

Home services

What are home services ?

They are defined by a decree that lists all of them. They can be classified into three categories :

- services for old or handicapped people to be independent at home
- services for children
- services for people who want to spend more time with their family, for hobbies or work

Last changes of the industry

The Government has helped home services for many years as a way to fight unemployment. Since 2005, home services are seen more as services that satisfy a real and growing demand from customers.

=> From an employment policy..

Paying for a home service entails fiscal and social benefits that favour declared work against illegal work. The main part of the industry is hidden, because of illegal work. The purpose of this policy is to make declared work cheaper than illegal work. The first is tax deduction. Half of the money spent is given back as tax reduction.

If a family employs homeworkers by itself, it can benefit from fixed contributions calculated on minimum wage (SMIC). If you pay someone 20€, you calculate contributions on 8,44€.

The first « chèque emploi service » was created to make the employment of employees by families easier. It was like a simplified work contract and the Administration calculated the contributions.

The first « titre emploi service » was based on the « ticket restaurant » principle with a part paid by the employer.

Authorized enterprises and associations that sell home services benefit from lower social contributions (about 30 % instead of 50 %) et lower VAT - value added tax (5,5 % instead of 19,6%).

All these policies fight illegal work, increase the consumption of home services and create new jobs by boosting the industry with public funds. They reduce the price of services and increase their access.

=> ... to a service policy

In 2005, the Borloo's law introduced new strategy for developing the home service industry.

The employment policies are maintained and reinforced. The benefits of tax deductions are extended to people who don't pay income tax. They get a cheque for half of the money spent on home services.

To « Chèques emploi service » and « Titres emploi service » is added the « Chèques emploi service universel », the CESU. In fact « Chèques emploi service » are found in banks: « Chèques emploi service universel » (CESU bancaire) and « Titres emploi service » become pre-financed « Chèques emploi service universel » (Chèques emploi service universel préfinancé).

The Borloo law confirms the evolution of the relationship between consumers and home services. The mindsets have changed and home services meet a higher demand of quality of life, of women's professional activities and an alternative to hospices for taking charge of old people. That points out the necessary of increase the quality of home services and the concordance with consumers demand.

The industry tends toward structuring itself. Large organisations develop their own trademark, as for example Serena that federate Caisse d'Epargne, MACIF, MAIF and MGEN. Enterprises ask to be referenced by the trademark.

Federations of enterprises or associations like ADMR or Coorace, do lots of efforts to train their employees and develop skill management.

The different systems : advantages and drawbacks

=> Illegal work

This is the main system in the home services industry, in spite of the high cost of this system and the unsecured quality of the performance.

=> Direct employment

This is a minor system. Families recruit, employ and manage alone a homemaker. This requires knowing precisely the required skills and managing a few techniques of recruitment, management of employee and administrative formalities. The family is alone to take charge its employer's responsibilities.

=> Simple licence and higher licence

Associations and enterprises have to be authorized by the Government for their customers to benefit from tax and social benefits.

Part of services requires a higher licence. These are services for children under three to people over sixty and to handicapped people. They are supposed to be weaker than others. So the government verifies that the organisations have the skills and the processes to guarantee a quality service.

For the other services, the government verifies that the organisation abide by the law, notably its work contracts and its business contracts.

It is possible to sell home services without a licence, except for activities that require a higher licence.

=> Delegated service
(service mandataire)

Delegated services require a licence, or risk prosecution for illegal trade of labour force.

In this case, the family is still the employer of the homemaker but it depends on specialists that are mandated to recruit and to manage employees, to make all administrative formalities and to settle salaries and contributions. The family doesn't sign work contracts or take disciplinary actions.

This system is very cheap because the family keeps the advantages direct employment (lower contributions) and VAT is calculated only on the licensee's earnings.

While the licensee's credibility depends on customer satisfaction, the family keeps its employer responsibility. So this system is efficient if the family is able to assume these responsibilities or if the service doesn't require high quality guarantees.

For example it is suited for an active family for housework or evening lessons. But it is inadequate for old people who need to delegate all responsibilities to a provider.

=> Provider service
(service prestataire)

The provider is the employer of the homeworkers and it sells an all-in-one service. The customer doesn't take care of anything but verifying the quality and paying a single bill.

In terms of security, this system guarantees the service's quality, because the provider commits to results whereas the delegate commits to resources available for the customer.

The problem is that this system is the more expensive, because families can't benefit from lower contributions and the VAT is calculated on all the costs including salaries and contributions.

It is useful when the customer wants to simplify procedures or when high quality performance is required.

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