

Tax - Payroll Guide - Free shares / RSU

France	
Tax points	<p>Grant: No income tax. No social security.</p> <p>Vesting: Income tax (plus exceptional tax surcharge), CSG and CRDS and social security.</p> <p>Transfer to participant: No income tax. No social security.</p> <p>Sale by participant: Capital gains tax (plus exceptional tax surcharge). No social security.</p>
Income tax (maximum rate)	45% (2025) plus exceptional tax surcharge and social taxes. Any change in tax rates usually takes effect from 1 January.
Income tax rates	<p>Income tax rates are progressive up to 45%.</p> <p>Exceptional tax surcharge: an exceptional tax surcharge of 3% or 4% is imposed on the income of high earners. The 3% rate is levied on income over EUR250,000 for a single person or EUR500,000 for a married couple, and the 4% rate is levied on income over EUR500,000 for a single person and over EUR1million for a married couple.</p> <p>Differential tax for high earners: individuals whose income is over EUR250,000 for a single person or EUR500,000 for a married couple, should be taxed at a minimum of 20%. This new rule applies for revenues earned in 2025 onwards. A first down payment is due to be paid between 1 December and 15 December 2025, the balance will be paid during Spring 2026.</p> <p>CSG and CRDS: in addition, social taxes, CSG (<i>Contribution Sociale Généralisée</i>) and CRDS (<i>Contribution au Remboursement de la Dette Sociale</i>) are levied on gross income. Although a separate tax on income, the social taxes (sometimes called social surcharges or social contributions) are subject to employer withholding along with social security. Separate rates apply to employment income and investment income.</p>
Employer income tax withholding	Yes
Employer social security withholding	Yes, the employer must withhold CSG and CRDS, and the employee social security contributions.
Employee social security	<p>Employee social security (max rate): the average standard rate is between 21.55% to 23% of the gross gain (including 9.2% CSG and 0.5% CRDS). Some contributions are capped, so the average effective rate decreases progressively. Most of the employee social charges (except 2.4% CSG and 0.5% CRDS) are deductible when computing the employee's income tax liability. Rates and caps are currently unchanged for 2025.</p>

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	<p>Employee social security (cap): various caps apply to contributions. Any amount in excess of the annual threshold (EUR376,800 for 2025) is subject to an uncapped rate of 10.10% (including CSG and CRDS) of the gross compensation.</p>
Employer social security	<p>Employer social security (max rate): the average social security contribution rate is between 45% and 50% of the gross gain. Remuneration paid by financial institutions is also subject to a tax on salaries (between 4.25% and 13.60%). The employer social security contributions are deductible for corporate income tax purposes. Rates and caps are currently unchanged for 2025.</p> <p>Employer social security (cap): various caps apply. Any amount in excess of the annual threshold (EUR376,800 for 2025) is subject to an uncapped rate of 25%.</p>
Tax reporting - Individual	<p>The individual has an obligation to report all taxable income received during the year (including any taxable amount from a share plan, dividends received and any taxable capital gain) to the French tax authorities. PAYE withholding applies to most employment income but employees are responsible for paying any tax due on income from tax-qualified shares, which are not subject to PAYE withholding.</p> <p>Report name: the individual must file an annual French income tax return, Form 2042 (if applicable, the individual should also file Form 2047 for foreign income and Form 2074 for capital gains) generally by mid-May of the following year. Tax returns are filed jointly and the taxable income will be calculated based on marital status and the number of dependent children. If withholding has not been applied to dividends received by the individual, they are required, within the first 15 days of the month following the date of receipt, to report the dividends on form 2778-DIV-SD and to pay the withholding tax. The individual must report foreign shares (but not conditional rights to receive foreign shares) and bank accounts on Form 3916.</p> <p>All income returns must be filed electronically (for taxpayers with internet access). The tax return and other tax forms can be downloaded from the website here.</p> <p>Tax period: 1 January to 31 December.</p> <p>Reporting deadline: the income tax return filing date changes each year but is between mid-May and early June for income received during the previous tax year. Time extensions are available for online filing.</p> <p>Payment of tax: any additional taxes due must be paid following the issue of a final assessment issued by the tax authority, generally between September and December.</p>

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Tax reporting - Employing company	<p>The employer is required to report taxable income on the employee's payslip for the month in which the taxable event occurs and to withhold income tax and social security contributions (including CSG and CRDS) and pay the withheld amounts to the French tax authorities. To comply with the withholding obligations, foreign companies employing French tax residents directly (rather than through a French subsidiary) must register with the French tax authorities and may be required to appoint a withholding tax agent and set up a bank account in the SEPA zone (EU/EEA, Monaco, San Marino and Switzerland).</p> <p>Additional reporting obligations apply to tax-qualified incentive plans which are not subject to withholding.</p> <p>Report name: the monthly wage tax return, <i>Déclaration Sociale Nominative</i> (DSN). Tax-qualified options granted or exercised, and qualified free shares granted or vested, are also reported in the DSN.</p> <p>DSN returns are filed online. The DSN return can be downloaded from the website here.</p> <p>Reporting deadline: filing deadlines apply to the month following the relevant monthly payroll (references to employee numbers are to employees of the French employer):</p> <ul style="list-style-type: none"> • for employers with 50 employees or more: the DSN must be filed by the 5th day of the month; • for employers with fewer than 50 employees: the DSN must be filed by the 15th day of the month. <p>Payment of tax: most employers pay tax and social security monthly (for the previous month). The due dates are:</p> <ul style="list-style-type: none"> • for employers with 50 employees or more: tax and social security must be paid by the 8th day of the month; • for employers with fewer than 50 employees: tax and social security must be paid by the 18th day of the month; and <p>employers with fewer than 11 employees, have the option to pay taxes on a quarterly basis.</p>
Malus and clawback - Tax points	<p>The existence of a malus or clawback clause does not affect the tax point for the individual.</p>