

Higher compensation for layoffs in France?

Arbeitsrecht



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By capping claims for damages in the event of unfounded layoff, the French government has created more legal certainty for employers with its major labour law reform in autumn 2017 (more on this [here](#)).

In practice, the legal cap has led to the pleasing result in France that labour disputes have been significantly reduced. In a first ruling in December, [the Troyes Labour Court](#) declared this capping table invalid and awarded the employee higher damages.

Since then, the Labour Court of Amiens (on 19 December 2018) and the Labour Court of Lyon (on 21 December 2018 and on 7 January 2019) have also refused to apply the capping table, also founded of international law provisions.

It now remains to be seen how the Courts of Appeal and, above all, the Court of Cassation will decide on this issue.

One thing is certain: Employees who have been dismissed will rely on this new case law and it can also be assumed that other French labour courts will not apply the statutory limitation of employees' claims for damages in case of dismissal.

Practical advices:

- There is some evidence that employees will continue to agree to an amicable settlement of the dispute.
- If an employee relies on the new case law and asserts higher compensation claims, it will be possible to object with the judgement of the Le Mans Labour Court of 26 September 2018, which decided the exact opposite and considers the cap to be effective by international standards.
- As long the law provides the cap, the liability of the state could be invoked.

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