



THE FAMILY BRANCH OF FRANCE'S SOCIAL SECURITY SYSTEM

ENGLISH



The Family Branch of the French Social Security system was created in 1945 and is one of the five components of the general Social Security system alongside Health, Occupational Risks, Old Age, and Collections.

It plays a major role in France's family policy and is allocated approximately 4% of the country's GNP ⁽¹⁾, which is one of the highest rates worldwide.

32 million people, or nearly half the French population, are currently receiving Caf benefits.

In the aftermath of World War 2, its goal was to improve families' living conditions, to help them access quality housing, to bring down income inequality (means-tested benefits) and to support demographic recovery (the baby boom).

The Family Branch of the French social security system currently has two priority goals:

1. **To improve families' daily lives** and, most especially, to help them balance work and family obligations;
2. **To strengthen the solidarity system for the most vulnerable individuals**, including those with disabilities.

It fulfills these goals through two programs:

- **Paying financial benefits to families** (family and social security benefits, housing benefits and minimum-income support such as the disabled adult allowance and active solidarity income (RSA));
- **Supporting families** and setting up or cofinancing various family-oriented community facilities and services (such as daycare centers).

It is designed to offer a complete range of services where families live while combating local and social inequalities.

(1) In addition to Family Branch expenditure, this figure includes State spending (a pro-family tax system that factors in a family quotient and tax breaks for child-related expenses), local government spending (mother-and-child protection services, family services financing, etc.) and Health insurance branch spending on daily maternity and paternity leave benefits. This figure does not include free preschool, which is mandatory from age 3, or free healthcare coverage for children.

The family branch in numbers*



- Number of people receiving at least one benefit: **12.7 million**
- Number of people covered: **32 million** (nearly half of all residents)
- Total benefits paid: **90.2 billion euros** including 5.7 billion euros in expenditure by the National Social Action Fund (Fonds national d'action sociale)
- Number of Family Benefits Funds (CAFs): **101**
- 3,230 Caf** satellite locations
- Number of employees: **32,700**
- Overall user satisfaction rate: **87.9%**

*Numbers 2018

THE FAMILY BRANCH'S ORGANIZATION AND RELATIONS WITH THE STATE

France's family branch consists of a countrywide network of 101 local family benefits funds ("Caisses d'Allocations Familiales"/Caf), plus a National Family Benefits Fund (Cnaf) in Paris.

Every five years, the National Family Benefits Fund signs an "Agreement on Objectives and Management" (Convention d'objectifs et de gestion (Cog)) with the government. The COG sets target goals along with the indicators to assess if they have been met. It also determines the budget allocated to the local and national family benefits funds and the target growth rate for social welfare expenditure.

The current Cog covers the 2018-2022 period. This Agreement on Objectives and Management addresses each local Family Benefits Fund individually, taking account of its particular circumstances and local specificities.

Every year, the Family Branch's budget, which covers family benefits payments as well as the costs of Caf-level social programs, is voted on by the French parliament as part of France's Social Security financing law.

The Cnaf's and Cafs' legal status

France's local family benefits funds are private institutions which perform a public service.

Each of these funds has a board of directors made up of employers' representatives, employees' union representatives, family associations, and other qualified individuals.

The National Family Benefits Fund (Cnaf) is a State-administered public institution. Like the Cafs, it has a board of directors. It manages and coordinates the Caf network and is in charge of liaising with the State.



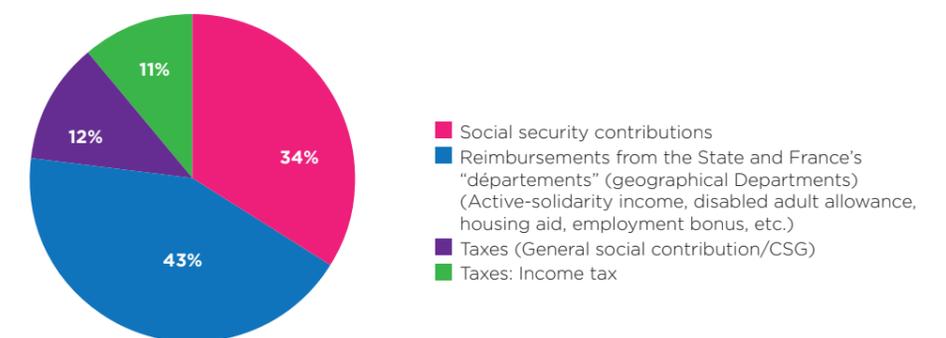
THE FAMILY BRANCH'S FINANCING AND EXPENDITURE

France's local family benefits funds (Caf) pay 90.2 billion euros in benefits, 43% of which is on behalf of the State and France's "départements" (geographical "Departments"), which reimburse them for this expenditure.

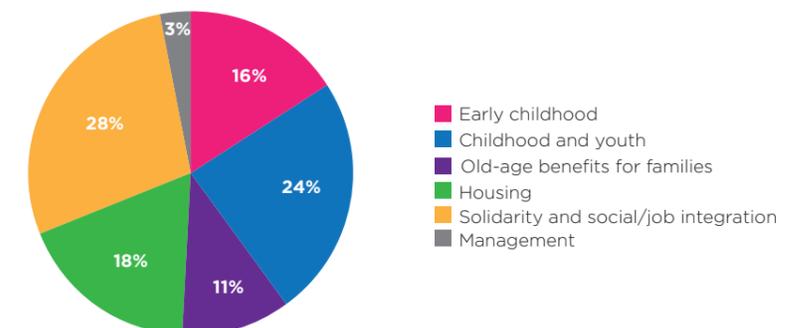
Family branch management costs amount to approximately 2% of all benefits paid and come to 3% of the Branch's expenditure.

The Family branch is financed by employers' contributions, taxes, and the reimbursement of certain benefits that it pays on behalf of the State (aid to disabled adults, housing aid for households without children, and the employment bonus ("prime d'activité") or for France's "départements" (geographical "Departments") (Active-solidarity income).

Family branch income in 2018



Family branch expenditure in 2018



FAMILY BENEFITS

Family benefits are paid to families residing legally in France, regardless of their nationality or marital status (married, in a civil union, in a common-law union, cohabiting as a couple or living alone).

Their child(ren) must be under the age of 16, or under 20 if they are dependents, or under 21 for housing assistance and assistance for large low-income families (family supplement).

Families can be eligible for more than twenty benefits depending on their family situation and their income:

- **All parents** with at least one child (in France's overseas Departments) or two children (in metropolitan France) are paid family benefits (the amount of these benefits depends on their income).
- **For parents of children under 3 years old⁽¹⁾**: the early childhood benefit program (Paje) helps parents if they stop working, reduce their working hours or pay for child care;
- **Low-income parents** with at least three children receive special assistance (the family supplement);
- **Specific assistance** is paid to parents of children with disabilities or serious illnesses;
- Other benefits are more narrowly targeted. These include the back-to-school benefit (paid once per year to help parents on the lowest incomes afford school supplies) and the family support benefit, which is paid to single parents who are not receiving child support from the other parent⁽²⁾.

(1) Under age 6 in specific cases.

(2) The Cafs are playing an increasing role in collecting back unpaid child support.

France's families

67 million inhabitants.

29 million households and **8 million** families with at least one minor child.

Birth rate: **1.88 children** per woman (Europe's highest, ahead of Sweden and Ireland);

- on average, parents would like to have **2.4 children**: France has one of the highest figures in Europe, behind Cyprus, Ireland, Estonia, and Slovenia.;

- France is the country in which the desired number of children is closest to the actual birth rate.

Average age at childbirth **30.6**

Births out of wedlock: **60%**.

Children born to couples:

- French citizens **75%**
- Mixed couples (one French citizen and one foreign parent): **15%**
- Foreign: **10%**
- Three quarters of children under the age of 18 live with their father and mother.

23% of families with a child under the age of 18 are single-parent families.

Families with minor children:

- 1 child: **45%**
- 2 children: **38%**
- 3 children: **13%**
- 4 or more children: **4%**

Employment rate for women aged 15 to 64: **62%**

- With one child under age 6: **72%**
- With 2 children, at least one of whom is under age 6: **70%**
- With 3 children, at least one of whom is under age 6: **48%**

Rate of part-time employment for women: **30%** (39 % in Sweden, 45% in Germany, and 76% in the Netherlands).

Sources : Data for 2017 and 2018 - Insee (French economy tables for 2019), Eurostat 2018



HOUSING AID

More than six million households receive housing aid (this covers more than 13 million people).

Housing aid is awarded to pay a part of housing expenses for people with the lowest incomes. The amount varies by housing type and location as well as by household income and composition. It is calculated according to a national scale and simulations can be done online on www.caf.fr.

Caf housing aid serves three purposes: access to housing and helping to keep it, preventing evictions, and ensuring decent living conditions. This policy is carried out through the use of housing aid and the involvement of social workers.

ASSISTANCE FOR THE MOST DISADVANTAGED AND SOCIAL INCLUSION

The Family branch administers two minimum-income benefits along with an income supplement:

- **The disabled adult allowance** (“Allocation aux adultes handicapés”/ (Aah). This is awarded to more than a million people over age 20 who have a disability severity rating of at least 50% and few financial resources.
- **Active solidarity income** (Rsa). This benefit currently has 1.8 million beneficiaries and is awarded to people with no income or a very low income and aged over 25 (or under 25 if they are expecting a child or have at least one dependent child). The amount of the award is also determined by the claimant’s family circumstances. The claimant signs a “social reintegration contract” or a personalized “return to employment project” with an assigned mentor with whom s/he will meet regularly.
- **The employment bonus** (“Prime d’activité”) is awarded as an income supplement to low-wage employees over the age of 18, regardless of their family circumstances. There are currently 4 million employment bonus beneficiaries as of 2019.

In this context, the Family branch also works with France’s “departments”(1) to provide social assistance to certain families, particularly single-parent families (who make up more than one third of Rsa beneficiaries).

CAF SUPPORT FOR SINGLE-PARENT FAMILIES

France’s family benefits funds (Cafs) pay a family support allowance (“allocation de soutien familial”/Asf) to parents who are not receiving or are only receiving a portion of the child support they are owed by the other parent. They also award a supplementary allowance to single parents whose child support award is low.

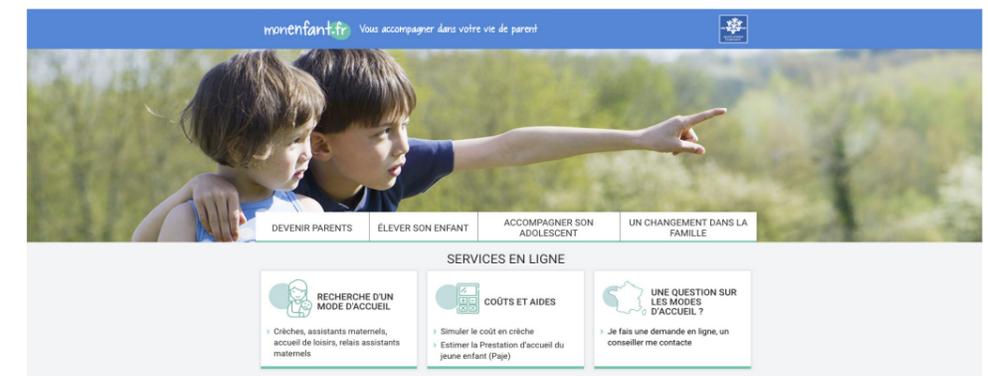
They administer France’s national unpaid child support collections agency (Aripa) and help to finance family mediation sessions and parent-child meeting areas to help maintain ties between separated parents and their children.

(1) The départements (General Councils) are in charge of providing social assistance to active solidarity income beneficiaries, with the help of the Cafs and “Pôle emploi” employment offices to facilitate a return to work as quickly as possible.

THE CAFS PLAY AN ESSENTIAL ROLE IN FRANCE’S EARLY CHILDHOOD POLICY

The Family branch works hands-on locally (with local communities, associations and businesses) and is a major contributor to France’s early childhood policy for children under 3:

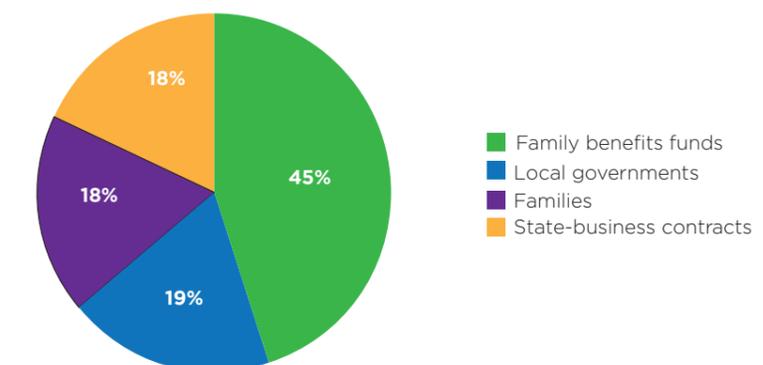
- It contributes to daycare centers’ investment and operating costs;
- It signs **development contracts** with local governments and businesses;
- It pays a **“free choice of childcare”** supplement (statutory family benefit) to parents who use alternatives to daycare centers (crèches); particularly registered childminders but also in-home employees;
- It runs an **early childhood services observatory** (Observatoire de l’accueil de la petite enfance) which publishes an annual report;
- It offers all families an **online service, monenfant.fr**, which provides a wide range of information for parents with children of all ages. This website also helps parents choose a daycare solution for their young children by supplying highly detailed information on each type of daycare along with local information on what types of daycare services are available and where.



- The Cnaf has promised to create **30,000 new daycare center places** and set up **1,000 registered childminders’ centers** (“Relais d’assistants maternels”) between 2018 and 2022.

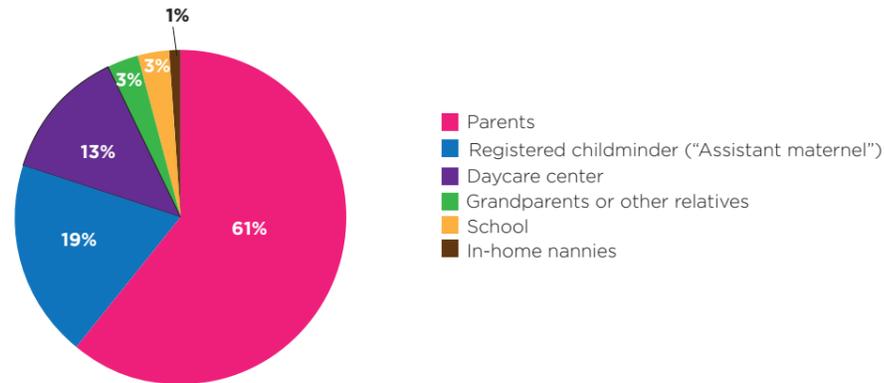
Nearly half of France’s daycare centers’ operating costs (6 billion €) is covered by Cafs

Beakdown of daycare centers financing



In 2017, 305,000 registered childminders (“assistants maternels”) were offering 787,000 places to children under age 3 while 12,200 daycare centers were offering 437,000 places (up from 328,500 in 2006). 47,000 children were being cared for by in-home nannies. In total, the enrollment rate for under three y.o. children in a formal daycare solution was 58%.

A breakdown of children under age 3 by main daycare solution on weekdays from 8:00 a.m. to 7:00 p.m.



Page 32 Cnaf early childhood services observatory, 2018
http://www.caf.fr/sites/default/files/cnaf/Documents/Dser/observatoire_petite_enfance/AJE_2018_bd.pdf

CAFS PLAY A MAJOR ROLE IN LOCAL COMMUNITY LIFE

Through its social action policy, which receives more than 6 billion euros in funding each year, the Family branch helps to expand available daycare solutions and contributes to community social life. It partners with local government authorities, non-profit organizations, and businesses to set up or cofinance:

- **Recreational activities** for children and youths during their free time and school vacations: 500,000 additional recreational center places will be financed by the Family branch between 2018 and 2022;
- **Parent-focused programs** (child-parent centers, family mediation, school support, opportunities to meet other parents, etc.);
- **Programs and facilities** that contribute to community social life (social centers, rural activities, etc.);
- **Social assistance** for families in difficulty (support for household help associations, the Cafs’ social workers, etc.);
- **Housing-related assistance for families** (preventing evictions, assistance with back rent, home improvement aid, etc.)

France’s Family Benefits funds offer a comprehensive range of services combining the monetary benefits they pay directly to families and their policy promoting those services that are useful to local inhabitants. They sign end-to-end local agreements with local authorities with the goal of achieving nationwide coverage in 2022.

A HIGHLY EFFICIENT INFORMATION MANAGEMENT SYSTEM

This is one of France’s largest administrative information management systems. Indeed, it includes nearly half of the French population

Rights are paid each day when new customer files are opened.

Benefits are then paid on an ongoing monthly basis. Despite the extensive and complex nature of the applicable legislative framework (nearly 18,000 rules of law) every effort is made to facilitate the process for the public:

- **It connects** all of France’s social and administrative systems so that the information needed to process claims can be exchanged without asking applicants to resubmit it over and over;
- **All benefits applications** and related information can be submitted electronically;
- **All benefits beneficiaries** who have an online account on www.caf.fr are shown a specifically tailored list of services in their personal space. Current tallies come to 350 million visits to the caf.fr website and 310 million to the mobile app “Caf mon compte” (My Caf account);
- **A decision-making information system** (statistics and coordination) has been rolled out alongside the operating system (production) to facilitate strategic and operational coordination;
- **Advanced technologies** (data mining) are used to identify high-risk situations and cases and to combat fraud, as well as for easier access to rights;
- **An IP telephone system** is integrated into the IT system (an 86% response rate for the 16 million incoming calls each year);
- **Multifunctional**, interactive video-equipped display terminals are available at CAF locations throughout France.

ACCESS TO RIGHTS POLICY

France's Family branch is moving forward with its highly ambitious, ongoing plan to modernize user relations. It involves all means of contact: the telephone, the website caf.fr, on-site reception, email, text messages, interactive terminals, smartphones, and more.

A wide range of media are used to convey and exchange information between claimants or beneficiaries and the Cafs:

- **Informational brochures** on the various benefits and types of assistance provided by the Cafs: these are published in both paper and digital format and are distributed by the Cafs at their physical locations as well as by their partners (town halls, social service centers, etc.);
- **Beneficiaries receive a magazine, *Vies de Famille***, from their local family benefits fund;
- **The website caf.fr** provides detailed information on rights to benefits and allows users to estimate their rights, apply for benefits or communicate with their Caf online;
- **The family benefits funds' proactive public reception policy** is appointment-based to prevent long waiting times at Caf locations. Cafs or social workers can also set up "entitlement appointments" on their end to provide a comprehensive approach to the neediest families on their situation. In total, nearly 9 million people, including 2 million with an appointment, came to a Caf location for services.



VERIFICATION AND ANTI-FRAUD POLICY

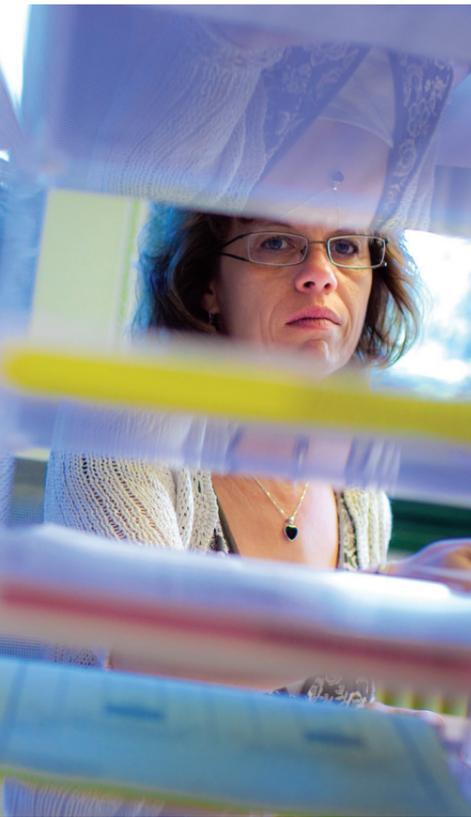
A growing proportion of benefits applications is being submitted online on website caf.fr. The requested information is submitted electronically with no requirement to supply documentary evidence. This is made possible by the use of highly effective tools that can check the veracity of the information submitted by the beneficiaries, particularly regarding their identity and their financial circumstances:

- **The shared national social protection register (Rncps)** is used by all of France's Social Security and unemployment insurance agencies. Each agency contributes the information it has about each individual person and local authorities can check the register when deciding to award social assistance;
- **Beneficiaries' income** can be checked through a direct exchange of information with the French tax authority ("Direction générale des finances publiques"/ DGFip) and the unemployment office Pôle emploi (for unemployment benefits in particular). These automated exchanges of information make it easier to verify the information reported by beneficiaries, who are less frequently asked to supply documentary evidence.

Along with making self-reported data more reliable, the Cafs are also performing specific verifications: indeed, applications are double-checked internally to make sure that the information reported is consistent and matches the documentary evidence supplied, the validity of administrative documents is checked with the issuers (banks, internet and telephone access providers, utility companies, etc), and certified inspectors can be sent to the claimant's home to conduct verifications for those applications with the highest risk.

Datamining is used to target additional verifications based on risk and lets beneficiaries with low-risk situations provide less documentary evidence. Datamining allows the highest-risk claims to be more thoroughly understood and uses modeling so that cases with comparable characteristics can be selected. This anti-fraud technique is now also being used to identify any rights that families may qualify for but have not claimed.

Verification results



In 2018, verifications were conducted on 7.7 million of the **12.5 cases** processed with regard to at least one piece of information they contained:

- **33 million verifications** were conducted, including 28 million through communication with the French tax authority (DGFiP) and France's employment/unemployment authority ("Pôle emploi), plus 4 million paper-based verifications and 170,000 on-site inspections;
- More than **a billion euros in rectifications are made** each year: 72% of this amount comes from undue payments (benefits awarded without eligibility) while 28% consists of back payments (benefits not paid to an eligible claimant) ;
- Datamining is used to target the highest-risk cases for additional verifications and to improve the results of these verifications;
- **45,000 cases of fraud** worth 305 million euros were detected (compared to 90 billion euros in benefits paid):
 - > **73%** of these fraud cases were omissions or false reporting;
 - > **18%** were concealment of cohabitation as a couple
 - > **9%** were false reporting, counterfeiting and the use of counterfeit documents.

HOW THESE RESULTS ARE ASSESSED

The 2018-2022 Agreement on Objectives and Management provides a set of indicators to assess the quality of service provided by the Cafs. These daily, monthly and annual indicators are used to monitor the Cafs' work and help them achieve their objectives when necessary. They are consolidated by the Cnaf and reported to each Caf director:

- The **daily indicators** for each Caf's results are the backlog of documents needing to be processed, the percentage of documents not processed within 15 days, and the number of days needed to eliminate the backlog;
- A **monthly strategic management tool** has been rolled out to compare various quality of service indicators against the previous month and against the same month of the previous year;
- The **annual report** covers more highly-detailed indicators with regard to the management of benefits, in addition to social action-related indicators (number of daycare center places created, etc.).

In addition, the Cnaf's and the State's various statistics departments draw up a yearly "family quality and efficiency plan" which deals with the achievement of family policy-related objectives. It is appended to the Social Security financing bill (along with other quality and efficiency plans) and is published online on the Social Security directorate's website.

THE FAMILY BRANCH AND ITS PRESENCE ON THE INTERNATIONAL SOCIAL PROTECTION SCENE

The Family branch is present and active in all the major international institutions that deal with Social security and social action issues. Indeed, the president of the Cnaf's board of directors is also president of the International Social Security Association (ISSA)'s family benefits board and a member of ISSA's bureau.

The Cnaf hosts a large number of foreign delegations and takes part in international technical cooperation projects alongside the Cafs.

As a member of the Representation of French Social Security Institutions in Brussels (Reif), the Cnaf monitors proposals to change European regulations in order to promote its interests and, more generally, those of France. It is also an active member of the European Insurance Institution Platform (Esip), which brings together most of Europe's Social Security institutions and defends their positions in Brussels.

The Cnaf is also involved in the European project Eessi (Electronic exchange of Social Security Information). By virtue of the new European regulation No. 883/2004 and its application regulation No. 987/2009, the European Union member states, along with Switzerland, Iceland, Lichtenstein, and Norway have decided to simplify regulations and phase out paper-based communications among Member States in order to use Eessi to exchange information.

In addition to producing statistics and publishing studies on families and France's family policy, CNAF finances other research, conducts international comparative research, and publishes informational reports on family policy in different countries. These statistics, reports, studies and research are available online on caf.fr ("Etudes et statistiques" and "International" areas).

CNAF receives an Issa award for service quality

On May 14, 2019, at the International Social Security Association (Issa)'s European Forum, Cnaf received a "Certificate of Merit for good Social Security practices," with a special mention from the jury, for its entitlement access policy.

This distinction comes as recognition for the Family Branch's policy to ensure that everyone claims the benefits to which they are entitled, either through datamining or by making rights appointments with those experiencing financial difficulties.





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