



NEWS LETTER

VALUE DISTRIBUTION

WHAT IS EVOLVING



The Value Sharing Bonus (PPV) enables employers to distribute a bonus under a preferential regime.

This device is set to undergo a new development in 2025.

1 WHO MAY BENEFIT?

Employees, apprentices, temporary staff, and corporate executives with an active employment contract:

- On the date of the signing of the act that establishes the bonus, or
- On the date the premium is paid.

The employer may withhold the bonus for employees whose compensation falls below a threshold established by the organization.

2 WHAT IS THE PAYMENT AMOUNT?

The bonus may be granted biannually.

The amount is determined at the employer's discretion and is adaptable based on:

- The compensation;
- The classification ;
- Seniority;
- The length of employment;
- The duration of actual presence over the past 12 months.

IMPORTANT

The bonus should not serve as a replacement for a salary increase or any component of compensation.

3 HOW TO OFFICIALLY PROCESS THE PAYMENT?

- Through a collective company agreement.
- Or through a Unilateral Decision of the employer (DUE) following consultation with the CSE, if applicable.

4 THE REMUNERATION

- Available in multiple quarterly installments.
- The employee may opt to allocate the bonus to an employee savings plan if put in place by the company.

5 FISCAL AND SOCIAL REGIME

✓ Amounts disbursed as PPV up to an annual cap of €3,000*

	Employees whose <u>annual</u> total gross salary is less than three times the annual minimum wage (< 64.864,80€).		Employees whose <u>annual</u> total gross salary is equal to or greater than three times the <u>annual</u> minimum wage (≥ 64.864,80€).
	Companies employing less than 50 individuals	Companies employing 50 or more individuals	All employers
For the employee	Gross = Net.	<ul style="list-style-type: none"> • CSG/CRDS (9.7%) • Income tax (Exemption applicable if the PPV is designated for an employee savings plan) 	<ul style="list-style-type: none"> • CSG/CRDS (9.7%) • Income tax (Exemption applicable if the PPV is designated for an employee savings plan)
For the employer		For organizations with 250 or more employees: social security contribution (20%)	For organizations with 250 or more employees: social security contribution (20%)

✓ Fraction surpassing the annual threshold of €3,000*:

No preferential treatment: Social security contributions and income tax are treated similarly to salary.

€6,000* for companies mandated to implement participation and an incentive scheme, companies with a participation scheme that are not legally obligated to do so, and specific associations and foundations acknowledged as being of public utility.

6 WARNING POINT EFFECTIVE JANUARY 1, 2025

The payment of a PPV represents one of the potential systems for employers with 11 to 49 employees, thereby falling under the obligation to establish a value-sharing system effective **January 1, 2025**.

The additional devices that can be mobilized are:

- Putting in place an interest or participation agreement;
- Contribution to an employee savings plan (PEE, PEI, Perco, or Pereco).



PLEASE NOTE: As of January 1, 2025, the bonus will be considered in determining the contribution exemptions available to the company (General Reduction in Employer Contributions).

Indeed, the exemptions for employer contributions that a company can utilize vary based on the income earned by each employee. As the income increases, **the contribution exemptions decrease**.

The incorporation of the PPV into the salary utilized for calculating the exemptions from employer contributions is likely to result in a decrease in these exemptions, thereby imposing an additional financial burden on the company.

In other words, by remitting the **PPV**—especially for employees whose **monthly salary** ranges from **€1,801.84** to **€2,882.94** — the company may forfeit specific exemptions from employer social security contributions, resulting in an **increase in the gross employer salary cost**.