



NEWS LETTER

VALUE DISTRIBUTION

WHAT HAS CHANGED



“Established for a **duration of five years** under the law of November 29, 2023, a new initiative mandates that small and medium-sized companies **must benefit their employees in the company's outcomes**.

1

WHO IS CONCERNED?

The companies listed below are impacted by this new obligation:

1 - Employing between 11 and 49 employees*

2 - and who achieve, for three consecutive financial years, a net taxable profit of at least 1% of their turnover.

In practice: this obligation now applies to companies that, in 2022, 2023, and 2024, have attained a net taxable profit of at least 1% of their turnover.



***Companies with more than 49 employees that are not yet mandated to establish a profit-sharing agreement are also impacted.**

2

WHICH ARRANGEMENTS SHOULD BE SELECTED?

Among the various value-sharing mechanisms, **companies may choose to:**

- profit-sharing;
- profit distribution;
- contribution to an employee savings plan (PEE, PERCO, etc.);
- the disbursement of a value sharing bonus (VSP).



Companies that currently utilize one of these value-sharing arrangements for the relevant financial year are not obligated to establish an additional arrangement.

3

WHEN TO EXECUTE IT?

The requirement to implement a value-sharing mechanism is applicable to financial years commencing on or after **January 1, 2025**.

This experiment is valid for a duration of **five years, commencing on November 29, 2023, and concluding on November 29, 2028**.

Our teams are readily available to assist you in the implementation of this new system.