

Moving to France – How do the recent healthcare changes affect you ?

So what has changed ?

Previously all EU expatriates relocating to live in France were eligible to join the French healthcare system. However since the 23 November 2007 this has changed and if you are not officially retired, not planning to work, or don't have the appropriate documentation to show your healthcare costs are being covered by your previous country of residence. You will not be allowed to join the system until you either reach state retirement age or have lived in France for five years, and until then you will be required to hold private health insurance.

Why ?

This is a translation of the official statement by the French Government on the subject taken from www.securite-sociale.fr -

Like other EU countries, France is obliged to conform to the EU directive no. 2004/38/CE of April 29, 2004, which fixes rules relating to residence rights for EU citizens.

These rules have a direct bearing on CMU affiliation in France. This directive was transposed into French law by the July 24, 2006 law on immigration and integration, then by the March 5, 2007 decree. This transposition was also completed by the March 5, 2007 law on lodging rights in order to address the situation of those who have come to France to seek work. Finally, the November 23 Social Security Directorate circular no. DSS/DACI/2007/418 completes the transposition of the directive by clarifying certain points concerning access to the CMU. This takes effect from November 23, 2007.

So what do you need to do if you are moving to France now...

As part of the changes new arrivals who are not eligible to join the French healthcare system will be expected to register with their *mairie* within 3 months of arriving permanently in France, to provide evidence that you have the financial resources to live here, and evidence of personal medical insurance i.e. either an E106/E121 or private medical insurance.

One of the first things you should do if you are making a move from the UK to France is to contact the Department of Work & Pensions (+44 191 218 1999) to find out if you are eligible for an E106. The duration of cover an E106 will give you is based on the level of National Insurance contributions you have made over the past two complete UK tax years, but the maximum cover it will provide is two years.

After the cover provided under the E106 has expired if you are not yet at state retirement age, and therefore eligible for an E121 from the UK to continue your cover in France you will need to purchase private healthcare until you have either been resident in France for at least five years or you reach state retirement age.

Why do you get access to state healthcare after five years?

Because after five years or more of uninterrupted legal residency in France a person gains the 'permanent right of residence' under France's *Code de l'Entrée et du Séjour des Etrangers*, but to prove you have lived here legally for this time you will need have official documents such as tax statements and utility bills.

What should I look for if I do need private health insurance

Rebecca Gaywood of the Exeter Friendly Society who have been providing and underwriting private healthcare policies for eighty years gives the following words for consideration:

- Make sure the Insurance provider you choose is fully regulated, if they are UK based this would be the FSA
- Read all of the small print in the policy wording paying particular attention to standard rules, benefits and exclusions
- Check any benefit limits/restrictions, especially when 'full refund' applies to benefits, also if there are any compulsory excesses and whether these excesses apply per claim or per year.
- Some policies include 'no claims discounts' and so it is best to check how these affect your initial premium and premiums payable in the future as and when a claim is made.
- Ensure any personal exclusions imposed are clear and concise so you know what you are covered for and what you are not covered for before making any claims.
- It is always useful to check claims procedures and whether direct settlement to medical providers is available.

As you can imagine costs will vary enormously due to age and circumstance, but you are unlikely to be looking at less than 2,000€ a year. And if you have a pre-existing medical conditions private insurance may be difficult to obtain as most private insurance companies do not usually allow such conditions to be covered. However, under the new legislation it could be possible to appeal to the CMU for access as long as you can provide evidence you have been unable to obtain private cover in due to this condition.

What if I develop a serious medical condition after I have moved to France ?

If you develop a serious medical condition and/or your life changes in a way that you did not expect when you moved to France you should, in theory, be able to appeal to be allowed into the French healthcare system. At the moment, how an appeal is viewed is open to interpretation and down to regional CPAM offices. It may well be that over time a procedure to determine the criteria for affiliation is introduced, but currently this is not the case.

What if you started working after your initial cover had run out to give you access to CMU ?

To give you an idea of what the minimum requirements are for an employee you must have worked at least –

- 60 hours per month
- or 30 consecutive days
- or 120 hours in salaried employment during three consecutive calendar months
- or three months start date to finish date
- or you must have worked 1200 hours in salaried employment during one calendar year (the latter will get you two years cover).

Self-employed is less complicated because there is no minimum income so in theory you can register as an *Entreprise Individuelle*, earn no money and only pay your healthcare contributions which are about 1,300€ a year and will enable you to obtain a *carte vitale*. However while this option could work for a limited time frame in the long-term you may be seen as committing fraud, and you need to take into account the cost of registration and the continuing costs of being self-employed (legal, accountancy, business taxes) which in France are significant so you would have to add these costs onto your health social charges.

Another option to consider could be the new 'Auto Entrepreneur' scheme which was set up at the beginning of 2009 to make setting up a business easier. Unlike the 'Entreprise Individuelle' system where you pay social charges based on an estimated income, with the 'Auto Entrepreneur' you pay tax and social charges as you earn either monthly or quarterly. The level of tax & social charge contributions depends on the type of business you set up, but for example if you were running a Gite you would pay 12% Social Charges & 1% tax i.e. a single payment of 13% of your turnover which is limited to €80,000 to benefit from the scheme. See the following link for more information - http://www.pbss-uk.com/AEGuide_March2009_EN.pdf

This information is only provided as a guide and, if you need assistance in this area you are strongly advised to seek the help of a specialist in this field as each individual case is different.

If you have a question, want to arrange for a free financial review or just want further information I can be contacted on +33 (0)325461631, via my website www.financialexpat.com or via e-mail steven.grover@spectrum-ifa.com

Spectrum IFA Group company TSG Insurance Services Sarl is registered and licensed in France."
TSG Insurance Services S.A.R.L.
Siège Social: 34 Bd des Italiens, 75009 Paris
« Société de Courtage d'assurances » R.C.S. Paris B 447 609 108 (2003B04384)
Numéro d'immatriculation 07 025 332 - www.orias.fr