



New social and wage measures for 2026: What you need to know

The following are the main measures of the Social Security Financing Act (LFSS), applicable from 1st January 2026:

- **Postponement of pension reform until 1st January 2028**
- **The gross hourly minimum wage has been raised to €12.02**, following a 1.18% increase, or €1,823.03 per month.
- **New formula for calculating general reductions in employer contributions**, renamed RGDU ("Réduction Générale Dégressive Unique", or Single General Degressive Reduction).
- **Increase in the employer's contribution** to contractual severance pay and retirement benefits: the rate will now rise from 30% to 40%.
- **Setting a maximum duration for work stoppages:** one month for the first stoppage, two months for a renewal.
- **With the entry into force of the new "additional birth leave"**, parents who are employed and have a newborn or adopted child will be able to take up to two months' leave in addition to maternity, paternity, adoption and parental leave. The Ministry of Health has announced that this leave cannot be taken before next July.
- **As of 1st January 2026, a new reason for fixed-term contracts (CDD) will be included in the Labour Code**, covering an employee's professional retraining period. (Article L. 1242-3, 5^o of the Labour Code in force on 1st January 2026), for a minimum period of 6 months (and up to 12 months, except for the acquisition of basic knowledge or skills, or a specific industry or company agreement providing for a longer period, up to a maximum of 36 months).
- **Increase of employer's contribution rate for old-age pension "assurance vieillesse déplafonnée"**, raised from 2.02 % to 2.11 %.



→ **Intern's minimum remuneration**, increases from €4.35 to €4.50 per hour.

→ **The LFSS for 2026 extends the flat-rate deduction for employer contributions on overtime to companies with more than 250 employees, effective 1st January 2026.** The flat-rate deduction for employer contributions per hour of overtime is €1.50 per hour of overtime for companies with fewer than 20 employees, and €0.50 per hour of overtime for companies with more than 20 employees.

Extension of exemptions:

- Maintenance of the possibility of covering 75% of home-to-work transport costs

Employers who cover up to 75% of their employees' public transport costs (i.e. above the mandatory 50% coverage) will continue to be exempt from social security contributions and income tax on this coverage for the year 2026. The employer's contribution only applies to travel passes (annual, monthly or weekly).

- Extension of tax and social security exemptions on tips

In force since 2022, the exemption from tax and social security contributions on tips paid will remain applicable on 1st January 2026. It applies to tips that are not taxed to customers and paid to employees (in contact with customers) whose monthly remuneration is less than 1.6 times the minimum wage (i.e. €2,916.85 gross in 2026).

Do you have any questions about social and legal developments in 2026?

We are, of course, available to discuss these topics with you.

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