



# SOCIONEWS



LAW

## THE NEW PROGRESSIVE PENSION

The pension reform, implemented by the law of 19 December 2025, introduced a new progressive pension scheme, which came into force on 1 January 2026. Although it is semantically similar to the progressive early

retirement scheme, the progressive pension is a separate measure, subject to specific criteria and linked to other conditions than early retirement.

### 1. THE BENEFICIARIES OF THE PROGRESSIVE PENSION

It should first be noted that the progressive pension is not a genuine right of the employee, but is subject to the prior agreement of the employer. Employees must be granted a reduction in working hours of at least 25% of their previous working hours by their employer, without the remaining working hours being less than 16 hours per week.

Furthermore, unlike the progressive early retirement scheme, a progressive pension can only be granted to insured persons when they are also entitled to an early old-age pension, and not three years before that date.

To be eligible for the progressive pension, employees must also prove that they have worked at least 75% of full-time hours during the three years preceding their admission to the progressive pension scheme.

### 2. THE APPLICATION

Before applying for a reduction in working hours with a view to taking progressive pension, employees must obtain a certificate from the National Pension Insurance Fund (CNAP – Caisse nationale d'assurance pension) indicating the date on which they become eligible for early old-age pension.

The time required to issue such a certificate depends on the insured person's career and the availability of the information needed to determine this date .

The employee must then submit their request for a reduction in working hours to their employer, either by registered letter, by hand delivery to the employer or their



representative, or by email, all with acknowledgement of receipt, at least four months before the desired start date of the change. Their request must be accompanied by the certificate issued by the CNAP.

The employer must respond to the employee's request within one month .

To be eligible for progressive pension, and for any subsequent reduction in working hours, the employee must send the amendment providing for the reduction in

working hours to the CNAP at least two months before the planned implementation of the reduction. The CNAP shall inform the employer and the employee of their eligibility for the progressive pension no later than one month before the planned implementation of the reduction.

If the competent pension fund refuses to grant eligibility, the amendment shall be considered null and void.

### 3. THE PROGRESSIVE PENSION BENEFIT

Employees eligible for progressive pension receive, in addition to their salary reduced in proportion to the hours worked, a progressive pension benefit. This benefit corresponds to the product of the early old-age pension accrued (increased by the monthly end-of-year allowance) and the rate of reduction in working hours agreed with the employer.

#### EXAMPLE

*Jean-Martin earns a monthly salary of 5,000 euros. If he took early old-age pension, he would be entitled to a pension of 3,000 euros (including monthly end-of-year bonus).*

*If Jean-Martin reduces his working hours by 40% in view of his progressive pension, he will continue to receive:*

*$(1 - 40\%) * 5,000 = 3,000$  euros as his monthly salary, and  $40\% * 3,000 = 1,200$  euros as his progressive pension benefit.*

The progressive pension benefit, as well as the related social security contributions and taxes, are paid by the employer to the employee, with the employer being reimbursed monthly by the CNAP.

At the employer's request, the CNAP may agree to pay the progressive pension benefit directly to the employee.

In terms of social security and taxation, the progressive pension benefit is treated as an early old-age pension. For tax purposes, this means that a second tax card is issued, while for social security, it means that the same social security contributions are deducted as for an old-age pension, i.e. the contribution for health insurance in kind (2.8%) and the long-term care contribution (1.4%).

### 4. THE END OF THE PROGRESSIVE PENSION

Entitlement to the progressive pension benefit shall automatically cease:

- from the date on which the conditions for entitlement to an old-age pension from the age of 65 are met;
- from the date on which the employee, at his request, becomes eligible for an early old-age pension or an invalidity pension;
- on the date of the employee's death;
- on the date on which the employee takes up or resumes an activity exceeding the working hours set out in the amendment agreed for the purpose of admission to the progressive pension; or

- from the date on which the employee takes up or resumes another activity that provides him with income that, over a calendar year, exceeds half of the minimum social wage applicable to the employee concerned per month.

In the case of an employee who has been made redundant as part of a collective redundancy, dismissed for reasons not related to their personal conduct, or whose employment has been terminated by operation of law, the CNAP is responsible for paying the progressive pension allowance directly.