

## The termination of an employment contract

**Terminating an employment contract carries, for the employee and the employer, rights and duties. Reforms have been carried out in France in recent years in order to make the system more transparent and more predictable for each party.**

### I. Terms of termination of an employment contract

The termination of an employment contract can have [several origins](#), including resignation, conventional termination (individual or collective), dismissal or a case of force majeure. During dismissal, the amount of [compensation](#) depends on the provisions in force (the employment contract or the collective agreement may provide for provisions which are more favorable to the employee), the reason (economic, personal or for incapacity) for the dismissal and the seniority of the employee.

### II. Severance and termination compensation

- In the case of a [conventional breakage](#), the employee on a permanent contract and his/her employer agree to define the conditions for termination of the contract. The Ministry of Labor is responsible for approving this agreement, most often by refraining from any response within 15 working days following receipt of the conventional termination. The compensation due depends on the employee's seniority and remuneration. The Ministry of Labor proposes a [simulator](#) to calculate it.
- This compensation cannot be less than the legal severance pay due in the event of dismissal for economic reasons, i.e. 1/4 of month of salary per year of seniority up to 10 years and 1/3 of month of salary per year of seniority from 10 years in the absence of more favorable provisions of the employment contract or the applicable collective agreement. A [simulator](#) from the Ministry of Labor is available to estimate this legal compensation.
- If, in the event of a dispute, the [Labour Council](#) judges that the dismissal has no [real and serious cause](#), it may propose that the employee rejoin the company with maintenance of acquired benefits.

When this reinstatement is refused by the employee or by the employer, the Labour Council sets, at the expense of the employer, compensation included, for companies with more than 10 employees, between the minimum and maximum amounts below, expressed in number of months of gross salary, according to the employee's seniority in the company.

Employee's seniority (in full years)	Minimum compensation (number of gross monthly wages)	Maximum compensation (number of gross monthly wages)
0	0	1
1	1	2
2	3	3.5
3	3	4
4	3	5
5	3	6
6	3	7
7	3	8
8	3	8
9	3	9
10	3	10
11	3	10.5
12	3	11
13	3	11.5
14	3	12
15	3	13
16	3	13.5
17	3	14
18	3	14.5
19	3	15
20	3	15.5
21	3	16
22	3	16.5
23	3	17
24	3	17.5
25	3	18
26	3	18.5
27	3	19
28	3	19.5
29	3	20
30 or more	3	20

● In certain specific cases, the compensation cannot be less than the last 6 months of salary and has no maximum amount set by law. These are cases of violation of a fundamental

freedom, moral or sexual harassment or discrimination: after legal action in matters of professional equality between women and men, after denunciation of a crime or offense or in violation of the provisions concerning certain employees (having a union mandate, being pregnant, benefiting from leave linked to the birth or adoption of a child or being victims of an accident or occupational illness).

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More information:

Labour code (in French): <https://code.travail.gouv.fr/>

Work and Training : <https://www.service-public.fr/particuliers/vosdroits/N19806?lang=en>

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