

Re-employment assistance reform

This assistance currently enables the employee who finds a job that pays less than the previous one to receive the difference up to 90% of his former salary up to a certain maximum (3.5 times the minimum social wage) for the first 48 months following the start of the new job.

The purpose of this new legislation is to put an end to the abuses observed on the matter in recent years. It has been noted in fact that in quite a number of cases, the re-employment assistance paid monthly exceeds the minimum social wage, and even the new salary paid by the employer. More specifically as regards qualified, well-paid jobseekers, the practice showed that the re-employment assistance had been diverted from its initial purpose and had assumed the form of a wage subsidy.

Henceforth, the re-employment assistance cannot exceed half of the salary paid by the new employer. The period of the re-employment assistance is fixed at 4 years maximum.

The Act of 8 April 2018 also added additional conditions for the jobseeker, namely that he:

- does not receive early old-age pension, old-age pension, tideover allowance, professional tideover allowance, or full pension;
- is not the holder of an authorization for establishment of the company where he is employed;
- does not hold the position of manager, director, or managing director of the company or non-profit association where he is employed;
- does not hold a stake in the company, which is not listed on the stock exchange, where he is employed;
- has not already worked for the undertaking or economic and social entity in the five years prior to the employment relationship for which the reimbursement of social security contributions is requested;

These conditions are similar to those introduced by the Aids for the Recruitment of Older Unemployed Persons Act of 20 July 2017.

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