious or gross misconduct	• The employee's departure is immediate, without the possibility of executing the notice period or paying compensation (unjustified absences or abandonment of post, indiscipline, refusal to execute a task provided for in the contract, harassment, violence, insults, theft in the company, drunkenness in the workplace, etc.). • If the acts committed reflect a desire to harm the company and result in damage, the company may also claim damages from the dismissed employee.	• No possibility of working the notice period. • Not paid for it.	• No severance pay. • Payment of untaken CPs.	• The payment of CPs is subject to income tax.	• The employee is entitled to the ARE. • MESE portability [1] except if the dismissal is due to gross misconduct
End of Employment Due to Retirement	• An employee can decide to retire once he or she has reached the legal age. This voluntary departure is equivalent to a breach of the employment contract • on the employee's initiative, but does not constitute • a resignation or a conventional termination of contract.	• Contact HRBP at least 6 months beforehand to finalise your departure and at least 2 months before taking an ICDR in time. • Update your retirement file 12 months before.	• Retirement indemnities, provided that the pension is liquidated: ICDR (Capital or Annuity) and for some Article 39 (see page 26)	• Subject to income tax.	• Option to subscribe the MESE individual contract.

Final settlement statement: Employees have 6 months to challenge.
Dismissal disputes: Employees have 12 months to contest a dismissal.
Payroll errors: The employer may request reimbursement of amounts paid in error within a period of 3 years (Article L3245-1 of the French Labour Code).

(1) Upon presentation of proof of coverage by unemployment insurance (max. 1 year)