# ACOSS ANNUAL ACCOUNTS

# Financial year ended 31 DECEMBER 2018

# SUMMARY

# ACOSS BALANCE SHEET

In millions of euros

| ASSETS | Ref | 2018 FINANCIAL YEAR GROSS (ACOSS) | AMORTISATION AND DEPRECIATION (ACOSS) | NET (ACOSS) | FISCAL YEAR 2017 pro forma | FISCAL YEAR 2017 Published (ACOSS) |
|---|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | | |
| | **10** | **276.3** | **122.8** | **153.6** | **137.4** | **73.4** |
| | **10** | **223.0** | **159.2** | **63.8** | **68.2** | **14.4** |
| **Financial assets** | **11** | **4,133.0** | **0.1** | **4,132.9** | **4,056.7** | **4,174.4** |
| Loans granted to social security schemes | | 3,798.0 | 0.0 | 3,798.0 | 3,723.0 | 3,723.0 |
| Others | | 335.0 | 0.1 | 334.9 | 451.4 | 451.4 |
| **TOTAL FIXED ASSETS** | | **4,632.3** | **282.1** | **4,350.2** | **4,262.3** | **4,262.2** |
| **CURRENT ASSETS** | **15.1** | | | | | |
| **Receivables from contributors** | **15.1.1** | **2,255.9** | **192.2** | **2,063.7** | **1,959.3** | **2,344.6** |
| Contributors | | 0.0 | 0.0 | 0.0 | 0.5 | 385.8 |
| Doubtful or disputed contributors | 15.1.1 | 410.5 | 192.2 | 218.3 | 149.6 | 149.6 |
| Contributors: accrued income | 15.1.1 | 1,845.3 | 0.0 | 1,845.3 | 1,809.2 | 1,809.2 |
| **Receivables from the State and public entities** | **15.1.1** | **6,878.8** | **0.0** | **6,878.8** | **7,719.8** | **7,520.4** |
| State | | 6,637.2 | 0.0 | 6,637.2 | 7,297.2 | 7,097.7 |
| Exemptions from contributions | | 483.1 | 0.0 | 483.1 | 321.9 | 266.9 |
| Exemptions from contributions - | | 602.4 | 0.0 | 602.4 | 824.5 | 680.1 |
| Accrued income | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Public entities - Accrued income | | 5,551.7 | 0.0 | 5,551.7 | 6,150.7 | 6,150.7 |
| Receivables from public entities (PAFAR) | | 0.0 | 0.0 | 0.0 | | 0.0 |
| Other public entities | | 241.5 | 0.0 | 241.5 | 422.6 | 422.6 |
| **Receivables from social security bodies and other schemes** | **15.1.1** | **24,290.5** | **0.0** | **24,290.5** | **25,540.5** | **27,695.3** |
| Current accounts of the National Funds | | 20,986.0 | 0.0 | 20,986.0 | 23,834.5 | 25,989.0 |
| *CNAM Maladie* | | 20,513.4 | 0.0 | 20,513.4 | 20,082.5 | 21,838.3 |
| *CNAM AT* | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| *CNAF* | | 410.0 | 0.0 | 410.0 | 1,284.3 | 1,284.3 |
| *CNAV* | | 62.6 | 0.0 | 62.6 | 2,467.7 | 2,866.3 |
| Receivables from funds of the national funds for the general scheme (PAFAR) | | 112.8 | 0.0 | 112.8 | 78.5 | 83.7 |
| Receivables from other bodies and schemes (PAFAR) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Receivables from funds of the French General Social Security Scheme | | 1,277.0 | 0.0 | 1,277.0 | 0.0 | 0.0 |
| Other bodies and schemes | | 1,615.4 | 0.0 | 1,615.4 | 1,218.7 | 1,213.8 |
| CCMSA financial monitoring account | | 299.3 | 0.0 | 299.3 | 408.8 | 408.8 |
| CNDSSTI financial monitoring account | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CMU Fund financial monitoring account | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Administrative management receivables** | **15.1.1** | **1.4** | **0.0** | **1.4** | **1.4** | **1.3** |
| Social suppliers and intermediaries | | 0.4 | 0.0 | 0.4 | 0.2 | 0.1 |
| Customers day-to-day management | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Staff and related accounts | | 0.1 | 0.0 | 0.1 | 0.2 | 0.1 |
| Social security and other social bodies | | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 |
| Accrued income (OSS) | | 0.8 | 0.0 | 0.8 | 1.0 | 1.0 |
| **Liquid assets** | 14.1 | **2,028.0** | **0.0** | **2,028.0** | **1,094.0** | **1,093.9** |
| Marketable securities | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Banks, financial institutions and similar | | 1,959.0 | 0.0 | 1,959.0 | 820.9 | 820.8 |
| Financial instruments | | 68.9 | 0.0 | 68.9 | 273.1 | 273.1 |
| **Miscellaneous debtors** | | **42.3** | **0.0** | **42.3** | **58.1** | **58.1** |
| Receivables from third parties | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Receivables from other third parties (PAFAR) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | | 42.3 | 0.0 | 42.3 | 58.1 | 58.1 |
| **Transitional or suspense accounts** | 15.1.2 | **92.5** | **0.0** | **92.5** | **99.5** | **99.5** |
| **Prepaid expenses** | 15.1.2 | **36.2** | **0.0** | **36.2** | **65.5** | **63.3** |
| **TOTAL CURRENT ASSETS** | **15.1** | **35,625.5** | **192.2** | **35,433.3** | **36,538.0** | **38,876.3** |
| **TOTAL ASSETS (I)** | | **40,257.8** | **474.3** | **39,783.5** | **40,800.3** | **43,138.4** |

In millions of euros

| LIABILITIES | Ref. | 2018 FISCAL YEAR (TOTAL) | FISCAL YEAR 2017 pro forma | FISCAL YEAR 2017 published EPA (TOTAL) |
|---|---|---|---|---|
| **SHAREHOLDERS' EQUITY** | 12 | | | |
| **Allocations, contributions** | | **0.0** | **0.0** | **0.0** |
| **Combined reserves** | | **408.5** | **426.2** | **426.1** |
| **Retained earnings** | | **0.0** | **0.0** | **0.0** |
| **Result for the financial year (surplus or deficit)** | | **-17.8** | **-17.8** | **-17.8** |
| **Freeholdings returned to the bodies** | | **0.0** | **0.0** | **0.0** |
| **Investment grants** | | **0.0** | **0.0** | **0.0** |
| **TOTAL SHAREHOLDERS' EQUITY** | | **390.7** | **408.5** | **408.4** |
| **PROVISIONS** | 13 | | | |
| **Provisions for administrative management** | | **0.0** | **0.0** | **0.0** |
| **Provisions for collection management** | | **468.9** | **409.4** | **409.4** |
| **Provisions for taxes** | | **0.0** | **0.0** | **0.0** |
| **Other expenses provisions** | | **3.3** | **3.3** | **1.9** |
| **TOTAL PROVISIONS** | | **472.2** | **412.7** | **411.3** |
| **FINANCIAL DEBTS** | 14 | | | |
| **Deposits received from other social security bodies (<1 year)** | | **369.5** | **541.5** | **541.5** |
| **CDC loans (<1 year)** | | **0.0** | **0.0** | **0.0** |
| **Billets de trésorerie / New Commercial Papers** | | **5,215.0** | **3,905.0** | **3,905.0** |
| **Euro commercial papers (ECP)** | | **17,878.5** | **23,425.6** | **23,425.6** |
| **Others** | | **1.7** | **1.1** | **1.1** |
| **TOTAL FINANCIAL DEBTS** | 14.1 | **23,464.7** | **27,873.2** | **27,873.2** |
| **CURRENT LIABILITIES** | 15.2 | | | |
| **Debts to contributors** | 15.2.1 | **0.0** | **0.0** | **769.5** |
| **Direct payments - Other liabilities stemming from social benefits** | | **0.0** | **0.0** | **0.0** |
| **Debts to the State and public entities** | 15.2.1 | **1,883.2** | **1,439.7** | **1,314.6** |
| State | | 569.6 | 604.3 | 604.3 |
| Debts to public entities (PAFAR) | | 529.0 | 388.3 | 388.3 |
| Public entities (cash debts) | | 784.6 | 447.1 | 322.0 |
| **Debts to social security bodies and other schemes** | *15.2.1* | **10,433.8** | **7,540.5** | **7,147.5** |
| Current accounts of the National Funds | | *2,395.1* | *1,086.3* | *1,086.3* |
| *CNAM Maladie* | | *0.0* | *0.0* | *0.0* |
| *CNAM AT* | | *2,395.1* | *1,086.3* | *1,086.3* |
| *CNAF* | | *0.0* | *0.0* | *0.0* |
| *CNAV* | | *0.0* | *0.0* | *0.0* |
| Debts to the national funds for the general scheme (PAFAR) | | 6,946.5 | 5,165.1 | 4,966.7 |
| Debts to other bodies and schemes (PAFAR) | | 717.4 | 478.7 | 482.9 |
| Debts to the national funds for the general scheme (excluding PAFAR) | | 49.3 | 259.9 | 0.0 |
| Other bodies and schemes (cash debts) | | 325.4 | 550.6 | 611.6 |
| **CCMSA financial monitoring account** | | **0.0** | **0.0** | **0.0** |
| **CNDSSTI financial monitoring account** | | **0.0** | **0.0** | **2,111.7** |
| **CMU Fund financial monitoring account** | | **109.9** | **0.0** | **0.0** |
| **Administrative management debts** | 15.2.1 | **105.4** | **111.6** | **88.2** |
| Suppliers and related accounts | | 49.6 | 41.0 | 23.5 |
| Accounts payable | | 0.0 | 0.0 | 0.0 |
| Staff and related accounts | | 10.3 | 9.5 | 5.7 |
| Social security and other social bodies | | 5.5 | 6.8 | 4.6 |
| Accrued expenses (OSS) | | 40.0 | 54.3 | 54.3 |
| **Other payables** | 15.2.1 | **2,226.9** | **691.7** | **691.7** |
| Debts to third parties (PAFAR) | | 15.6 | 14.8 | 14.8 |
| Debts to other third parties (PAFAR) | | 0.0 | 0.0 | 0.0 |
| Coverage for UNEDIC charges on | | 0.0 | 0.0 | 0.0 |
| unemployment contribution | | 0.0 | 0.0 | 0.0 |
| Accrued expenses ACOSS - UNEDIC compensation | | 1,435.2 | 0.0 | 0.0 |
| Other (cash debts) | | 776.2 | 677.0 | 677.0 |
| **Transitional or suspense accounts** | | **0.0** | **0.1** | **0.1** |
| **Financial instruments** | 14.1 | **68.3** | **427.8** | **427.8** |
| **Deferred income** | 15.2.2 | **628.4** | **1,894.5** | **1,894.5** |
| **TOTAL OTHER DEBTS** | | **15,455.9** | **12,105.9** | **14,445.5** |
| **TOTAL LIABILITIES (II)** | | **39,783.5** | **40,800.3** | **43,138.4** |

# THE ACOSS INCOME STATEMENT

In millions of euros

| EXPENSES | Ref | 2018 FISCAL YEAR (TOTAL) | FISCAL YEAR 2017 pro forma | 2017 FY published (EPA) |
|---|---|---|---|---|
| **TECHNICAL MANAGEMENT EXPENSES** | 5.1.2 | | | |
| **Transfer of income** | | **79,671.7** | **83,627.0** | **83,556.8** |
| CNAM | | 32,815.6 | 39,667.0 | 39,636.5 |
| CNAF | | 11,707.7 | 10,502.3 | 10,487.1 |
| CNAV | | 7,962.0 | 7,727.2 | 7,702.7 |
| Other beneficiaries | | 27,186.5 | 25,730.5 | 25,730.5 |
| **Losses on uncollectable receivables** | | **0.0** | **0.0** | **0.0** |
| Non-value admissions | | 0.0 | 0.0 | 0.0 |
| Discounts on receivables | | 0.0 | 0.0 | 0.0 |
| Cancellations of receivables | | 0.0 | 0.0 | 0.0 |
| **Taxation and pre-tax charges for revenues collected by the State** | | **648.9** | **517.0** | **517.0** |
| **Compensation for UNEDIC salary exemptions** | | **9,630.2** | **0.0** | **0.0** |
| **Balance UNEDIC wage exemption compensation** | | **0.0** | **0.0** | **0.0** |
| **Allocation to provisions and impairments for technical expenses** | 5.1.2 | **486.7** | **330.6** | **330.6** |
| Allocation for technical expenses | | 425.3 | 315.7 | 315.7 |
| Allocation for depreciation of current assets | | 61.4 | 15.0 | 15.0 |
| **TOTAL TECHNICAL MANAGEMENT EXPENSES (I)** | | **90,437.6** | **84,474.6** | **84,404.5** |
| **CURRENT MANAGEMENT EXPENSES** | 6.1 | | | |
| **Purchases** | | **2.9** | **3.3** | **0.5** |
| **Other external expenses** | 6.1.3 | **141.0** | **134.6** | **63.1** |
| **Taxes, duties and similar payments** | | **11.8** | **10.7** | **5.5** |
| **Employee expenses** | 6.1 | **103.7** | **93.6** | **50.4** |
| Wages and salaries | | 71.3 | 63.8 | 34.5 |
| Social security and other payroll-related expenses | | 32.4 | 29.8 | 15.9 |
| **Miscellaneous day-to-day administrative expenses** | | **939.0** | **1,036.3** | **1,159.4** |
| **Allocation for amortisation and provisions** | | **42.9** | **40.6** | **13.3** |
| **TOTAL CURRENT DAY TO DAY MANAGEMENT EXPENSES (II)** | | **1,241.2** | **1,319.0** | **1,292.2** |
| **FINANCIAL EXPENSES** | 7.2 | | | |
| **Financial expenses for miscellaneous transactions** | | **2.0** | **2.0** | **2.0** |
| **Interest expenses** | | **176.1** | **163.9** | **163.9** |
| **TOTAL FINANCIAL EXPENSES (III)** | | **178.1** | **165.9** | **165.9** |
| **EXTRAORDINARY EXPENSES** | 8 | | | |
| **Exceptional expenses on day-to-day administrative transactions** | | **0.1** | **0.1** | **0.1** |
| **Exceptional expenses on technical operations** | | **0.0** | **0.0** | **0.0** |
| **Extraordinary expenses on capital transactions** | | **0.2** | **0.8** | **0.4** |
| Carrying amount of transferred assets | | 0.2 | 0.5 | 0.0 |
| Other exceptional expenses | | 0.0 | 0.4 | 0.4 |
| **Allocation for amortisation and provisions** | | **0.0** | **0.0** | **0.0** |
| **TOTAL EXTRAORDINARY EXPENSES (IV)** | | **0.2** | **1.0** | **0.5** |
| **INCOME TAX ON PROFITS** | | **0.0** | **0.0** | **0.0** |
| **TOTAL TAXES ON PROFITS AND SIMILAR ITEMS (V)** | | **0.0** | **0.0** | **0.0** |
| TOTAL EXPENSES (VI = I + II + III + IV + V) | | 91,857.1 | 85,960.4 | 85,863.0 |
| NET PROFIT FOR THE FINANCIAL YEAR (XII = XI-VI) | | 0.0 | 0.0 | 0.0 |
| **GENERAL TOTAL (XIII = VI + XII)** | | **91,857.1** | **85,960.4** | **85,863.0** |

In millions of euros

| INCOME | Ref | 2018 FISCAL YEAR (TOTAL) | FISCAL YEAR 2017 pro forma | FISCAL YEAR 2017 published EPA (TOTAL) |
|---|---|---|---|---|
| **TECHNICAL MANAGEMENT INCOME** | **5.1.1** | | | |
| **Contributions, taxes and allocated income** | | **87,886.6** | **82,527.6** | **82,457.5** |
| Social security contributions | 5.1.1.1 | 238.6 | 249.4 | 249.4 |
| Contributions paid by the State | 5.1.1.2 | 5,622.5 | 5,071.1 | 5,000.9 |
| Contributions paid by social security | 5.1.1.3 | 1,520.6 | 1,623.5 | 1,623.5 |
| Taxes: generalised social security contributions | 5.1.1.4 | 33,106.3 | 26,243.2 | 26,243.2 |
| Earmarked taxes and duties | 5.1.1.5 | 38,713.9 | 38,541.3 | 38,541.3 |
| Other earmarked taxes and duties | 5.1.1.5 | 6,323.6 | 8,547.4 | 8,547.4 |
| Other earmarked contributions | | 37.1 | 9.4 | 9.4 |
| Contribution to social security debt repayments | | 2,324.1 | 2,242.4 | 2,242.4 |
| **Technical income** | **5.1.1.6** | **1,058.8** | **1,045.3** | **1,045.3** |
| Refunds of contributions | | -26.4 | 100.0 | 100.0 |
| Write-offs on contribution debts offset by the State | | 0.0 | 0.0 | 0.0 |
| Additional Solidarity Contribution for Autonomy | 5.1.1.6 | 982.1 | 945.3 | 945.3 |
| Conventional discounts and penalties | | 0.0 | 0.0 | 0.0 |
| Balance UNEDIC wage exemption compensation | 5.1.1.6 | 103.1 | 0.0 | 0.0 |
| **Transfer of expenses** | **5.1.1.8** | **1,092.8** | **847.7** | **847.7** |
| **Reversals of provisions for technical expenses and depreciation** | | **399.4** | **54.0** | **54.0** |
| Reversals of provisions for technical expenses | | 365.8 | 48.5 | 48.5 |
| Reversals of provisions for impairment of current assets | | 33.6 | 5.5 | 5.5 |
| **TOTAL TECHNICAL MANAGEMENT INCOME (VII)** | | **90,437.6** | **84,474.6** | **84,404.5** |
| **DAY-TO-DAY MANAGEMENT INCOME** | **6.2** | | | |
| **Sales of products and services** | 6.2.1 | **251.6** | **247.9** | **247.8** |
| **Capitalised production** | 6.2.2 | **33.9** | **43.9** | **18.7** |
| **Miscellaneous day-to-day management income** | 6.2.4 | **3.9** | **5.9** | **5.8** |
| **Contribution of the national funds of the general scheme** | 6.2.3 | **917.6** | **1,000.2** | **1,000.2** |
| **Reversals of depreciation, provision for risk and depreciation** | | **2.8** | **3.4** | **2.2** |
| **TOTAL DAY TO DAY CURRENT MANAGEMENT INCOME (VIII)** | | **1,209.8** | **1,301.3** | **1,274.8** |
| **FINANCIAL INCOME** | **7.1** | | | |
| **Income from miscellaneous receivables** | | **0.0** | **0.0** | **0.0** |
| **Interest income** | | **178.1** | **165.9** | **165.9** |
| **TOTAL FINANCIAL INCOME (IX)** | | **178.1** | **165.9** | **165.9** |
| **EXCEPTIONAL INCOME** | **8** | | | |
| **Extraordinary income on day-to-day administrative transactions** | | **13.9** | **0.2** | **0.2** |
| **Extraordinary income on technical operations** | | **0.0** | **0.0** | **0.0** |
| **Extraordinary income on operations in capital** | | **0.0** | **0.6** | **0.0** |
| **Reversals of provisions and transfer of exceptional expenses** | | **0.0** | **0.0** | **0.0** |
| TOTAL EXCEPTIONAL INCOME (X) | | 13.9 | 0.8 | 0.2 |
| TOTAL INCOME (XI = VII + VIII + IX + X) | | 91,839.4 | 85,942.7 | 85,845.3 |
| NET INCOME FOR THE YEAR IN DEFICIT (XII = XI - VI) | 9 | 17.8 | 17.8 | 17.8 |
| **OVERALL TOTAL (XIII = XI + XII)** | | **91,857.1** | **85,960.4** | **85,863.0** |

# ANNEX

## 1. Presentation of ACOSS

The Central Agency of Social Security Bodies (*Agence centrale des organismes de sécurité sociale* - ACOSS) is a national public administrative institution.

In its capacity as a financial body of the French general social security system, ACOSS provides common, centralised cash management across the general scheme's four branches, in accordance with Article L.225-1 and Articles D. 225-1, D. 225-3, D. 253-38 and D. 253-41 of the French Social Security Code (*Code de la sécurité sociale* - CSS). It guarantees the individualisation of the cash flow for each branch of the general social security scheme (illness, workplace accidents and occupational illnesses, family and old age), as well as forecasting and monitoring income and expenditure.

ACOSS centralises all social security contributions and taxes collected by the responsible bodies, and ensures that they are reported and returned in cash to each beneficiary, whether this is an organisation within in the general social security scheme or another scheme (in particular, the health insurance schemes), a public entity (National Fund for Housing Assistance (*Fonds National d'Aide au Logement* - FNAL), Social Security Debt Repayment Fund (*La Caisse d'Amortissement de la Dette Sociale* - CADES) etc.) or a third party (IRCEM - a non-profit social protection group), The National Inter-professional Union for Employment in Industry and Commerce (*Union nationale inter-professionelle pour l'emploi dans l'industrie et le commerce* - UNEDIC), etc.), the Mobility Authorities (*Autorités organisatrices de mobilité* - AOM).

ACOSS is also responsible for directly centralising contributions and taxes both on behalf of the general social security scheme's funds and for various third parties, pursuant to Article L.225-1-1 of the CSS.

As a national collection office, it is responsible for managing and coordinating the network of 22 regional Social Security and Family Allowance Contribution Collection Offices (*Union de recouvrement des cotisations de sécurité sociale et d'allocations familiales* - URSSAF), and the collection services of the Social Security Fund of Mayotte and the General Social Security Funds of the Overseas Departments (CGSS). This steering mission includes:

- the conclusion of a multi-year management contract (*contrat pluriannuel de gestion* - CPG) with each network organisation, which outlines the aims of the multi-year objectives and management agreement concluded between ACOSS and the State for the period 2018-2021;
- the definition of the guidelines for the collection and monitoring policy for social security contributions;
- support for the application by the URSSAF/CGSS of legislative and regulatory texts, as well as improvements to the quality of service provided to users;
- the implementation of a distribution quality policy with regard to the final beneficiaries of the funds collected;
- the allocation of budgetary resources to the branch's different bodies;

- the definition and implementation of the national information system;
- the coordination of the branch's building policy;
- the establishment of an internal control system in accordance with the provisions of Decree No. 2013-917 of October 14, 2013 relating to the internal control of the mandatory basic social security schemes and the bodies contributing to their financing.

## 2. Accounting rules and methods

The ACOSS accounts have been in place since 1 January, 2002, in accordance with the single accounting plan of the social security bodies (*Plan comptable unique des organismes de sécurité sociale* - PCUOSS), which is based on the general principles of accrual accounting ("accruals").

As stated in the French National Accounting Council Notice no. 2000-04, "its provisions comply with the rules of the general accounting plan:

- taking into account the application of the principle of the following expenses and incomes being linked to a financial year: the inclusion of technical expenses and income within a financial year, i.e. those relating to the payment of benefits, the collection of social security contributions, internal social welfare transfers, and State contributions to certain bodies, takes place according to the date on which these expenses or incomes are constituted as rights or obligations for social security organizations, in accordance with the laws and regulations applicable to them;
- subject to the following adaptations required by the special features of the social security bodies: adjustments of third-party accounts, adjustments of expense accounts and technical income".

In addition to the PCUOSS, the accounting framework of the collection division includes the opinions of the Public Accounts Standardisation Board (*Conseil de normalisation des comptes publics* - CNoCP) applicable to social security bodies, as well as the opinions of previous competent normative bodies.

For partially contractual reasons, collection operations are treated differently in accounting according to the type of beneficiary receiving the revenue. They are recorded either in the income statement in technical income and expenses, or tracked solely in balance sheet accounts.

☞ The beneficiaries for which collection operations are monitored in the income statement are bodies and schemes falling within the scope of social security financing laws:

- the branches of the general social security scheme (the accidents at work and occupational diseases (*accidents du travail et maladies professionnelles* - AT-MP) branches are managed by the National Health Insurance Fund (*Caisse nationale d'assurance maladie* - CNAM), the family branch is managed by the National Family Insurance Fund (*Caisse nationale d'allocations familiales* - CNAF) and the old age branch managed by the National Old Age Pension Fund *(Caisse nationale d'assurance vieillesse* - CNAV);

- the Old Age Solidarity Fund (*Fonds de solidarité vieillesse* - FSV), the The Long-Term Care Fund (*La Caisse nationale de solidarité pour l'autonomie* - CNSA) and the Supplementary Universal Health Insurance Fund (*Couverture Maladie Universelle Complémentaire* - CMU-C);
- CADES;
- the Central Agricultural Workers and Farmers' Mutual Benefit Fund (*Caisse Centrale de Mutualité Sociale Agricole* CCMSA- ) and the various social security schemes benefiting from earmarked taxes and duties, the centralisation and distribution of which are ensured by the ACOSS;
- various other beneficiaries: the Asbestos-Related Early Retirement Fund (*Fonds de cessation anticipée d'activité des travailleurs de l'amiante* - FCAATA) and, since 2015, the Hardship Fund (*fonds pénibilité*) (for employer contributions financing the personal hardship account).

☞ Collection operations recorded in third-party accounts concern the following beneficiaries:

- The Old-Age Pension Scheme for Tobacconists (*Régime d'Allocations Viagères des Gérants de Débits de Tabac* - RAVGDT), for the allocation of a fraction of consumption duties on tobacco;
- the Alsace Moselle Local Scheme (*Régime local Alsace Moselle*), for contributions, and certain exemption measures (apprenticeship laws 1979-1987-1992, business creation or take-over);
- the Transport Authorities (*Autorités organisatrices de transport* - AOT) for the payment of mobility subsidies and the payment by the State of exemption schemes (apprenticeship law of 1979)
- the National Housing Assistance Fund (*Fonds national d'aide au logement* FNAL) - a fund with no legal personality managed by State services, as part of the State's assumption of exemption schemes relating to apprenticeships under the 1979 law.

## 2.1 Collection Operations

Technical income comprises social security contributions, social security taxes and duties, and various related products (reversal of provisions, etc.) collected directly by ACOSS. Technical expenses include losses on bad debts, write-offs, management fees for certain revenues collected by the State, provisions for depreciation of receivables, and provisions for risks and fees.

The purpose of the collection tasks entrusted to the branch is to centralise, distribute and transfer the revenues collected by ACOSS to their beneficiaries. All the recorded technical revenues recorded are thus transferred in the same amount in the form of technical expenses (the so-called "product transfers" accounts). Similarly, all of the branch's technical expenses are transferred to their beneficiaries in the form of technical products (so-called "expense transfers" accounts).

As all technical income and expenses are transferred to their beneficiaries, the technical management income statement does not show any generated income.

The ACOSS accounts show the revenues collected directly by the agency from the State and other social security schemes, excluding the revenues collected by URSSAF, for which it ensures the centralisation and repayment, which are only translated into cash accounts at this level.

### 2.1.1 Income

#### 2.1.1.1 The general principles of attribution to a financial year

Income is attributed to a financial year on the basis of the date on which it is constituted as rights or obligations for the entities, in accordance with the laws or regulations applicable to them (the operative event).

For tax revenue, the accounting operative event corresponds to the tax operative event (generation of taxable income), in accordance with the rules specified in the appendix to the PCUOSS.

During inventory taking operations, the rights and obligations arising during the financial year just ended for which the institution has yet to receive the supporting documentation are attributed to this financial year and recorded as accrued income. Conversely, income recognized in the present year, but relating to a period of the following year, is recorded as deferred income.

In addition, recoveries that are exclusively recognised in the balance sheet and not in the income statement follow the same accounting rules, with the exception of certain year-end accounting entries. There is no recognition of accrued income, deferred income, provisions and depreciations. These inventory entries are only notified to these beneficiaries for the upkeep of their accrual accounting.

#### 2.1.1.2 Social security contributions

☞ **The operative events**

The operative events that determine the reporting period are as follows:

| Nature of social security contributions | Operative event |
|---|---|
| Contributions due on non-salaried income (Authors' Social Security Management Association (*Association pour la Gestion de la Sécurité Sociale* | Transfer of contributions |
| Replacement income contributions | Period over which the income is paid |

Social security contributions calculated as accrued income include the pension contributions of inactive workers and workers who have taken early retirement due to exposure to asbestos

(Agreement on Conformity Assessment and Acceptance of Industrial Products - ACAA) paid in January of FY N+1 for December of FY N.

The method for calculating accrued income is based on the receipts communicated to ACOSS by the schemes that apply to the services up to 31 January FY N+1 and whose operative event relates to FY N.

#### 2.1.1.3 Social security contributions paid by the State

Exemptions from targeted social security contributions for certain geographical areas or special categories of contributors are offset by the State budget.

ACOSS centralises and records as revenue the social security contributions paid by the State budget for the branches of the general social security scheme and the social security contributions allocated to CADES and CNSA, which correspond to the amounts of exemptions recorded by URSSAF. These are then invoiced to the State by ACOSS. Costs relating to the other beneficiaries are also recorded in the ACOSS accounts and invoiced to the State directly by these bodies (Social Security Scheme for Self-Employed workers (*Régime Social des Indépendants* - RSI), Inter-professional Workers' Pension Fund (*Caisse Interprofessionnelle de Prévoyance et d'Assurance Vieillesse* - CIPAV).

ACOSS recognises income up to the amount of exemptions relating to the financial year in accordance with recognised rights, regardless of the amount of budgetary appropriations provided for by the finance laws and payments made by the State, in accordance with the principle of financial neutrality of relations between the State and the social security system established by Articles L. 131-7 and L. 139-2 of the CSS. At the end of the financial year, receivables or debts owed to the State are therefore recorded as such.

For their inclusion in the financial year, the payment of contributions out of the State budget is treated as the contributions themselves: the operative event corresponds to the period of employment, which means that the payment of contributions relating to the salaries allocated to December is included in the financial year, regardless of when they are paid by the State.

#### 2.1.1.4 Social security contributions paid by the social security system

☞ **Social security contributions from medical practitioners and auxiliaries**

Health insurance schemes cover part of the family and sickness contributions of medical practitioners and auxiliaries (*praticiens et auxiliaires médicaux* - PAM), within the limits established by the medical agreements applicable to them. The cost of contributions is therefore divided between the health insurance and the practitioners. The URSSAF/CGSS calls for the contributions owed by the PAMs and calculates the contributions paid, which are invoiced by ACOSS to the CNAM, which then re-invoices their share to the other health plans.

Following the technical merger of PAM contributors and self-employed workers from 2017, the recording of health contribution payments is concomitant with the call for health and family contributions due by PAM.

☞ **Social security contributions of those receiving early childcare benefits (*Prestation d'accueil au jeune enfant* - PAJE)**

The family branch pays a portion of the social security contributions of those receiving complementary childcare arrangement benefits (*complément mode de garde de la prestation d'accueil du jeune enfant* - CMG-PAJE), which are invoiced to CNAF by ACOSS on the basis of the amounts awarded by the PAJEMPLOI (Early Childhood Benefit Program Employment) centre. These are not recorded in specific accounts but are included in the contributions due by those employing domestic workers. An accrued income is recorded to allow the amounts paid in FY N+1 to be linked to FY N, in accordance with the procedures described above. An additional allowance (6.7%) is also applied to take into account the specific features of this system, particularly with regard to the rules for attaching the social components to a particular financial year.

#### 2.1.1.5 Generalised social security contribution (*Contribution Sociale Généralisée* - CSG)

☞ **CSG on business income**

Business income shown on ACOSS accounts comes from mainly from the CCMSA. For account closures, the CCMSA notifies ACOSS of the amount of accrued income, based on the operative event as foreseen by PCUOSS.

☞ **CSG on replacement incomes**

The main incomes constituting the CSG for replacement income centralised by ACOSS directly are basic retirement pensions, disability pensions, daily allowances, and work-related accident pensions.

CNAM and CNAV send ACOSS a final statement of income for FY N, which allows it to determine the accrued income as part of the deducted CSG on the replacement income (pensions, invalidity pensions, and daily allowances) as the difference between the income for the financial year, notified by the national banks no later than 31/01/FY N+1, and the income relating to the previously recorded periods from January to November of the financial year. For the other organisations concerned, the reporting period is based on the general rule for the period in which the replacement income is paid.

☞ **CSG on investment income**

Article L.136-7 of the CSS makes provision for account-holding institutions (banks, insurance companies) to make payments to the tax authorities in instalments over the course of the year, part of which includes January and February of the following year. Advance payments of this nature received by ACOSS are recognised as deferred income.

At the beginning of FY N+1, the General Directorate of Public Finance (*Direction Générale des Finances Publiques* - DGFiP) communicates, on the one hand, the amount of accrued income (amount of the CSG on investment income paid in January and February of FY N+1 and related to FY N), and, on the other hand, the amount of deferred income relating to the portion of the advance payments received in FY N that are attributable to FY N+1.

☞ **CSG on wealth income**

The CSG levied on wealth income is collected by the tax authorities as part of their role in collecting personal income tax. At the start of FY N+1, the DGFiP communicates accrued income for FY N based on the tax rolls issued in November and December of FY N (amount of deductions from income from wealth income paid in January of FY N+1 and attributable to FY N).

☞ **CSG on gambling income**

This is settled and collected monthly, on the first business day of the month following the month in which the proceeds of the taxable games become available (i.e. from 2 January of FY N+1 for the CSG of December of FY N). At the beginning of FY N+1, the amount of accrued income is notified by the DGFiP based on the amounts reported in January of FY N+1 for December of FY N.

#### 2.1.1.6 Other social security taxes (taxes and duties)

Given their notification procedures, the amounts paid during the financial year by State services are recognised as income according to their payment date. For the closing of the accounts for the financial year, the General Directorate of Public Finance (DGFiP) and the General Directorate of Customs and Indirect Duties (DGDDI) communicate to ACOSS an estimate of accrued income based on the accounting operative events provided for by PCUOSS, equal to the tax operative events (realisation of the taxable material).

The main revenues are as follows:

- tax on salaries mentioned in Article 231 of the French General Tax Code (*Code général des impôts* - CGI): due to the due date of 15 January of FY N+1 of the amounts due for December of FY N, and the deadlines for the collection and recording of these amounts, the payments are estimated by the DGFiP on the basis of the amounts collected between 1 January and 10 February of FY N+1;
- Consumer rights in relation to tobacco mentioned in Article 575 of the CGI: RAP payments are assessed based on the recoverables recorded upon receipt of the operators' tax declarations. These are then allocated according to the distribution keys provided for in Article L.131-8 of the CSS. Data is collected on the basis of the declarations relating to FY N that were filed by the operators between 1 December of FY N and 1 February of FY N+1;
- net VAT: the accrued income notified for this income corresponds to the net budgetary VAT collections for January of FY N+1 (relating to December of FY N);
- social security contributions on income from assets and investments (social levy, solidarity levy, social solidarity contribution, social debt reimbursement (*contribution au remboursement de la dette sociale* - CRDS) follow the same rules as those set out above for the CSG on income from wealth and investments;
- licence fees for tobacconists' compensation: declarations are filed by taxable persons on the 25th of the month following the month during which deliveries are made. An RAP is thus assessed in respect of the December FY N declarations filed between 1 December in FY N and 1 February in FY N+1;
- tax on company vehicles (*taxe sur les véhicules de société* - TVS) (Art. 1010 of the CGI). Following the alignment of the TVS tax period to the calendar year (see article 19 of the LFSS for 2017) and the matching of the declaration and payment procedures to those of VAT, the RAP determined and notified by the DGFiP on the basis of receipts recorded up to 10 February of FY N+1 now represents almost all the income recorded for the financial year in respect of this tax;
- social security levies on gambling revenues, introduced by law no. 2010-476 of 12 May 2010, target betting on horses, sports betting and non-casino table games (poker, punto banco and variants). The proceeds from these samples are declared and settled by online gaming or betting operators. The monthly declaration is sent on the 5th of the month following that of the operative event. The accrued income notified by the DGFIP corresponds to the amount of the levies on the games declared in January of FY N+1 and attributable to FY N.
- the social contribution paid by the tobacco industry. Created by Article 28 of the LFSS for 2017, this contribution is borne by approved suppliers of tobacco products. Proceeds are allocated to a fund dedicated to preventing and combating smoking, which is managed by

CNAM. The income from this contribution is paid on 1st quarter N+1 for turnover N. A PAR is therefore recorded in the 2018 accounts.

Accrued income corresponds to the amounts collected at the beginning of the following financial year when they relate to the financial year just ended. Accrued income for the financial year thus takes into account any change to the scope of the earmarked (hypothecated) tax (*Impôts et taxes affectés* - ITAF) centralised by ACOSS (excluding the creation of a new formulation) in the Finance Act for the following year. In this respect, the payment of a tax in January of FY N+1 by the tax authorities, provided for by a finance law under FY N+1, gives rise to the recording of accrued income in FY N, in accordance with the income-generating event.

**Special features of the recording of revenue collected by the State services**

In view of the way in which this revenue is allocated and notified by the State, consisting of the repayment of receipts collected by the tax authorities without distinction as to the year of attachment in relation to their tax chargeable event, the branch's accounts do not show any claims in respect of outstanding amounts to be recovered from the State on the debtors of the revenue allocated to it. An assessment of the amounts at stake, drawn up by the DGFiP and DGDDI, is detailed in the appendix (note 5).

However, provisions for risks are set up for litigation whose future adverse effects will be attributed to social security bodies under the applicable legal and regulatory provisions. This is in light of Ruyter’s civil suit concerning the tax liability of certain income from French sources received by natural persons affiliated to a social security scheme in another Member State of the European Union. This led to the creation of a provision for risk in regard to social security levied on investment income, based on an estimate by the ACOSS supervisory authorities.

By contrast, as the risk of the repayment of social security contributions on income from assets is covered by the State, in return for the application of tax relief and non-value costs of 3.6%, no provision is made for this in the branch’s financial statements.

In addition, Article 1647-III of the CGI, as amended as provided for in Article 28 of the LFSS for 2018, provides for the harmonisation of the costs of assessment and collection (FAR) of taxes collected by the State on behalf of social security, by systematising the application of FARs to all taxes, duties and other contributions collected for the benefit of social security bodies from 2018 onwards. The applicable FAR rate was set at 0.5% by the decree of 19 December 2017.

Furthermore, tax relief and non-value costs (3.6%) are also applied solely for levies based on income from assets.

These costs are recorded as expenses.

#### 2.1.1.7 Other income and taxes collected by the CCMSA

The employer’s contribution on employee savings and supplementary corporate pension contributions (“*forfait social*”): pursuant to Article 13 of the LFSS for 2009, earnings and remuneration subject to the CSG but excluded from basic social security contributions are liable for an employer contribution.

For employers operating under the agriculture scheme, the social security contribution is collected by the Agricultural Mutual Assistance Fund (*Mutualité Sociale Agricole* - MSA) and centralised by the CCMSA, which notifies ACOSS of the income.

Both the accounting of the income from this contribution and the accounting of the accrued income follow the rules and methods applied to social security contributions for the income of agricultural employees.

#### 2.1.1.8 Other technical income

These mainly consist of**:**

- the 0.30% contribution known as "long-term care insurance" ("*solidarité autonomie*") from private and public employers (the ministerial circular of 1 July 2004 specifies that persons affiliated to a non-employee workers' scheme are not subject to payment), the income from which is allocated to CNSA. Concerning the solidarity contribution paid directly to ACOSS by the various partners of the general scheme, including the CCMSA, the receipts received in N+1 but the operative event of which relates to year N are recorded as accrued income;

- the additional solidarity contribution known as "CASA" (*Contribution Additionnelle de Solidarité pour l'Autonomie*) based on retirement and disability pensions, as well as on early retirement benefits paid as from 1 April 2013, is deducted by the organisations that provide these social benefits, then allocated to CNSA. The RAP to be attached to the financial statements for FY N is determined according to the same rules as that for CSG based on these replacement incomes.

### 2.1.2 Expenses

Technical expenses include:

- miscellaneous expenses levied by the tax authorities from certain revenues centralised by ACOSS;
- depreciation of receivables for levies collected by CCMSA and centralised by ACOSS;
- provisions for technical risks and expenses;
- income transfers under the mechanism for cancelling the technical result described above.

## 2.2 A new mission in 2018: compensation of exemptions from employee unemployment contributions to UNEDIC

Article 28 of the LFSS 2018 complements the provisions of Article L. 225-1-1 of the CSS by providing that the Central Agency of Social Security Agencies is also responsible (7°) for covering the cost resulting, for the organisation referred to in the first paragraph of Article L. 5427-1 of the Labour Code and for the schemes referred to in Article L. 921-4 of this Code, from the exemption of salary contributions provided for under Article 8 and the graduated reduction provided for in application of Article 9 of Law no. 2017-1836 of 30 December 2017 on the financing of social security for 2018".

Article 8 specifies that for 2018, the salary contributions provided for in Article L. 5422-9 of the Labour Code are covered by the Central Agency of Social Security Organisations, within the limit of the employee contributions due, up to a maximum of:

- 1.45 per cent. for contributions payable in respect of the periods between 1 January and 30 September;
- 2.40 points for contributions due for the periods beginning on or after 1 October.

Financial monitoring of the system has been put in place so as to enable the balance to be distributed between the national funds of the RG, in accordance with the provisions set out in Article 8 VII of the LFSS 2018: “The branches listed in Article L. 200-2 of the Social Security Code ensure the Agency’s financial balance in respect of this mission, according to a distribution established by decree of the Ministers responsible for the budget and social security according to the provisional balances of these branches. ”

The amount to be offset in respect of the exemptions from unemployment salary contributions was recorded as technical expenses in the ACOSS accounts and the balance of the scheme (VAT allocated – accrued expenses), recorded as technical income, was distributed and notified to the national funds on the basis of the decree of 8 March 2019.

## 2.3 Financing

### 2.3.1 Financing operations

As part of its cash management task under the general scheme, ACOSS manages a single account opened with the Caisse des Dépôts (a State administrative organ in charge of investing and lending public money) on behalf of the four branches of the general scheme: illness, workplace accidents and occupational illnesses, old age and family.

The financial movements of these branches for this single account are recorded in the current accounts of the national funds opened in ACOSS's books. The current accounts recorded in the balance sheet list the cash position of each branch of the general scheme in accordance with the principle of individualised cash monitoring of branches provided for by the law: on the assets side when the branch is in deficit (illness, retirement) and on the liabilities side when the branch is in surplus (AT MP).

As to the financial movements of URSSAF and CGSS in the single account, which are also recorded in current accounts opened in ACOSS's books, they are neutralised as part of the preparation of the combined accounts of the collection activity.

ACOSS is responsible for financing the cash requirements of the general scheme.

Since 2010, financing has been characterised by a diversification of instruments and the increased use of market instruments such as Neu CP (Negotiable European Commercial Paper) and ECP (European Commercial Paper). These are negotiable debt securities. ECPs are financial instruments under English law, which are issued at a fixed or variable rates, in foreign currencies or in euros.

Each foreign currency issuance is hedged, in amount and by maturity, via a currency swap agreement. The ECP and the hedging contract are executed simultaneously with the same partner bank. This currency swap provides an exchange rate on the redemption date identical to that of the issue date. Exchange-rate fluctuations are therefore perfectly hedged. These transactions are collateralised in order to guarantee ACOSS against any failure in the execution of the hedge. A security deposit is provided in the form of margin call.

At the instrument's subscription date, the amount received matches the nominal amount of the ECP/Neu CP at the rate on the day of subscription, at the euro equivalent if the transaction is in foreign currency. The ECP/Neu CP is recorded as a financial debt in exchange for the cash received from the bank, which is in euros.

This amount is reduced by the pre-counted interest as the euro equivalent if the ECP is discounted. It should be noted that discounted interest is recorded at the spot rate, as it is paid by the difference between the amount received at issue and the amount paid at maturity. It is therefore not hedged, unlike accrued interest. There is no accounting entry at the date of the swap's subscription. However, information is provided in the appendix.

At the close of the accounts, for accrued ECP/Neu CP, accrued interest not yet due (*intérêts courus non échus* - ICNE) is recorded on the transaction corresponding to the portion of interest attributable to FY N.

In the case of ECPs in foreign currencies, the liability recorded in the balance sheet should be revalued at the closing rate for the period and offset against a foreign exchange gain or loss in the income statement.

As for the ECP, the foreign exchange swap is subject to revaluation at the reporting date. At the end of the reporting period, the ECP is hedged by recognising the impact of the revaluation of the currency swap between the swap's subscription date and the reporting date.

The principle of symmetry dictates that the calculation of this revaluation is exactly the same as that of the ECP.

For deferred interest on a withheld transaction, payments corresponding to the portion of interest payable in FY N+1 are staggered against an expense set out in advance.

When the instrument is redeemed upon maturity, the financial debt (at the spot subscription rate) is settled by the cash paid to the bank (at the forward rate). Any potential difference corresponds to the carry-forward/offset effect. The treatment applied here is the deferral of the carry-over/offset for the duration of the hedging operation; i.e., attribution to the financial year and the recording of accrued income, if applicable.

In accordance with the principle of symmetry in hedge accounting, it is recognised under the same line item as that of the hedged item.

In the case of accrued ECPs, interest is paid at maturity and recorded as an interest expense at the forward rate.

Foreign exchange swap margin calls are used to hedge ACOSS' counterparty risk to the bank or vice versa. This is a security deposit calculated on the fair value of the portfolio. It should be recalled that margin calls are always made in euros. There are hence no exchange-rate issues. Margin calls are monitored daily by the Cash Management department.

In principle, margin calls should be accounted for by derivatives. However, a netting provision exists in ACOSS's agreements with its counterparties stipulating that in the event of default, margin calls are offset by the bank. When the instrument is settled, the margin call is closed.

Interest payments on margin calls are made at the end of the month. They are thus recorded at the same time and for the same amount as the cash flow. In this case, there are no accrued interest issues as the interest is due and recorded at the end of the month, and everything can be attributed to the current financial year.

Further information has been attached (Note 16, Off-balance sheet commitments), listing the features of financial instruments at the reporting date.

**Box 4: Treatment of foreign exchange losses and gains**

Foreign exchange gains and losses on hedging instruments are offset in the annual financial statements for financing transactions for which foreign exchange hedging is contractually perfectly linked to the underlying, insofar as the settlement/delivery of foreign currency instruments is effected directly in euros by the counterparties.

Where no mention is made in the accounting standards applicable to social security, and in accordance with these, the treatment applicable that provided for companies as set out in Regulation no. 2015-05 of 2 July 2015 of the French Accounting Standards Authority (Autorité des normes comptables - ANC) on forward financial instruments and hedging transactions.

The related presentation note thus provides:

*"2.6. Presentation in the income statement*

*In accordance with the principle of symmetry of hedge accounting, the result of the hedge should be allocated to the same item as the hedged item (e. g. sales of goods) or at least to the same item in the income statement (e. g. operating income, financial income).*

*To this end, sub-accounts (60/70, etc.) are created by the company, as necessary, depending on the accounts impacted by the hedged item.*

*This principle is stipulated in Article 628-11 of ANC Regulation 2014-03. "*

*"Art. 628-11 – Hedge accounting: Without prejudice to the provisions of Articles 628-12 and 628-13, income and expenses (unrealised or realised) relating to hedging instruments are recognised in the income statement in a manner symmetrical to the method used to recognise income and expenses on the hedged item. Changes in the value of hedging instruments are therefore not recognised in the balance sheet, unless recognition of all or part of these changes ensures symmetrical treatment with the hedged item.*

*By symmetry, the result of the hedge is presented in the same item or, failing that, in the same income statement item as that of the hedged item. "*

### 2.3.2 Interest rate swaps

Exceptionally and with the express agreement of the supervisory authority, ACOSS may use an interest rate swap agreement. This allows for a defined interest rate to be fixed and secured at a given maturity. At maturity, if the market rate is higher than the swap rate, then the financing rate is more favourable for ACOSS and vice versa. The last transaction of this type was carried out in 2016.

### 2.3.3 Investments

Taking into account its cash flow profile, ACOSS is limited to investing one-off cash surpluses generated by securing financing. To do this, the agency may use the following two instruments:

- Repos delivered on French government or CADES securities;
- Deposits in the Bank for Official Deposits (*Caisse des Dépôts et Consignations* - CDC) or Banque de France accounts.

### 2.3.4 Pooling of cash resources

As part of a strategy aimed at promoting the optimisation of public cash management, a certain number of social cash pooling operations are carried out. These take several forms:

- Contribution to the financing of the agency’s needs with partners with ongoing or one-off cash surpluses, or with the Agence France Trésor (a department of the French Finance Ministry) in the form of Neu CP (particularly at the end of each quarter).

  Article L225-1-3 of the CSS authorises certain bodies to deposit all or part of their cash and cash equivalents with ACOSS in exchange for payment, as part of cash optimisation.

  These operations were carried out during 2018. CNSA, The National Fund for the Electricity and Gas Industries (*Caisse nationale des industries électriques et gazières* - CNIEG) and the Health Insurance Fund for the Electricity and Gas Industries (*Caisse d’assurance maladie des industries électrique et gazière* - CAMIEG) contribute to the pooling of social cash. As such, they pay advances to ACOSS, which appear in the latter's financial debt.

- The agency’s granting of cash advances to the National Social Security Fund for Mines (*Caisse Autonome Nationale de la Sécurité Sociale dans les mines* - CANSSM), CNIEG and CCMSA are identified as loans to partners in its financial fixed assets.

- Lastly, cash pooling has resulted in the opening of financial monitoring accounts in order to limit financial cross-flows with some of our partners. Currently, the accounts opened are those of CNDSSTI (formerly CNRSI in 2015), CCMSA (1 July 2017) and the CMU-c Fund. All transactions relating to these accounts are idaentified in the balance sheet as receivables or debts with regard to other social security bodies.

Furthermore, the freedom to choose one's professional future law has enabled ACOSS to grant cash advances by derogation to Article L. 225-1-4 of the Social Security Code to the CFP Artisans training funds further to the change in collecting agency.

## 2.4 Administrative management

The combined income statement records all operating expenses of the branch as expenses. These are mainly financed by contributions from the national funds of the general scheme, as well as by various own resources, in particular management fees invoiced to the beneficiaries for collections carried out by the branch on their behalf, which constitute administrative management income.

In theory, the collection branch does not generate any accounting income for its administrative management operations, as the branch’s management expenses not covered by its own revenues are theoretically offset by an equal allocation to the national funds of the general scheme.

Until 2015, however, ACOSS applied budget-based management expenditure balancing rules. These were revised by an decree passed at the beginning of 2017 which led ACOSS to invoice the national funds in advance for not-yet depreciated investments. This generated significant accounting results to the funds' detriment. Over the years, these have accumulated in ACOSS' book reserves, reaching €443 million at the end of 2015.

To rebalance the situation in favour of the national funds, the aforementioned decree therefore provided that ACOSS discharge these reserves over a period of 25 years by reducing the amount of contributions invoiced to the national funds by €17.8 million each year.

A negative income for the same amount will thus be generated for 25 years from 2016, which will reduce reserves by the same amount each year until their complete clearance in 2040, at which date the annual accounting result will be restored to equilibrium.

☞ **Depreciation rules**

The method used is that of straight-line depreciation. The usage times applied by ACOSS are in line with the usual durations applied for all new acquisitions from 1 January 2003.

| Type of Fixed Assets | Rate – amortisation period |
|---|---|
| Concessions and similar rights, patents, licenses, trademarks, processes, software, rights and similar values | 100% to 20%<br>1-5 years |
| Land layout and development, Interior fixtures and fittings | 10% - 10 years |
| Structures and similar works | 4% - 25 years |
| Equipment, tools, organization and development of equipment and tools | 14.29% - 7 years |
| Transport equipment, computer hardware and associated software | 25% - 4 years |
| Office equipment | 20% - 5 years |

☞ **Staff expenses**

Accrued expenses or provisions are recorded for leave and un-taken reduced working time days (*Réduction du temps de travail* - RTT), profit-sharing, variable shares for management staff and profit-sharing bonuses for executives of level 8 and above as part of the collective labour agreement, and IT specialists over level VII.

These provisions are assessed according to the following conditions:

- The profit-sharing bonus payable in respect of FY N takes into account a 2% change in the amount paid in FY N in respect of FY N-1, and the employer contribution (*forfait social*) at the rate of 20% applicable from 1 August 2012, and the tax levied on salary at 13.60%,
- the variable component for management staff: the memorandum of understanding of 22 July 2005 provided for the payment of a variable component to management staff, the maximum amount of which may be 1.5 months of the basic salary for directors and 1 month for other management staff. The amount of the provision is established on the basis of 65% of the total theoretical amount, and includes the associated social security contributions. This is a bounding envelope that does not prejudge the distribution made in FY N+1 according to the achievement of set targets,
- The performance bonus for level 8 and higher managers and IT professionals above level VII, provided for in the November 2004 Staff and Managers Protocol (*protocole des employés et cadres*), can be up to a maximum of half a month's salary. Provisions are recorded based on an estimate of the bonuses likely to be awarded,
- provisions for long-service awards are recognised in accordance with the National Accounting Council (*Conseil national de la comptabilité* - CNC) recommendation 2003 R01. They concern all employees present at the end of the financial year and confer awards to which these employees are entitled until their retirement. The assessments are carried out by The National Social Security Funds Union (*L'Union des caisses nationales de Sécurité sociale* - UCANSS) using data validated by the national funds and with the assistance of an actuarial service provider. They apply the "Projected Unit Credit" (*Unités de crédits projetées*) method. This is an actuarial method, based on the estimate of probable future benefits (*prestations futures probables* - VAP) and retrospective benefits, which defines the value of the commitment at the time the valuation is made.

For retirement benefits, tax collection does not apply the preferential method recommended by the CNC (provisions accounting); however, information relating to this commitment is included in the appendix. Commitments are measured in the same way as those applied to long-service awards.

## 3. Accounting changes

Accounting changes, within the meaning of Opinion no. 2012-05 of 18 October 2012 of the Public Sector Accounting Standards Board (*Conseil de normalisation des comptes publics* - CNOP) made in 2018 related to the points described below. To facilitate comparison of financial statements between FY 2017 and FY 2018, pro forma financial statements have been drawn up for FY 2017.

### 3.1 The transformation of the Social Scheme for the Self-employed

Following the abolition of the social security scheme for self-employed workers (RSI) on 1 January 2018 and its gradual incorporation into the general scheme, the rights and obligations relating to the technical management of the RSI (excluding supplementary retirement and death disability) are transferred by law on 1 January 2018 to the national and local bodies of the general scheme, for missions and activities within their respective scopes.

In this context, the law provides, as of 2018, that revenue previously allocated to the RSI for basic health and old-age risks will now be allocated to the sickness and retirement branches of the general scheme.

Insofar as the collection of self-employed workers was already entrusted to the Recovery branch, the only accounting impact for ACOSS concerns the transactions carried out under contribution exemption mechanisms, for which the RSI was previously invoicing on the basis of the information provided by ACOSS for the exemptions recorded.

The balances vis-à-vis the State shown in CNDSSTI's accounts at 31/12/2017 in respect of the exemptions from basic risk contributions for traders and craftsmen have been reversed in ACOSS's opening balance sheet for 2018. The impact of this reversal has resulted in an increase in receivables from the State of **€55M**.

### 3.2 Revision of the method for estimating accrued income for the payment of exemptions by the State

The estimated accrued income in respect of exemptions was based until 2017 on the cash forecast produced by ACOSS for January Y+1.

The proposed method for 2018 consists of drawing upon data relating to the exemptions from the January N+1 accounting balance for N and incorporating an estimated component based on the January N+1 weight in the total for the year N+1 calculated on previous years (as an exemption measure).

This change, which has led to an alignment with the method used to estimate accrued income from contributions collected by URSSAF and CGSS, has led to an increase in accrued income from the 2017 exemptions of **€144.4M** in the 2018 opening balance sheet.

# 4. Significant events of the financial year

## 4.1 Legislative or regulatory changes concerning tax collection management

The main legislative and regulatory texts impacting the 2018 financial statements are as follows:

- Law no. 2017-1836 of 30 December 2017 on the financing of social security for 2018;
- Law no. 2017-1837 of 30 December 2017 on finances for 2018;
- Law no. 2017-1775 of 28 December 2017 on amending finances for 2017.
- Decree No. 2018-174 of 9 March 2018 on the implementation of the social protection reform of self-employed workers provided for in Article 15 of the Social Security Financing Act for 2018.

All significant measures are detailed below.

### 4.1.1 The measures relating to purchasing power and employment

#### 4.1.1.1 The abolition of employee social contributions in exchange for an increase in the CSG

The Social Security Financing Act for 2018 provides, as of 1 January, for:

- The elimination of the health insurance payroll contribution of 0.75%;
- The reduction in the unemployment insurance payroll contribution from 2.40% to 0.95% at 1st January, and the complete abolition of this contribution on 1 October 2018;
- Compensation by ACOSS for the portion exempt from unemployment salary contributions to UNEDIC. In return, ACOSS is allocated a portion of the VAT itself;
- an increase in the rate of the general social security contribution (CSG) of 1.7 percentage point applicable to all earned income and replacement income (with the exception of unemployment benefits and Social Security daily allowances) as well as unearned income and income from certain games.

The 2018 Finance Act increases, in the same proportion, the portion of CSG deductible from the income tax base.

**Change in CSG rates between 2017 and 2018**

| Income concerned | CSG rate in 2017 | CSG rate in 2018 |
|---|---|---|
| Employee activity income Early retirement benefits Early termination of employment | 7.50% | 9.20% |
| Retirement and disability pensions | 6.6% Except application of the reduced CSG rate to 3.80% or exemption from CSG-CRDS | 8.3% Except application of the reduced CSG rate to 3.80% or exemption from CSG-CRDS |
| Allowances for unemployment and daily social security benefits | 6.20% Except application of the CSG rate reduced to 3.80% or exemption from CSG CRDS | No change |
| Assets and investment | 8.20% | 9.90% |

All these changes apply to the periods of employment after 1 January 2018. The first liabilities affected by these changes are therefore those of 5 and 15 February 2018.

**Compensation scheme for the reduction in the rate of unemployment contributions** (Articles 8 and 28 of the LFSS for 2018 and 55 of the LFI for 2018)

Article 28 of the LFSS for 2018 supplements the provisions of Article L. 225-1-1 of the CSS relating to ACOSS' missions as follows:

*"Article L 225-1-1 of the CSS:*

*The Central Agency of Social Security Bodies is also responsible for:*

*7° Covering the cost resulting, for the organisation referred to in the first paragraph of Article L. 5427-1 of the Labour Code and for the schemes referred to in Article L. 921-4 of this Code, from the exemption of salary contributions provided for in application of Article 8 and the graduated reduction provided for in application of Article 9 of Law no. 2017-1836 of 30 December 2017 on the financing of social security for 2018".*

Article 8 specifies that for 2018, the salary contributions provided for in Article L. 5422-9 of the Labour Code are covered by the Central Agency of Social Security Organisations, within the limit of the employee contributions due, up to a maximum of:

- 1.45 per cent. for contributions payable in respect of the periods between 1 January and 30 September;
- 2.40 points for contributions due for the periods beginning on or after 1 October.

As consideration for this expense, ACOSS is directly allocated a fraction of VAT, amounting to 5.59% (Art. 55 LFI for 2018).

Financial monitoring of the system has been put in place so as to enable the balance to be distributed between the national funds of the RG, in accordance with the provisions set out in Article 8 VII of the LFSS 2018:

“The branches listed in Article L. 200-2 of the Social Security Code ensure the Agency’s financial balance in respect of this mission, according to a distribution established by decree of the Ministers responsible for the budget and social security according to the provisional balances of these branches.”

**Measures taken to offset the loss of sickness and unemployment contributions and the 1.7-point increase in the CSG relating to measures "for purchasing power in favour of the working population"**

The impacts of these measures were estimated at +€14.4 bn for the sickness branch (increase in CSG, loss of salary contributions, change in the sickness rate of self-employed workers and reduction in contributions in the public sector), -€1.5 bn for the family branch (reduction in contributions from self-employed workers), +€2.1 bn for the FSV (increase in CSG on social security deductions for capital) and -€9.4 bn for Unedic (loss of unemployment benefits).

The compensation is made primarily by reallocations of income:

- the Health branch is no longer subject to VAT;
- in order to compensate Unedic for the loss of unemployment wage contributions, a share of VAT is allocated to ACOSS;
- the transfer of part of the salary tax from the sickness branch to the family branch for rebalancing;
- to offset the increase in CSG on social capital levies, the solidarity levy on unearned income is no longer allocated to the FSV and is retroceded to the State.

#### 4.1.1.2 Extended contribution exemptions to support business creation

In order to open the status of the micro-enterprise to the largest possible number of self-employed workers, which is favourable with its simplified tax regime, the Finance Act for 2018 doubles the annual turnover caps that enable it to benefit from this status.

For sales, catering and accommodation provision activities (furnished tourist accommodation and guest houses), this maximum has been redefined at €170,000 excluding tax and €70,000 for services, compared to €82,800 and €33,200 respectively previously. This increase pertains to the 2018 tax (income received in 2017), whether it is micro BIC (industrial and commercial profits) or micro BNC (non-commercial profits).

If, for 2 consecutive years, the turnover earned by the micro-entrepreneur exceeds the limits stated, the beneficiary must change under the individual company's ordinary law regime.

### 4.1.2 Changes in contribution rates

**The elimination of contributions for duress**

The two contributions dedicated to the financing of the personal account for the prevention of duress were abolished on 1 January 2018, namely:

- the basic contribution payable at the rate of 0.01% by all employers in respect of the employees they employ and who fall within the scope of the duress account even when the employees concerned are not exposed to a duress factor;
- the additional contribution payable by employers having exposed at least one of their employees to duress beyond the exposure thresholds. Its rate is set at 0.2% or 0.4% for employees having been simultaneously exposed to one or more duress factors beyond the thresholds provided. The additional contribution is due on 31 January in respect of exposure to duress factors over the course of the previous year.

The basic contribution will be abolished as from 1 January 2018. The additional contribution remains due until the January 2018 maturity for exposures for the first 9 months of 2017.

For the 4th quarter of 2017, the additional contribution is due solely on the remuneration of employees exposed to the 6 selected risk factors. This additional contribution is therefore not due on the remuneration of employees who have been exposed to the 4 risk factors now excluded from the scope of the duress account (carrying heavy loads, strained postures, mechanical vibrations, hazardous chemical agents).

As part of the reform of the personal account for the prevention of duress – which becomes the professional accident prevention account (C2P) – the order of 22 September 2017 provides for the dissolution of the fund to finance the rights related to the personal accident prevention account.

The management of the expenses generated by the C2P is entrusted to the national bodies of the AT-MP branches of the General Scheme and of the scheme for agricultural employees, to which all of the fund's assets, rights and obligations are transferred on 1 January 2018.

Consequently, the 2017 receivables relating to duress prevention contributions were transferred to the AT branch of the General Scheme for the part due by employees of the General Scheme and to the AT branch of the agricultural regime for the part due by agricultural employees.

### 4.1.3 Harmonisation of assessment and recovery costs

Article 1647-III of the CGI, as amended as provided for in Article 28 of the LFSS for 2018, provides for the harmonisation of the costs of assessment and collection (FAR) of taxes collected by the State on behalf of social security, by systematising the application of FARs to all taxes, duties and other contributions collected for the benefit of social security bodies from 2018 onwards.

The applicable FAR rate was set at 0.5% by the decree of 19 December 2017.

## 4.2 Cash management: significant events

### 4.2.1 2018 funding requirements

The debt ceiling of the Agence centrale des organismes de sécurité sociale (ACOSS) was set at €38 bn for the 2018 financial year, above the ceiling agreed for the 2017 financial year (€33 bn), which enabled full coverage of the cash requirements of the farmers' scheme and the social security scheme in mines. It also helped ensure ACOSS would be able to cope with the risks weighing on its profile throughout the year.

### 4.2.2 Increasing the ECP issue ceiling to €40bn

ACOSS has two programmes by which it finances its cash requirements: Euro commercial paper (ECP) since 2010 and Negotiable European commercial paper (Neu CP - formerly "commercial paper" (*billet de trésorerie*)) since 2006.

The ECP programme contributes to the increased security of funding through maturities that are 2-3 times longer than those obtained on the Neu CP market and which boast a broader, more diversified investor base. ECP financing is also obtained at more favourable rates than its Neu CP equivalent.

The ceiling of the Neu CP programme was set by the memorandum information of 20 April 2017 at €25 bn. The ceiling of the ECP program was set by the corresponding document of 27 July 2017 at the same amount.

With a view to implementing the audit recommendations of the IGAS mission report on Acoss' cash management and forecasting activity submitted in January 2018, the ceiling for the ECP programme has been set at an amount higher than the maximum exposure of 40 bn since 30 March 2018.

### 4.2.3 The continued use of cash pooling

Following Decree no. 2015-420 of 14 April 2015 amending certain provisions of the CSS relating to financial relations between the general scheme and the schemes for employees and self-employed farmers, the Order of 20 December 2016 established the list of organisations or funds for which a financial transactions monitoring account is opened on the ACOSS books, of which the CMU-C funds is an integral part.

It provides for the monitoring of flows between ACOSS and the CMU-C Fund in an account opened within ACOSS accounting, as well as the possibility of requesting the use of this account for the payment of debts to the social security funds of the general scheme in particular. This account has been open on the ACOSS books since 1 January 2018.

## 4.3 Characteristic events in cash management

### 4.3.1 Integration of IT centres as of 01/01/2018

Pursuant to Article 105 of Law No. 2016-1827 of 23 December 2016 on the financing of social security for 2017, the following have been transferred to ACOSS as from 1st January 2018, all the tasks and activities carried out by the Collection Data Centres, these entities being wound up on 31 December 2017. The rights, property and obligations of IT centres are also transferred, on the same date, to ACOSS.

In addition, the missions and IT activities conducted by URSSAF Ile de France are also transferred on this same date. Similarly, the employment contracts of URSSAF employees carrying out these activities are transferred to ACOSS at 1st January 2018.

### 4.3.2 Implementation of single budget for CGSS

Under the new agreements on the objectives and management of the general scheme concluded in 2018 between the national funds and the State, provision has been made for the CNAM to implement centralised management of the budgetary resources allocated to the general social security funds (CGSS) in the overseas departments, accompanied by the introduction of a so-called single budget for these funds.

In this context, all the administrative management expenses and income of these bodies will be recorded in the accounts of the Sickness and Accident at Work branches and there is no provision for the national funds to be allocated to the CNAM. All management expenditure relating to the CGSS is therefore outside the scope of the accounts of the other branches and schemes (CNAV, ACOSS and MSA).

As a transitional measure in 2018, expenses related to fixed assets (depreciation, net book value) remain charged to the administrative management of the various branches, as the switch from other management to health management has been deferred until 2019. This operation has an impact of approximately €40 bn on the scope of administrative management expenses for the collection branch in 2018.

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# 5. Technical income and expenses

Excluding transfers of expenses, the total amount of assessments, corresponding to the income attributed to the financial year as accruals, increased in 2018 to **€89.4 bn** for all beneficiaries - compared with €83,584 million in 2017, an increase of 6.96%, including:

- ☞ **€89.3 bn** recorded in the income statement (class 7), as compared to €83.6 bn in 2017, (+6.93 % compared to 2017 data)

- ☞ **€0.05 bn** recorded solely in the balance sheet (class 4) (versus €27.3 million in 2017), or +100%.

The synoptic table below shows a summary of the 2018 technical income by type and beneficiary (excluding expense transfers):

**Summary table of 2018 revenue by accounting method, by beneficiary and by type (excluding expense transfers)**

in millions of euros (€ million)

| Beneficiaries | Social security contributions | Covered by the State | Social security cover | CSG | ITAF | CRDS and other contributions | Technical income (2) | Reversal of provisions (3) | Extraordinary income | Total income |
|---|---|---|---|---|---|---|---|---|---|---|
| CNAM Maladie | 84.35 | 2461.32 | 1,317.81 | 13,685.65 | 15,085.90 | 0.00 | -26.42 | 123.46 | 0.00 | **32,732.08** |
| CNAM AT | 0.00 | 83.48 | | | 0.00 | | 0.00 | 0.00 | 0.00 | **83.48** |
| CNAF | 9.47 | 784.57 | 202.77 | 1,894.53 | 8,690.60 | | 0.00 | 125.74 | 0.00 | **11,707.69** |
| CNAV | 144.81 | 2,293.06 | | | 5,360.03 | 37.06 | 0.00 | 127.02 | 0.00 | **7,961.98** |
| ACOSS | | | | | 9,569.91 | | 103.06 | | | **9,672.98** |
| FSV | | 0.00 | | 13,040.22 | 4,390.93 | | | 14.35 | 0.00 | **17,445.50** |
| CNSA | | 0.01 | | -0.16 | 1,942.01 | | 982.11 | 1.22 | 0.00 | **2,925.19** |
| CADES | | 0.02 | | 2,144.51 | -1.90 | 2,324.10 | | 7.41 | 0.00 | **4,474.14** |
| CMU funds | | | | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | **0.00** |
| CCMSA | 0.00 | | | 2,333.94 | 0.00 | | 0.00 | 0.00 | 0.00 | **2,333.94** |
| Various schemes and funds | 0.00 | | | 7.57 | 0.00 | | | 0.17 | 0.00 | **7.74** |
| **Total income recorded in the income statement** | **238.64** | **5,622.45** | **1,520.58** | **33,106.26** | **45,037.50** | **2361.15** | **1,058.76** | **399.37** | **0.00** | **89,344.71** |
| AOT | | 0.78 | | | | 0.00 | | | | **0.78** |
| FNAL | | 1.67 | | | 0.00 | 0.00 | | | 0.00 | **1.67** |
| Alsace Moselle local scheme | 0.25 | 1.91 | | | | | | | 0.00 | **2.17** |
| RAVGDT | | | | | 50.01 | | | | | **50.01** |
| **Total income recorded in the balance sheet** | **0.25** | **4.37** | **0.00** | **0.00** | **50.01** | **0.00** | **0.00** | **0.00** | **0.00** | **54.62** |
| **General total for income collected** | **238.89** | **5,626.82** | **1,520.58** | **33,106.26** | **45,087.50** | **2361.15** | **1,058.76** | **399.37** | **0.00** | **89,399.33** |

(1) 2016: DCT of CMU, CANSSM, FCAATA, CRPCEN, ENIM beneficiaries and 2017 FFP contributions

(2) Other contributions (unclaimed amounts), CRDS, sickness contributions of inmates and CNSA contributions

(3) Reversals of provisions for risks, expenses and impairments

## 5.1 Technical income and expenses recorded in the income statement

### 5.1.1 Technical income

Technical management income corresponds to ACOSS's direct revenue collection that is allocated to the beneficiaries, as well as the income recorded as expense transfers to the beneficiaries (see note 2).

| Technical management income | 2018 | 2017 Proforma | 2017 Published | Change 2018 / 2017 | | Structure 2018 |
|---|---|---|---|---|---|---|
| **Contributions, taxes and allocated income** | **87,886.6** | **82,527.63** | **#N/A** | **5,358.95** | **6.5%** | **97.2%** |
| Social security contributions | 238.6 | 249.4 | #N/A | -10.7 | -4.3% | 0.3% |
| Contributions paid by the State | 5,622.5 | 5,071.1 | #N/A | 551.4 | 10.9% | 6.2% |
| Contributions paid by social security | 1,520.6 | 1,623.5 | #N/A | -102.9 | -6.3% | 1.7% |
| Taxes: generalised social security contributions | 33,106.3 | 26,243.2 | #N/A | 6,863.1 | 26.2% | 36.6% |
| Earmarked taxes and duties | 45,037.5 | 47,088.8 | #N/A | -2,051.3 | -4.4% | 49.8% |
| Other earmarked contributions | 37.1 | 9.4 | #N/A | 27.7 | 295.5% | 0.0% |
| Taxes: contribution to social security debt repayments | 2,324.1 | 2,242.4 | #N/A | 81.7 | 3.6% | 2.6% |
| **Technical income** | **1,058.8** | **1,045.3** | **#N/A** | **13.5** | **1.3%** | **1.2%** |
| Public contributions | -26.4 | 100.0 | #N/A | -126.4 | -126.4% | 0.0% |
| *Refunds of contributions* | *-26.4* | *100.0* | *#N/A* | *-126.4* | *-126.4%* | *0.0%* |
| *Waiver of contribution debts offset by the State* | *0.0* | *0.0* | *#N/A* | *0.0* | *ns* | *0.0%* |
| Additional Solidarity Contribution for Autonomy | 982.1 | 945.3 | #N/A | 36.8 | 3.9% | 1.1% |
| Conventional discounts and penalties | 0.0 | 0.0 | #N/A | 0.0 | ns | 0.0% |
| Balance UNEDIC w age exemption compensation | 103.1 | 0.0 | #N/A | 103.1 | ns | 0.1% |
| **Transfer of expenses** | **1,092.8** | **847.7** | **#N/A** | **245.2** | **28.9%** | **1.2%** |
| **Reversal of provisions** | **399.4** | **54.0** | **#N/A** | **345.3** | **639.2%** | **0.4%** |
| Reversals of provisions for technical expenses | 365.8 | 48.5 | #N/A | 317.3 | 654.2% | 0.4% |
| Reversals of provisions for impairment of current assets | 33.6 | 5.5 | #N/A | 28.0 | 507.6% | 0.0% |
| **Total technical management income** | **90,437.6** | **84,474.6** | **#N/A** | **5,962.9** | **7.1%** | **100.0%** |

Excluding the expense transfers, technical income increased by 7% compared with 2017. This change is mainly the result of the income received in respect of the CSG due to the 1.7 point increase in the CSG rate on business and replacement income (see Note 4 above).

### 5.1.1.1 Social security contributions

This item, which represents 0.3% of the income collected by ACOSS, is made up of:

- pre-paid health insurance contributions retirement and early-retirement pensions (€76.1 million, up 2.7%);
- contributions to finance voluntary old-age insurance for beneficiaries of the asbestos allowance (€69.9 million, down by 10.8%);
- contributions from non-salaried employees and the 1% contribution due by the broadcasters of works under the authors' scheme affiliated to AGESSA and MDA (€92.7 million, up 2.4%).

**Breakdown of social security contributions by beneficiary**

in millions of euros (€ million)

| Social security contributions (by type/beneficiary) | 2018 | 2017 Proforma | 2017 Published | Change 2018 / 2017 | |
|---|---|---|---|---|---|
| **Contributions from inactive workers (retirement and** | **145.9** | **152.4** | **#N/A** | **-6.5** | **-4.2%** |
| CNAM Maladie | 76.1 | 74.1 | 74.1 | 2.0 | 2.7% |
| CNAV | 69.9 | 78.3 | 78.3 | -8.5 | -10.8% |
| **Contributions from non-employees** | **92.7** | **95.0** | **95.0** | **-2.3** | **-2.41%** |
| CNAM Maladie | 8.3 | 22.2 | 22.2 | -14.0 | -62.8% |
| CNAF | 9.5 | 9.4 | 9.4 | 0.1 | 1.0% |
| CNAV | 74.9 | 63.4 | 63.4 | 11.6 | 18.3% |
| **Other social contributions** | **0.0** | **2.0** | **#N/A** | **-2.0** | **-100.0%** |
| HARDSHIP FINANCING FUND | 0.0 | 2.0 | #N/A | -2.0 | -100.0% |
| **Total social contributions** | **238.6** | **249.4** | **#N/A** | **-10.7** | **-4.30%** |

#### 5.1.1.2 Social security contributions paid by the State

Article L. 131-7 of the CSS provides that any measure to reduce or exempt social security contributions, enacted from the date of entry into force of the Law of 25 July 1994 on social security that provided for it, shall result in full compensation being paid to the schemes concerned from the State budget for the entire duration of its application. This compensation is made without prejudice to the compensation applied on the date of entry into force of said law and the measures taken more recently in the context of changes in financial relations between the State and the social security system.

Furthermore, Article L. 139-2 of the CSS provides that relations between the State and the mandatory basic social security schemes are governed by agreements that guarantee, in particular, the neutrality of their cash flows.

These so-called "targeted" exemptions - as opposed to general contributions relief, which are financed under another framework - are settled by URSSAF and CGSS based on contributors' declarations. For the total amount of the exemptions, ACOSS records income and receivables in its accounts for the payment of these contributions by the State via by State budgetary credits.

Under the terms of the State/ACOSS financial agreement of 27 June 2013, the State makes interim payments to ACOSS for the general scheme on the one hand, and, on the other, for the various schemes to which exemptions apply (CCMSA, etc.). This agreement specifies that payments are "within the limit of the State's budgetary credits". In the event of insufficient financing, the amounts still owed by the State are recorded as State receivables in the branch's accounts. Any financing surpluses received are also recorded as debts (see note 15).

Contributions paid by the State for all beneficiaries combined amounted to **€5,662.4 million**, an increase of 10.9%.

The tables below show the contributions payments by destination and by beneficiary (excluding the share of recoveries recorded in third party accounts on the balance sheet):

| Breakdown of contributions paid by the State by destination | 2018 | 2017 Proforma | 2017 Published | Change 2018 / 2017 | | Structure 2018 |
|---|---|---|---|---|---|---|
| For the benefit of certain categories of employees | 1,142.6 | 1,103.5 | #N/A | 39.1 | 3.5% | 20.3% |
| For the benefit of geographical areas | 1,225.4 | 1,095.3 | #N/A | 130.1 | 11.9% | 21.8% |
| For the benefit of various economic sectors | 2,344.4 | 2,313.3 | #N/A | 31.0 | 1.3% | 41.7% |
| For the benefit of low wage earners | 0.0 | 0.0 | #N/A | 0.0 | 21.6% | 0.0% |
| For the benefit of certain categories of contributors | 401.9 | 74.6 | #N/A | 327.4 | 438.8% | 7.1% |
| Other coverage | 508.1 | 484.3 | #N/A | 23.8 | 4.9% | 9.0% |
| Total contributions assumed by the State | 5,622.5 | 5,071.1 | #N/A | 551.4 | 10.9% | 100.0% |

The table below shows each of these mechanisms in detail:

in millions of euros (€ million)

| Breakdown of contributions paid by the State by mechanism | 2018 | 2017 Proforma | 2017 Published | Change 2018 / 2017 | | Structure 2018 |
|---|---|---|---|---|---|---|
| **For the benefit of certain categories of employees** | **1,142.6** | **1,103.5** | **1,096.8** | **39.1** | **3.5%** | **20.3%** |
| Apprenticeship | 893.5 | 870.2 | 863.0 | 23.3 | 2.7% | |
| Press-card holders | 15.2 | 15.1 | 15.0 | 0.1 | 0.8% | |
| Professionalisation contracts | 14.9 | 11.0 | 10.5 | 3.9 | 35.4% | |
| HCRB discount for benefits in kind | 0.1 | 0.0 | 0.0 | 0.1 | 523.4% | |
| Integration | 11.4 | 10.7 | 10.8 | 0.6 | 6.0% | |
| CRE | 0.0 | 0.0 | 0.0 | 0.0 | -831.6% | |
| Integration w orkshops and projects (ACI) | 128.2 | 118.7 | 118.6 | 9.5 | 8.0% | |
| Intermediary associations | 79.3 | 77.8 | 78.9 | 1.5 | 1.9% | |
| **For the benefit of geographical areas** | **1,225.4** | **1,095.3** | **1,116.2** | **130.1** | **11.9%** | **21.8%** |
| ZRR Hiring from the 1st to 50th employee | 23.1 | 10.1 | 9.8 | 13.1 | 129.6% | |
| ZRR General interest entities | 95.9 | 85.5 | 84.5 | 10.4 | 12.1% | |
| ZRD | 1.5 | 2.1 | 2.0 | -0.5 | -25.5% | |
| ZFU | 27.1 | 37.4 | 37.2 | -10.3 | -27.6% | |
| Employment area to be revitalised | 18.4 | 16.2 | 16.2 | 2.2 | 13.5% | |
| CAE for DOM exemptions | 0.0 | -0.1 | -0.1 | 0.1 | -131.1% | |
| “DOM Law” exemptions | 1,058.5 | 938.8 | 961.9 | 119.8 | 12.8% | |
| CAE (excluding DOM exemptions) | 0.9 | 5.4 | 4.7 | -4.5 | -83.2% | |
| **For the benefit of various economic sectors** | **2,344.4** | **2,313.3** | **2,236.0** | **31.0** | **1.3%** | **41.7%** |
| Young Innovative Companies | 204.8 | 194.6 | 194.9 | 10.2 | 5.3% | |
| Young University Companies | 1.3 | 0.9 | 0.8 | 0.4 | 51.2% | |
| EPM: | 2,137.6 | 2,117.9 | 2,040.2 | 19.7 | 0.9% | |
| *EPM* | 416.2 | 421.5 | 427.6 | *-5.3* | *-1.3%* | |
| *home help for vulnerable persons, direct employment* | 867.6 | 845.4 | 767.4 | *22.2* | *2.6%* | |
| *home help for vulnerable persons, service providers* | 853.8 | 850.9 | 845.3 | *2.9* | *0.3%* | |
| Sports referees and judges | 0.6 | 0.0 | 0.0 | 0.6 | 3182.0% | |
| **For the benefit of low wage earners** | **0.0** | **0.0** | **0.0** | **0.0** | **21.6%** | **0.0%** |
| **For the benefit of certain categories of contributors** | **401.9** | **74.6** | **72.0** | **327.4** | **438.8%** | **7.1%** |
| Micro-company social security | 0.0 | -3.0 | -3.0 | 3.0 | -100.2% | |
| MDA broadcaster contributions | 0.1 | 2.0 | 2.0 | -1.9 | -94.1% | |
| AF exemption for shipping companies | 12.1 | 11.5 | 11.2 | 0.6 | 5.2% | |
| ACCRE | 389.7 | 64.1 | 61.9 | 325.6 | 508.0% | |
| **Other coverage** | **508.1** | **484.3** | **479.9** | **23.8** | **4.9%** | **9.0%** |
| Exemption on overtime TEPA | 503.8 | 484.3 | 479.9 | 19.5 | 4.0% | |
| Waiver | 4.3 | 0.0 | 0.0 | 4.3 | Not significant | |
| **Total contributions assumed by the State** | **5,622.5** | **5,071.1** | **5,000.9** | **551.4** | **10.9%** | **100.0%** |

The most significant change observed in 2018 concerns the contribution exemption scheme for **the unemployed creating or taking over a business:** (ACRE), whose cost increased from €64.1 million in 2017 to **€389.7M** in 2018. This mechanism accounts for 59% of the total change in coverage (€325.6 million out of a total €551.4 million).

This change is largely due to the doubling of revenue ceilings, which opened up access to the simplified micro-social scheme and the broadening of the ACRE bonus to new audiences (LFSS for 2017).

Exemptions **for the benefit of certain economic sectors** accounted for 41.7% of the exemptions offset in 2018 (versus 44.7 % in 2017).

The bulk of the cost in 2018 resulted from mechanisms to promote the use of home help for vulnerable people (€1,721 million), offset by the State since 2017.

Most of the cost increase for the exemption mechanisms **in favour of geographical areas** was the result of the "Dom Act" exemption, which recorded an increase of 12.8%, and measures to promote job creation in rural regeneration zones (ZRR). For all other measures, the decrease recorded in 2017 was confirmed in 2018.

Lastly, within the category of mechanisms designed to serve certain categories of employees, which amounted to a cost of €1,142M, the system designed to foster apprenticeship remained dynamic in 2018. The exemption for apprenticeship contracts under the 1979 Act made significant progress (+12.3%), mainly due to the increase in entries to the scheme in 2018 (+8.1%). According to DARES, the institution of experimentation on the opening of apprenticeships for up to 30 years from April 2017 generated a sharp increase in new participants. New participants from January to April 2018 increased by 38.4% compared with those from January to April 2017 (over the rest of the year, they increased by 4.3%).

#### 5.1.1.3 Social security contributions paid by social security authorities

The recording of contributions assumed by the national health insurance funds (*l'assurance maladie*)for PAMs is made in the ACOSS accounts following consolidation of the amounts recorded as such by the network's bodies. ACOSS charges these payments to CNAM, which distributes them between the health insurance schemes, and to CNAF.

The table below shows the breakdown of sickness and family payments.

**Details of social security coverage by beneficiary**

in millions of euros (€ million)

| Contributions paid by social security | 2018 | 2017 | Change 2018 / 2017 | |
|---|---|---|---|---|
| CNAM Maladie | 1,318 | 1,296 | 22 | 1.7% |
| CNAF | 203 | 328 | -125 | -38.2% |
| **Total contributions paid by social Security** | **1,521** | **1,623** | **-103** | **-6.3%** |

The income from these payments fell by 6.3% in 2018 under the effect of the reduction in the family contribution rate (see Note 4).

#### 5.1.1.4 The CSG and the CRDS

ACOSS collects CSG and CRDS income for different types of taxable income. Mainly, this is on replacement income, business income (collected by CCMSA), unearned income or even gambling income.

The CSG collected by ACOSS is allocated to its partners according to the rates in force and the type the taxable income, with a change in the allocation rules in 2016 for CSG *maladie*. After a transitional period in 2016 during which CSG *maladie* was distributed proportionally between the schemes on the basis of keys established by decree, each health insurance scheme is now allocated the CSG actually collected from the business income of its affiliates, in accordance with the provisions of 4° of IV of Article L. 136-8 of the CSS. For instance, in 2017, except for the portion relating to previous financial years (which was distributed between the schemes on the basis of the keys established by decree for 2016 and allocated to CNAM if prior to 2016), the MSA was allocated the full amount of CSG *maladie* collected.

The CRDS is allocated to CADES.

The tables below show CRDS revenues by beneficiary and by type of income

**Details of the CSG by beneficiary**

in millions of euros (€ million)

| Taxes: Generalised Social Security Contribution | 2018 | 2017 Proforma | 2017 Published | Change 2018 / 2017 | |
|---|---|---|---|---|---|
| CNAM Maladie | 13,685.7 | 10,428.3 | 10,428.2 | 3,257.3 | 31.2% |
| FSV | 13,040.2 | 10,068.1 | 10,068.1 | 2,972.1 | 29.5% |
| CCMSA | *2,333.9* | *1,818.2* | *1,818.2* | 515.8 | *28.4%* |
| CADES | 2,144.5 | 2,071.2 | 2,071.2 | 73.3 | 3.5% |
| CNAF | 1,894.5 | 1,851.4 | 1,851.4 | 43.2 | 2.3% |
| Various health schemes (1) | 7.6 | 6.2 | #N/A | 1.4 | 22.7% |
| CNSA | -0.2 | 0.0 | 0.0 | -0.1 | 662.9% |
| **Total CSG allocated to the general scheme and partners** | **33,106.3** | **26,243.2** | **#N/A** | **6,863.1** | **26.2%** |

(1) CNMSS, CPRP SNCF, CANSSM, RATP, ENIM, CAVIMAC, PAB

**Details of CSG by type of income**

in millions of euros (€ million)

| Taxes: Generalised Social Security Contribution | 2018 | 2017 Proforma | 2017 Published | Change 2018 / 2017 | | Structure 2018 |
|---|---|---|---|---|---|---|
| **CSG on business income** | **2,978.1** | **2,402.6** | **#N/A** | **575.5** | **24.0%** | **9.0%** |
| Income for the year | 3,208.5 | 2,279.9 | #N/A | 928.6 | 40.7% | |
| Accrued income | -230.4 | 122.7 | #N/A | -353.1 | -287.8% | |
| Deferred income | 0.0 | 0.0 | #N/A | 0.0 | ns | |
| **CSG on replacement income** | **15,782.0** | **12,613.6** | **#N/A** | **3,168.4** | **25.1%** | **47.7%** |
| Income for the year | 15,475.8 | 12,585.7 | #N/A | 2,890.0 | 23.0% | |
| Accrued income | 311.7 | 28.6 | #N/A | 283.1 | 989.7% | |
| Deferred income | -5.5 | -0.8 | #N/A | -4.7 | 583.8% | |
| **CSG on wealth income** | **6,361.9** | **5,025.5** | **#N/A** | **1,336.4** | **26.6%** | **19.2%** |
| **CSG on replacement income** | **7,509.9** | **5,815.6** | **#N/A** | **1,694.3** | **29.1%** | **22.7%** |
| **CSG on gambling income** | **474.3** | **385.8** | **#N/A** | **88.5** | **22.9%** | **1.4%** |
| **Surcharges and penalties** | **0.0** | **0.0** | **#N/A** | **0.0** | **ns** | **0.0%** |
| **Total CSG for all beneficiaries** | **33,106.3** | **26,243.2** | **#N/A** | **6,863.1** | **26.2%** | **100.0%** |

The 1.7 point increase in the rate of the general social contribution (see note 4) explains the change in income collected in respect of the CSG, which increased, all types of bases combined, by 26.2% in 2018.

### ☞ CSG on business activity income and replacement income

CSG on **business activity income** collected by ACOSS (€2,978.1 million) is mainly (93%) made up of sums collected by MSA funds for employees and farmers.

The **CSG on replacement income** collected by the ACOSS is based on pensions paid by basic old-age pension schemes (schemes with more than 300,000 policyholders: CNAV, RSI, STATE pensions (*Pensions ETAT*), the State Insurance Fund for Local Government Workers (*Caisse nationale de retraites des agents des collectivités locales* - CNRACL), CCMSA, etc.) and on various other incomes (disability pensions, Social Security Daily Sick Pay Allowance (*Indemnité journalière de securité sociale* - IJSS), etc.). It amounts to **€15,782 MILLION.**

In the same way as the CSG rate on business activity income, the normal CSG rate levied on retirement and disability benefits was increased by 1.7 points as at 1st January 2018. However, the reduced rate did not change between 2017 and 2018.

It should be noted that as of the deadline of 5 February 2018, the CSG/CRDS/CASA/contributions withholding taxes and the ENIM CSA are no longer managed at ACOSS headquarters but at the Ile-de-France URSSAF, which explains the zero amounts recorded in the table below for 2018.

| contributor | 2018 | 2017 | Change 2018 / 2017 | |
|---|---|---|---|---|
| CNAV | 6,999.1 | 5,500.6 | 1,498.5 | 27.2% |
| MINISTRY OF THE BUDGET (PENSIONS DEPART | 4,105.8 | 3,222.9 | 882.8 | 27.4% |
| CNRACL (LOCAL GOVERNEMENT WORKERS) | 1,451.3 | 1,112.2 | 339.1 | 30.5% |
| CNAM | 1,177.7 | 1,081.7 | 96.0 | 8.9% |
| CCMSA | 871.0 | 726.2 | 144.9 | 19.9% |
| CNDSSTI | 544.8 | 426.3 | 118.5 | 27.8% |
| CNAVPL | 493.6 | 374.8 | 118.8 | 31.7% |
| Miners' Pensions | 71.8 | 59.9 | 11.9 | 19.8% |
| SBCM MINEFI RSE | 65.0 | 56.2 | 8.9 | 15.8% |
| CAVIMAC (scheme for places of worship) | 1.9 | 1.6 | 0.3 | 17.0% |
| ENIM (maritime workers' scheme) | 0.0 | 51.1 | -51.1 | -100.0% |
| | **15,782.0** | **12,613.6** | **3,168.4** | **25.1%** |

☞ **CSG on capital income and gambling**

Withholding taxes on **wealth and investment income** are collected by the DGFiP network and paid to ACOSS for the shares allocated to the FSV and CADES, the general regime no longer being allocated to these revenues since 2016.

Due to the increase in the CSG rate (which rose from 8.2% to 9.9% in 2018), the income from CSG on wealth income (**€6,361.9M** in 2018) and investment income (**€7,509.9M** in 2018) increased by 26.6% and 29.1% respectively between 2017 and 2018.

CSG's gambling revenue is as follows: **€474.3M** (versus €385.8 million in 2017), an increase of 23%.

☞ **CRDS**

**Breakdown of CRDS by type of income**

in millions of euros (€ million)

| Taxes: Contribution to Social Debt Repayments | 2018 | 2017 Proforma | 2017 Published | Change 2018 / 2017 | | Structure 2018 |
|---|---|---|---|---|---|---|
| **CRDS on business income** | **177.6** | **#N/A** | **#N/A** | **#N/A** | **ns** | **7.6%** |
| Income for the year | 189.7 | #N/A | #N/A | #N/A | ns | |
| Accrued income | -12.1 | #N/A | #N/A | #N/A | ns | |
| Deferred income | 0.0 | #N/A | #N/A | #N/A | ns | |
| **CRDS on replacement income** | **1,275.8** | **#N/A** | **#N/A** | **#N/A** | **ns** | **54.9%** |
| Income for the year | 1,273.2 | #N/A | #N/A | #N/A | ns | |
| Accrued income | 2.7 | #N/A | #N/A | #N/A | ns | |
| Deferred income | -0.1 | #N/A | #N/A | #N/A | ns | |
| **CRDS on wealth income** | **333.5** | **#N/A** | **#N/A** | **#N/A** | **ns** | **14.4%** |
| **CRDS on investment income** | **379.2** | **#N/A** | **#N/A** | **#N/A** | **ns** | **16.3%** |
| **CRDS on gambling income** | **158.0** | **#N/A** | **#N/A** | **#N/A** | **ns** | **6.8%** |
| **Surcharges and penalties** | **0.0** | **#N/A** | **#N/A** | **#N/A** | **ns** | **0.0%** |
| **Total CRDS for all beneficiaries** | **2,324.1** | **#N/A** | **#N/A** | **#N/A** | **ns** | **100.0%** |

Income collected under the CRDS, the rate of which did not change between 2017 and 2018, rose by 3.6%, all types of tax base combined.

The **CRDS on replacement income** is based on pensions paid by the basic old-age pension schemes as well as certain family-related benefits, social assistance (business bonus) and housing. It amounts to **€1,275.8M** - an increase of 1.6%.

CRDS collected on the **income from property and from business income** is more dynamic, respectively +6.8% and (+8.6% between 2017 and 2018).

As the contribution rate has not increased, the dynamic of the products is explained by an increase in the base.

### 5.1.1.5 Other social security taxes (taxes and duties)

Taxes and duties allocated to social security in 2018 fell by 4.4% to **€45,037.5M** (as compared to€47,088.8M in 2017).

The purchasing power measure for working people (reduction in sickness and unemployment contributions and a 1.7 point increase in the CSG) results in a surplus in favour of social security that has been returned to the State:

- beneficiary in full of the 1.7 point increase in the CSG on the capital, in 2018 the FSV is no longer used to account for the 2% solidarity levy on unearned income, now allocated to the State.
- as the health branch benefited from the full increase in the CSG rate on earned and replacement income, the VAT fraction allocated to it was reduced accordingly, from 7.03% in 2017 to 0.34% in 2018.

Article 8 of the LFSS for 2018 also provides that the loss of revenue for UNEDIC, resulting from the reduction in unemployment contributions, is offset by ACOSS, which is allocated a fraction of VAT amounting to 5.59%.

The tables below detail the various taxes and duties allocated and their amounts by beneficiary.

in millions of euros (€ million)

| Earmarked taxes and duties | 2018 | 2017 Proforma | 2017 Published | Change 2018 / 2017 | | Structure |
|---|---|---|---|---|---|---|
| **Taxes on consumption** | **22,922.6** | **22,167.1** | **22,167.1** | **755.5** | **3.4%** | **50.9%** |
| Tobacco consumption rights (Art. 575 CGI) | 12,323.9 | 11,394.4 | 11,394.4 | 929.5 | 8.2% | |
| Net VAT | 10,149.2 | 10,326.5 | 10,326.5 | -177.3 | -1.7% | |
| VAT Net maritime interruption | 0.0 | 0.4 | 0.4 | -0.3 | -97.6% | |
| Taxes on welfare contributions (Art. L 137-1 CSS) | 0.0 | 0.0 | 0.0 | 0.0 | -6.9% | |
| Premix tax | 0.8 | 0.7 | 0.7 | 0.1 | 13.9% | |
| Contribution for energizing drinks | 0.5 | 0.2 | 0.2 | 0.3 | 139.3% | |
| License fee on Tobacconists (art. 568 CGI) | 345.2 | 329.7 | 329.7 | 15.4 | 4.7% | |
| Social contribution paid by tobacco suppliers | 103.0 | 115.2 | 115.2 | -12.2 | -10.6% | |
| **Taxes and duties paid by legal entities** | **15,349.6** | **15,925.3** | **15,925.3** | **-575.7** | **-3.6%** | **34.1%** |
| Payroll tax (Art. 231 CGI) | 13,282.8 | 13,846.3 | 13,846.3 | -563.5 | -4.1% | |
| TSCA on health insurance policies | -2.3 | -0.5 | -0.5 | -1.8 | 378.6% | |
| TSCA on HGVs (Art. 1001 5° CGI) | 160.7 | 148.4 | 148.4 | 12.3 | 8.3% | |
| TSCA on other heavy goods vehicles (Art. 1001 5° CGI) | 858.2 | 864.2 | 864.2 | -6.0 | -0.7% | |
| Tax on company vehicles (Art. 1010 CGI) | 750.9 | 797.9 | 797.9 | -47.0 | -5.9% | |
| Taxes on telephone calls | 2.9 | 3.3 | 3.3 | -0.4 | -13.0% | |
| Horse racing bets (Art. L. 137-20 of the CSS) | 141.2 | 144.7 | 144.7 | -3.5 | -2.4% | |
| Sports bets (Art. L. 137-21 of the CSS) | 119.2 | 85.8 | 85.8 | 33.4 | 38.9% | |
| Online Circle Games (Art. L.137-22 of the CSS) | 8.0 | 7.2 | 7.2 | 0.9 | 12.1% | |
| Financing tax on short-term funding (Art. 235 (b) ZE (a) of the | 28.0 | 28.0 | 28.0 | 0.0 | 0.0% | |
| **Taxes related to economic or professional activities** | **73.9** | **67.0** | **67.0** | **6.9** | **10.3%** | **0.2%** |
| CGI and CSP medication taxes | 73.9 | 67.0 | 67.0 | 6.9 | 10.3% | |
| **Sundry contributions** | **367.8** | **381.9** | **381.9** | **-14.2** | **-3.7%** | **0.8%** |
| Employer's contribution to free shares and stock options | 0.0 | 0.0 | 0.0 | 0.0 | -66.0% | |
| Salary contribution on free share allocation and stock options | 116.0 | 99.1 | 99.1 | 16.9 | 17.1% | |
| Social discharge contribution (Art. L. 137-18 of the CSS) | 0.5 | 0.5 | 0.5 | 0.0 | -3.9% | |
| *Forfait social* contribution | 228.4 | 240.9 | 240.9 | -12.5 | -5.2% | |
| Pension scheme contribution (Art. L.137–11 of the CSS) | 21.2 | 41.4 | 41.4 | -20.3 | -49.0% | |
| **Other earmarked taxes and duties** | **6,323.6** | **8,547.4** | **8,547.4** | **-2,223.8** | **-26.0%** | **14.0%** |
| Social levy on wealth income | 2,913.6 | 2,726.0 | 2,726.0 | 187.7 | 6.9% | |
| Social levy on investment income | 3,412.3 | 3,191.2 | 3,191.2 | 221.2 | 6.9% | |
| Solidarity levy on wealth income | 0.3 | 1,211.5 | 1,211.5 | -1,211.2 | -100.0% | |
| Solidarity levy on investment income | -2.7 | 1,418.7 | 1,418.7 | -1,421.4 | -100.2% | |
| **Total earmarked taxes and duties** | **45,037.5** | **47,088.8** | **47,088.8** | **-2,051.3** | **-4.4%** | |

**Breakdown of earmarked taxes and duties by beneficiary**

in millions of euros (€ million)

| Earmarked taxes and duties | 2018 | 2017 Proforma | 2017 Published | Change 2018 / 2017 | | Structure 2018 |
|---|---|---|---|---|---|---|
| CNAM Maladie | 15,085.9 | 25,406.7 | 25,406.7 | -10,320.8 | -40.6% | 33.5% |
| CNAF | 8,690.6 | 7,514.7 | 7,514.7 | 1,175.9 | 15.6% | 19.3% |
| CNAV | 5,360.0 | 5,606.2 | 5,606.2 | -246.2 | -4.4% | 11.9% |
| ACOSS | 9,569.9 | 0.0 | 0.0 | 9,569.9 | ns | 21.2% |
| FSV | 4,390.9 | 6,746.2 | 6,746.2 | -2,355.3 | -34.9% | 9.7% |
| CNSA | 1,942.0 | 1,818.4 | 1,818.4 | 123.6 | 6.8% | 4.3% |
| CADES | -1.9 | -3.6 | -3.6 | 1.7 | 47.2% | 0.0% |
| **of which total taxes and duties earmarked to the general scheme and partners** | **45,037.5** | **#N/A** | **#N/A** | **#N/A** | **ns** | **100.0%** |
| RAVGDT | 50.0 | 28.9 | 28.9 | 21.1 | 73.0% | |
| **of which total taxes and duties earmarked to third parties** | **50.0** | **28.9** | | | | |
| **Total ITAF for all beneficiaries** | **45,087.5** | **#N/A** | **#N/A** | **#N/A** | **ns** | |

The most significant variations observed in the distribution of ITAF between beneficiaries are explained by:

- The reduction in the fraction of VAT at CNAM (see above);
- the change in the distribution of the payroll tax, with a reduction in the share allocated to the CNAM (from 22.78% to 12.65%) in exchange for an increase in the share allocated to the CNAF (48.87 against 38.74% in 2017), the share allocated to the CNAV remaining unchanged (38.48%);
- the allocation to ACOSS of a 5.59% VAT fraction to cover the compensation of exemptions from employee contributions to unemployment insurance.

##### 5.1.1.5.1 Taxes and duties collected by the tax and customs authorities, which are used to finance the social security schemes

☞ **Payroll tax**

Income from the payroll tax - the largest of the taxes allocated to the financing of social security - reflected a decrease of 4.1% compared to 2017, to **€13,282.8 million**. This income takes into account the charge by taxpayers of the tax credit on payroll tax introduced as from 2017, amounting to €423.2 M for the CITS acquired in 2017 (partly offset by a €315 M reversal of the provision) and €185 M charged to the PAR 2018. As-yet unused loans acquired in 2018 and attributable to future periods were recorded in the amount of €403 million (in provisions for income reductions, see note 13).

Taking account of the changes made to the breakdown of this revenue, amounts allocated to CNAM decreased by 48% (€1,637.2M compared to €3,154.2M in 2017) while those going to CNAF increased by 21.8% to reach €6,534.4M, and those allocated to CNAV decreased by 4.1% (€5,111.2M in 2018).

☞ **Net VAT**

Net VAT recorded in 2018 amounted to **€10,149.2 million** - a decrease of 1.72%. This change is the result of 2 contrary developments, a reduction in the fraction of VAT allocated to CNAM (linked to the increase in CSG) and the direct allocation of a fraction of VAT to ACOSS, to finance the mechanism for offsetting reductions in unemployment insurance contributions in favour of UNEDIC.

☞ **Duties on tobacco products**

Duties on tobacco consumption amounted to **€12,323.9M** at the end of 2018 - an increase of 8.16% compared to 2017, due in particular to the increase in the proportional excise duty on hand-rolling tobacco provided for by the LFSS 2017.

☞ **Social security contributions on capital income**

These levies, which in 2018 represent an amount of **€6,326 M,** consisted of 4.5% levies on investment income (€3,412.3 M) and wealth income (€2,913.6 M). This income increased by 6.9% compared with 2017.

☞ **The solidarity levy**

As the measures in favour of purchasing power generate surplus to the advantage of the social security system (see above), the LFSS for 2018 has planned to return part of this surplus to the State via the transfer of the solidarity levy from the FSV to the State.

☞ **Tax on motorised land vehicles**

As part of the streamlining of taxation of land-based motor vehicle contracts, the motorised land vehicle (*véhicule terrestre à moteur* - VTM) contribution was abolished and replaced from 2016 by a special tax on insurance contracts with two specific rates, collected by DGFiP. A portion of these taxes was allocated to CNAF in 2018: **€858M** under the Special Insurance Contract Tax (*Taxe spéciale sur les conventions d'assurance* - TSCA) on non-HGVs (Article 1001 5(d) para 2 of the CGI) and **€160.7M** on HGVs (Article 1001 5(d) para 1 of the CGI).

☞ **Tax on company cars (*véhicules de tourisme des sociétés* - TVTS)**

Tax revenue from TVTS amounted to €**750,9 M** - a decrease of 5.9% compared to 2017.

☞ **The tobacconists' licence fee**

This duty, which is entirely allocated to CNAM, came out at**€345 M** in 2018, an increase of 4.9% (versus €329 M in 2017).

☞ **Tax on authorised tobacco suppliers**

A new tax on the turnover of approved tobacco suppliers was created by the LFSS 2017. Its yield amounts to **€103 M,** down by 10.4% (versus €115 M in 2017) and is allocated in full to CNAM.

☞ **Miscellaneous levies: overtaxed telephone calls, horse racing and sports betting, on-line non-casino table games (poker, punto banco and variants)**

These levies were fully allocated to CNAF in 2018, with the exception of €5 M allocated to the National Institution for Prevention and Health Education (*Institut national de prévention et* *d'éducation*- INPES). Their total income amounted to **€271.3 M,** - an increase of 12.6% that is mainly due to the 38.9 % increase in levies on sports betting.

☞ **Miscellaneous registration fees and taxes on drugs and medical devices**

These various revenues, overseen by the CGI and allocated to CNAM, amounted to **€73.9 M**, an increase of 10.3% compared to 2017.

☞ **Social lump sum contribution**

The contribution to the social allowance collected by ACOSS (€228.4 M) consists mainly of the sums collected by MSA funds for employees and farmers. Its yield fell by 5.2% compared to 2017.

☞ **Employee contributions on allocations of free shares, stock options and carried interest**

These contributions allocated to CNAF amounted to **€116.5 M**, making for an increase of 17% compared to 2017.

☞ **Contributions to pension plans (Article L.137–11 of the CSS)**

Income recognised in 2018 in respect of the contribution to retirement plans **(€21.2 M),** down by 48.8%, include products collected directly by the MSA.

**Assets and liabilities relating to revenue collected by the State**

DGFiP and DGDDI do not notify ACOSS of taxpayer receivables corresponding to unsettled declarations or adjustments at the end of the financial year, nor of the provisions for risks associated with contentious and non-contentious claims for which the State is not responsible. The data conveyed in their information system are not sufficiently detailed to enable year-on-year monitoring - information that is essential for ACOSS to be able to distribute and provide notification about receivables and provisions by beneficiary.

According to the information provided by DGFiP, the remaining recoverable amounts of taxes and social security net of any depreciations amounted to €154.2 million at the end of 2018. The average provisioning rate was 68%.

Regarding litigation risks, of which only a portion (not identified at this stage) would potentially concern social security organisations, the estimated maximum amount was €99 M.

According to the information provided by The Directorate-General of Customs and Indirect Taxes (*Direction générale des douanes et droits indirects* - DGDDI), the remaining amounts of social security taxes to be recovered by DGDDI net of depreciation amounted to €8 M at the end of 2018. The average provisioning rate was 71 %.

According to the valuation of the liabilities associated with the taxes and duties allocated to social security transmitted by DGDDI, no disputes were recorded at the end of 2018 in respect of revenues passing through ACOSS.

### 5.1.1.6 Technical income

in euros (€)

| Technical income | 2018 | 2017 | Change 2018 / 2017 | | Structure 2018 |
|---|---|---|---|---|---|
| **Public contributions** | **-26.4** | **#N/A** | **#N/A** | **ns** | **-2.5%** |
| Refunds of contributions | -26.4 | #N/A | #N/A | ns | -2.5% |
| **Additional Solidarity Contribution for Autonomy** | **982.1** | **#N/A** | **#N/A** | **ns** | **92.8%** |
| CSA on business income | 51.6 | #N/A | #N/A | ns | 4.9% |
| Contribution of 0.3% to CNSA on capital income | 421.7 | #N/A | #N/A | ns | 39.8% |
| CASA on replacement income | 508.8 | #N/A | #N/A | ns | 48.1% |
| **Balance UNEDIC wage exemption compensation** | **103.1** | **#N/A** | **#N/A** | **ns** | **9.7%** |
| **Total technical income** | **1,058.8** | **#N/A** | **#N/A** | **ns** | **100.0%** |

This income amounted to **€1,058.8 million** in 2018, or an increase of 1.3%. It covers:

- income relating to the CASA of 0.3% deducted on some replacement income (mainly retirement, early retirement and disability pensions) allocated to CNSA amounted to **€**508.8 M (compared with €491.2 M in 2017);

- the solidarity contribution of 0.3% on capital income allocated to CNSA amounted to **€421.7 M** - a change of 6.5%, which is in line with the changes observed in levies based on these revenues.
- income relating to the CSA of 0.3% on earned income collected by basic health insurance schemes other than the general scheme and centralised by ACOSS for repayment to the CNSA amounted to **€51.6 M** (versus €59.6 M in 2017);

- income for the contribution of the national general regime funds to the balance of the system for the compensation of unemployment salary exemptions by ACOSS (€103 M). Article 8 of the LFSS for 2018 provides that, "The branches listed in Article L. 200-2 of the Social Security Code ensure the Agency's financial balance in respect of this mission, according to a distribution established by decree of the Ministers responsible for the budget and social security according to the provisional balances of these branches."

  Based on the decree of 8 March 2019, the deficit of the scheme (€103 million) was distributed among the national funds of the general scheme as follows:

  - 41% in the WA branch,
  - 19.5% to the family branch,
  - 39.5% to the retirement branch.

Furthermore, the €-26.4 million in repayment of contributions results from the write-back of the PAR, recorded at the end of 2017, relating to the financing of contributions relating to the detainees, insured by the State until 2017. Article 55 of the LFI for 2018 was aimed at simplifying the coverage of the healthcare costs of the people who had been in custody, until then insured by the State, by transferring these expenses to health insurance. The amounts still owed by the State for 2017 remain to be officialised by decision of the Ministry of Justice.

### 5.1.1.7 Reversals of litigation provisions

The provision recorded in ACOSS's account for repayment risks linked to an unfavourable decision by the Court of Justice of the European Union (CJEU) on the levying of social security deductions from French income collected by natural persons affiliated to the social security scheme of another EU Member State (so-called de Ruyter) litigation) amounted to €93.7 M at the end of 2017.

In 2018, two provision reversal transactions were carried out, for a total amount of €50.1 M:

- a reversal was carried out in the amount of the refunds made in 2018 resulting from these lawsuits, which were charged as a deduction from the revenues for the financial year (€22.3 million);
- given the lapse of the tax-payer's appeal deadline for part of the years giving rise to the litigation, on the one hand, and, on the other, the significant reduction in the amount and volume of claims, an additional reversal was recorded in the amount of €27.8 M,

and an additional provision of €22.1 million was recorded, based on the amounts disputed by the parties liable for payment further to claims filed as "claims in connection with modifications" resulting from the LFSS for 2016.

At the end of 2018, the amount of the provisions for "De Ruyter" disputes thus amounted **to €65.7 M.**

#### 5.1.1.8 Miscellaneous technical income: expense transfers

Miscellaneous technical income corresponds to the transfer of expenses. This lead to the neutralisation of the technical management result by recording an income that is strictly equal to the expenses to be transferred to the beneficiaries (and vice versa).

In 2018, the expense transfers totalled **€1092.8 M** - an increase of 28.9% that was mainly due to the recording of an income reduction provision of €403 M relating to wage tax credits (*crédit d'impôt sur la taxe sur les salaires* - CITS) (see above).

**Breakdown of transferred expenses by beneficiary**

in millions of euros (€ million)

| Transfer of expenses | 2018 | 2017 Proforma | 2017 Published | Change 2018 / 2017 | | Structure 2018 |
|---|---|---|---|---|---|---|
| **CNAM Maladie** | **133.0** | **97.5** | **93.7** | **35.6** | **36.5%** | **12.2%** |
| **CNAF** | **244.8** | **159.3** | **159.3** | **85.6** | **53.7%** | **22.4%** |
| **CNAV** | **181.3** | **148.8** | **148.8** | **32.5** | **21.9%** | **16.6%** |
| **Partners:** | **533.7** | **442.2** | **#N/A** | **91.5** | **20.7%** | **48.8%** |
| FSV | 388.7 | 357.9 | 357.9 | 30.8 | 8.6% | 35.6% |
| CNSA | 62.4 | 45.3 | 45.3 | 17.1 | 37.8% | 5.7% |
| CCMSA | 43.5 | 4.9 | 4.9 | 38.6 | 786.7% | 4.0% |
| CADES | 39.1 | 33.8 | 33.8 | 5.3 | 15.6% | 3.6% |
| Other schemes | 0.0 | 0.2 | #N/A | -0.2 | -93.8% | 0.0% |
| **Total expenses transfers** | **1,092.8** | **847.7** | **#N/A** | **245.2** | **28.9%** | **100.0%** |

### 5.1.2 Technical management expenses

Technical management expenses in 2018 amounted to **€90,437.6 M**, as detailed below:

in millions of euros (€ million)

| Technical management expenses | 2018 | 2017 Proforma | 2017 Published | Change 2018 / 2017 | | Structure 2018 |
|---|---|---|---|---|---|---|
| **Losses on uncollectable receivables** | **0.0** | **0.0** | **#N/A** | **0.0** | **significant** | **0.0%** |
| **Taxation and pre-tax charges for revenues collected by the State** | **648.9** | **516.2** | **#N/A** | **132.7** | **25.7%** | **0.7%** |
| **Allocation for amortisation and provisions** | **486.7** | **330.6** | **#N/A** | **156.1** | **47.2%** | **0.5%** |
| For depreciation of current assets | 61.4 | 15.0 | #N/A | 46.4 | 309.9% | 0.1% |
| For risks and expenses | 425.3 | 315.7 | #N/A | 109.7 | 34.7% | 0.5% |
| **Transfer of income** | **79,671.7** | **83,627.0** | **#N/A** | **-3,955.2** | **-4.7%** | **88.1%** |
| **Accrued expenses** | **1,435.2** | **0.1** | **#N/A** | **1,435.0** | **significant** | **1.6%** |
| **Prepaid expenses** | **0.0** | **0.7** | **#N/A** | **-0.7** | **-100.0%** | **0.0%** |
| **Compensation for UNEDIC salary exemptions** | **8,195.1** | **0.0** | **#N/A** | **8,195.1** | **significant** | **9.1%** |
| **Total technical management expenses** | **90,437.6** | **#N/A** | **#N/A** | **#N/A** | **#N/A** | **100.0%** |

Apart from management fees for revenues collected by the State and the provision for risks and charges for the CITS (€403.2 M) and the additional allocation for the “De Ruyter” disputes (€22.1 M, see above), most of the item reflects the transfer of technical income (€79,671.7 M) and the charge recorded by ACOSS (€9,630.3 M, of which €1,435.2 M of expenses to be paid) for compensation for the exemptions from unemployment payroll costs vis-à-vis UNEDIC.

The decrease recorded in respect of transfers of income (-4.7%) while income increased by 7% (see above) is explained by the fact that the VAT products allocated to ACOSS within the framework of the compensation scheme for unemployment wage contributions (as well as the expenses recorded in this respect) are not the subject of transfer to the extent that they are directly assigned by law to the agency.

#### 5.1.2.1 Management fees

Article 1647-III of the CGI, as amended as provided for in Article 28 of the LFSS, provides for the harmonisation of the costs of assessment and collection (FAR) of taxes collected by the State on behalf of social security, by systematising the application of FARs to all taxes, duties and other contributions collected for the benefit of social security bodies from 2018 onwards. The applicable FAR rate was set at 0.5% by the decree of 19 December 2017.

Furthermore, tax relief and non-value costs (3.6%) are also applied solely for levies based on income from assets.

The total expenses recorded in the 2018 income statement for management fees was **€648.9 M** - a 25.7 % increase compared to 2017.

### 5.1.2.2 Write-down of doubtful receivables

ACOSS records provisions for the write-down of doubtful receivables for CCMSA's outstanding recoveries relating to business activity levies whose centralisation, distribution and repayment is the responsibility of the agency. The 2018 allocation amounted to €27.8 M, bringing total accumulated write-downs at 31 December 2018 to **€192.2 M** (versus €164.4 M at end 2017).

### 5.1.2.3 Income transfers

ACOSS recognises technical expenses as part of the direct collection of social security contributions and taxes and duties allocated for the transfer of income to beneficiaries, which correspond to the notifications it sends to the latter.

**Breakdown of transferred income by beneficiary**

in millions of euros (€ million)

| Transfer of income | 2018 | 2017 Proforma | 2017 Published | Change 2018 / 2017 | | Structure 2018 |
|---|---|---|---|---|---|---|
| **CNAM Maladie** | **32,732.1** | **39,623.4** | **39,593.0** | **-6,891.3** | **-17.4%** | **41.1%** |
| **CNAM AT-MP** | **83.5** | **43.5** | **43.5** | **39.9** | **91.7%** | **0.1%** |
| **CNAF** | **11,707.7** | **10,502.3** | **10,487.1** | **1,205.4** | **11.5%** | **14.7%** |
| **CNAV** | **7,962.0** | **7,727.2** | **7,702.7** | **234.8** | **3.0%** | **10.0%** |
| **Partners:** | **27,186.5** | **25,730.5** | **#N/A** | **1,456.0** | **5.7%** | **34.1%** |
| FSV | 17,445.5 | 16,821.6 | 16,821.6 | 623.9 | 3.7% | 21.9% |
| CNSA | 2,925.2 | 2,765.2 | 2,765.2 | 159.9 | 5.8% | 3.7% |
| CCMSA | 2,333.9 | 1,818.2 | 1,818.2 | 515.8 | 28.4% | 2.9% |
| CADES | 4,474.1 | 4,317.3 | 4,317.3 | 156.8 | 3.6% | 5.6% |
| Various schemes and funds | 7.7 | 8.2 | #N/A | -0.4 | -0.1 | |
| **Total product transfers** | **79,671.7** | **83,627.0** | **#N/A** | **-3,955.2** | **-4.7%** | **100.0%** |

## 5.2 Technical income recorded in third-party accounts on the balance sheet

Incomes recorded in balance sheet accounts are very limited and relate to collections on behalf of RAVGDT (0.44% of consumption duties on tobacco) and partners receiving exemptions (FNAL, AOT, RLAM).

The amounts recorded for this purpose in 2018 amounted to **€54.7 M** and cover:

- the share of tobacco consumption duties allocated to RAVGDT amounting to €50 M,
- State funding of exemptions from FNAL contributions (€1.7 M), transport contributions (€0.8 M) and Alsace Moselle contributions (€1.9 M).

**Breakdown of revenues collected on behalf of public entities**

in millions of euros (€ million)

| Public entities | 2018 | 2017 | Change 2018/2017 | |
|---|---|---|---|---|
| **on behalf of FNAL** | **#N/A** | **#N/A** | **#N/A** | **#N/A** |
| Covered by the State | #N/A | #N/A | #N/A | #N/A |
| **Public entities total** | **#N/A** | **#N/A** | **#N/A** | **#N/A** |

**Product details and changes on behalf of other third parties**

in millions of euros (€ million)

| Other third parties | 2018 | 2017 | Change 2018/2017 | |
|---|---|---|---|---|
| **on behalf of the Transport Authorities** | **0.8** | **#N/A** | **#N/A** | **ns** |
| Covered by the State | 0.8 | #N/A | #N/A | ns |
| **Other third parties total** | **0.8** | **#N/A** | **#N/A** | **ns** |

**Breakdown of income for other bodies and schemes(excluding inventory operations)**

in millions of euros (€ million)

| Social security bodies and schemes | 2018 | 2017 | Change 2018/2017 | | Structure 2018 |
|---|---|---|---|---|---|
| **on behalf of the Alsace Moselle Local Scheme** | **2.2** | **#N/A** | **#N/A** | **#N/A** | **4.2%** |
| Health contributions | 0.3 | #N/A | #N/A | Not significant | |
| Covered by the State | 1.9 | #N/A | #N/A | #N/A | |
| **on behalf of RAVGDT** | **50.0** | **#N/A** | **#N/A** | **#N/A** | **95.8%** |
| Duties on tobacco products | 50.0 | #N/A | #N/A | #N/A | |
| **Total social security bodies and schemes** | **52.2** | **#N/A** | **#N/A** | **#N/A** | **100.0%** |

# 6. Current management income and expenses

For day-to-day management, the public institution's income statement records two types of income and expenses:

- The operations of the National Administrative Management Fund (*Fonds National de Gestion Administrative* - FNGA) to finance the branch's operating expenses: allocations to URSSAF, CGSS and various contributions to external bodies (The National School for Advance Social Security Studies (*L'École nationale supérieure de Sécurité sociale* - EN3S), The Centre of European and International Liaisons for Social Security (*Centre des liaisons europeennes et internationales de sécurite sociale*- CLEISS), Public Interest Groups (*Groupement d'intérêt public* - GIP), etc.) or operations related to the branch (pension plans, contributions to the annual declaration of social data (*déclaration annuelle sur les données sociales* - DADS), publishing costs and social data transfer expenses, etc.). This amounts to 75.3% of day-to-day management expenses;
- The public institution's day-to-day management operations: personnel costs, procurement, studies, etc.

From 1 January 2018, CERTI employees, as well as the receivables and debts of these bodies, are incorporated into ACOSS. The same applies to the staff at the DSIP in the Ile de France URSSAF. Consequently, the 2017 data have been provided *pro forma*.

Via the mechanism for allocations to the network, which balance their annual expenses exactly, less their own revenues, the current management income and expenses recorded for ACOSS are identical to those of the branch. Given these mechanisms, the annual result for the branch's administrative management is constructed identically to that generated for ACOSS.

## 6.1 Day-to-day management expenses

**Breakdown of day-to-day administrative expenses by type**

*In millions of euros (M€)*

| Type of expenses | 2018 | 2017 proforma | 2017 | Change in 2018/ 2017 proforma | | Structure 2018 |
|---|---|---|---|---|---|---|
| **Purchases** | **2.9** | **3.3** | **0.5** | **-0.4** | **-11.6 %** | **0.2 %** |
| **Other external expenses** | **141.1** | **134.5** | **63.1** | **6.6** | **4.9 %** | **11.4 %** |
| External services | 28.5 | 23.2 | 12.4 | 5.3 | 22.8 % | 2.3 % |
| Other external services | 112.6 | 111.3 | 50.7 | 1.3 | 1.2 % | 9.1 % |
| **Taxes, duties and similar payments** | **11.8** | **10.7** | **5.5** | **1.1** | **10.4 %** | **0.9 %** |
| Duties and taxes on remuneration | 11.1 | 10.0 | 5.4 | 1.1 | 11.5 % | 0.9 % |
| Other taxes | 0.7 | 0.7 | 0.1 | 0.0 | 0.3 % | 0.1 % |
| **Employee expenses** | **103.6** | **93.5** | **50.4** | **10.1** | **10.8 %** | **8.3 %** |
| Wages and salaries | 71.2 | 63.7 | 34.5 | 7.5 | 11.8 % | 5.7 % |
| Social security and other payroll-related expenses | 32.4 | 29.8 | 15.9 | 2.6 | 8.7 % | 2.6 % |
| **Other day-to-day administrative expenses** | **939.0** | **1,036.3** | **1,284.8** | **-97.3** | **-9.4 %** | **75.7 %** |
| Losses on uncollectable receivables | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 % | 0.0 % |
| Other day-to-day administrative expenses | 939.0 | 1,036.3 | 1,284.8 | -97.3 | -9.4 % | 75.7 % |
| **Allocation for amortisation and provisions** | **42.9** | **40.7** | **13.3** | **2.2** | **5.4 %** | **3.5 %** |
| **Total day-to-day administrative expenses** | **1,241.2** | **1,318.9** | **1,292.2** | **-77.7** | **-5.9 %** | **100.0 %** |
| *of which Acoss Administrative Management* | *307.1* | *286.1* | *134.9* | *21.0* | *7.3 %* | *24.7 %* |
| *of which FNGA* | *934.1* | *1,032.8* | *1,157.3* | *-98.7* | *-9.6 %* | *75.3 %* |

### 6.1.1 Day-to-day expenses of the public institution

These expenses, which exclude allocations to the network bodies recognised under "other ordinary administrative expenses", amounted to €307.1 M compared with €134.9 M in 2017, mainly due to the integration of the CERTI as of 01/01/2018. At constant scope, the increase amounted to €21 M.

This increase was mainly due to the increase in payroll, reflecting the integration of the 80 employees of the URSSAF Ile de France DSIP and hires in 2018 (+€10.1 million) and the increase in "Other external expenses" (+€6.6 million) related to IT maintenance expenses.

The public institution's expenses consist of 37.6% personnel costs (including taxes and duties), which amounted to €115.5 M in 2018, compared with €104.3 M in 2017, on a like-for-like basis.

The table in Point 6.1.2 details the changes in remuneration and related expenses:

### 6.1.2 Personnel expenses of the public institution

**Employee costs breakdown**

*In millions of euros (M€)*

| Type of expenses | 2018 | 2017 proforma | 2017 | Change in 2018/ 2017 proforma | |
|---|---|---|---|---|---|
| **Employee expenses** | **103.6** | **93.5** | **50.5** | **10.1** | **10.8 %** |
| **Wages and salaries** | **71.2** | **63.7** | **34.5** | **7.5** | **11.8 %** |
| *Payroll* | *57.5* | *51.6* | *27.4* | *5.9* | *11.4 %* |
| *Paid leave / un-taken paid leave allowances* | *7.4* | *6.7* | *3.7* | *0.7* | *10.4 %* |
| *Bonuses and allowances* | *0.7* | *0.7* | *0.3* | *0.0* | *0.0 %* |
| *Miscellaneous allowances and benefits* | *4.4* | *3.7* | *2.2* | *0.7* | *18.9 %* |
| *Termination and redundancy pay and other benefits* | *0.4* | *0.1* | *0.0* | *0.3* | *300.0 %* |
| *Other employee expenses* | *0.8* | *0.9* | *0.9* | *-0.1* | *-11.1 %* |
| **Social security and other payroll-related expenses** | **32.4** | **29.8** | **16.0** | **2.6** | **8.7 %** |
| *Social security and contingency expenses* | *28.7* | *26.4* | *14.0* | *2.3* | *8.7 %* |
| *Other social security expenses* | *3.6* | *3.3* | *1.9* | *0.3* | *9.1 %* |
| *Other employee expenses* | *0.1* | *0.1* | *0.1* | *0.0* | *0.0 %* |
| **Duties and taxes on remuneration** | **11.1** | **10.0** | **5.4** | **1.1** | **11.0 %** |
| **Total personnel expenses** | **114.7** | **103.5** | **55.9** | **11.2** | **10.8 %** |

At constant scope, the increase in this item was due to:

- The integration as of 01/01/2018, as part of the integration of IT personnel into ACOSS, of the 80 DSIP employees who were assigned to the URSSAF Ile de France in 2017;
- The recruitment of 81 permanent employees over 2018;
- The impact of the 2018 GVT.

It should also be noted that there was an increase in severance pay and dismissal following, in particular, the conclusion of several contractual terminations.

There was also an increase in "miscellaneous allowances and benefits" (+€0.7 million), a consequence of the implementation of the "DSI mobility" protocol, which grants a mobility bonus and the payment of relocation expenses for employees changing geographic or function sites following their integration into ACOSS.

The breakdown of the full-time workforce by job category is as follows:

| *(Average annual ETP percentage)* | | OPEN-ENDED CONTRACT | | | | | | FIXED-LENGTH CONTRACT | | | | | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Distinctive feature of the employment contract | | | | | | Distinctive feature of the employment contract | | | | | | |
| | | None | CUI-CAE | Professionnalisation | Youth employment | Apprenticeships | Others | None | CUI-CAE | Professionnalisation | Youth employment | Apprenticeships | Others | |
| Management officers | Collective employee's agreement | 65.74 | | | | | | 0.55 | | | | | | 66.29 |
| | Public service employees | 4.16 | | | | | | | | | | | | 4.16 |
| | Collective employee's agreement - Employment measures | | | | | | | | | | | | | 0.00 |
| | Personnel dependent on another collective agreement | | | | | | | | | | | | | 0.00 |
| | Other statuses | 3.29 | | | | | | | | | | | | 3.29 |
| Executives 5A to 10 | Collective employee's agreement | 448.12 | | | | | | 3.95 | | | | | | 452.07 |
| | Public service employees | 6.00 | | | | | | 1.06 | | | | | | 7.06 |
| | Collective employee's agreement - Employment measures | | | | | | | | | | | | | 0.00 |
| | Personnel dependent on another collective agreement | | | | | | | | | | | | | 0.00 |
| | Other statuses | | | | | | | | | | | | | 0.00 |
| Employees 1 to 4 | Collective employee's agreement | 28.97 | | | | | | 3.45 | | 1.89 | | | | 34.30 |
| | Public service employees | | | | | | | | | | | | | 0.00 |
| | Collective employee's agreement - Employment measures | | | | | | | | | | | | | 0.00 |
| | Personnel dependent on another collective agreement | | | | | | | | | | | | | 0.00 |
| | Other statuses | | | | | | | | | | | 6.10 | | 6.10 |
| Lower. VA to X | Collective employee's agreement | 444.09 | | | | | | | | | | | | 444.09 |
| | Public service employees | | | | | | | | | | | | | 0.00 |
| | Collective employee's agreement - Employment measures | | | | | | | | | | | | | 0.00 |
| | Personnel dependent on another collective agreement | | | | | | | | | | | | | 0.00 |
| | Other statuses | | | | | | | | | | | | | 0.00 |
| Lower. IA to IVB | Collective employee's agreement | 283.59 | | | | | | 2.59 | | | | | | 286.18 |
| | Public service employees | | | | | | | | | | | | | 0.00 |
| | Collective employee's agreement - Employment measures | | | | | | | | | | | | | 0.00 |
| | Personnel dependent on another collective agreement | | | | | | | | | | | | | 0.00 |
| | Other statuses | | | | | | | | | | | | | 0.00 |
| Other personnel | Collective employee's agreement | 3.00 | | | | | | | | | | | | 3.00 |
| | Public service employees | | | | | | | | | 0.33 | | | | 0.33 |
| | Collective employee's agreement - Employment measures | | | | | | | | | | | | | 0.00 |
| | Personnel dependent on another collective agreement | | | | | | | | | | | | | 0.00 |
| | Other statuses | | | | | | | | | | | 2.87 | | 2.87 |
| TOTAL | | 1,286.96 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 11.59 | 0.00 | 2.21 | 0.00 | 8.97 | 0.00 | 1,309.72 |

With the integration of IT personnel into ACOSS, the average workforce increased from 593.9 FTE to 1,309.9 FTE.

### 6.1.3 Other administrative management expenses of the Public Institution

**Breakdown of other external expenses**

*In millions of euros (M€)*

| Type of expenses | 2018 | 2017 proforma | 2017 | Change in 2018/ 2017 proforma | |
|---|---|---|---|---|---|
| **External services** | **28.5** | **23.2** | **12.4** | **5.3** | **22.9 %** |
| General subcontracting | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 % |
| Rentals | 6.2 | 5.2 | 5.0 | 1.0 | 19.2 % |
| Rental and co-ow nership expenses | 0.8 | 1.0 | 0.9 | -0.2 | -20.0 % |
| Maintenance and repair w ork | 20.5 | 15.9 | 5.8 | 4.6 | 28.9 % |
| Studies and research | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 % |
| Other external services | 0.9 | 1.0 | 0.7 | -0.1 | -10.0 % |
| **Other external services** | **112.6** | **111.3** | **50.7** | **1.3** | **1.2 %** |
| Personnel outside the body | 1.4 | 1.3 | 0.5 | 0.1 | 7.7 % |
| Travel, assignments and entertainment | 3.0 | 2.8 | 1.2 | 0.2 | 7.1 % |
| Postage and telecommunications expenses | 26.9 | 25.9 | 1.9 | 1.0 | 3.9 % |
| Banking services and similar | 0.0 | 0.1 | 0.1 | -0.1 | -100.0 % |
| Other external services | 7.1 | 20.2 | 19.6 | -13.1 | -64.9 % |
| Miscellaneous | 74.2 | 61.0 | 27.4 | 13.2 | 21.6 % |
| *Work, methods, services* | *71.8* | *58.1* | *25.7* | *13.7* | *23.6 %* |
| *Other miscellaneous external services* | *2.4* | *2.9* | *1.7* | *-0.5* | *-17.2 %* |
| **Total external expenses** | **141.1** | **134.5** | **63.1** | **6.6** | **4.9 %** |

External expenses increased by €6.6 M compared with 2017, taking into account the impacts of the integration of the CERTIs as of 01/01/2018. This change pertains mainly to “External services” (+€5.3 M) and more particularly the “Maintenance and repair works” item (+€4.6 M). Upgrade resulting directly from IT maintenance following renewals or new maintenance.

Whereas “rental and co-ownership charges” fell by €0.2 M (-20%) following the end of the Valbonne site rental, the “Lease” item increased by €1 M (+19.2%), the exemption of one month of rent in 2017 for the Gaumont site having not been renewed in 2018 (+€1.5 M), an increase that was not fully offset by the end of the rent for the Valbonne site (-€0.5 M).

While "Other external services" remained stable with an increase of €1.3 M (+1.2%), significant changes were made to certain components of the item.

The “Other external services” recorded a significant decrease of €13.1 M (-64.9%), due to the non-renewal, over 2018, of support services for the implementation of the ISD on 01/01/2018 (€1.7 M), as well as the change in the accounting allocation of services from the DCMOA market, which is charged to the 'Works, workmanship, services' as from 2018 (€13.7 M).

### 6.1.4 Expenses booked by the National Administrative Management Fund (Fonds National de Gestion administrative - FNGA)

The expenses booked by the FNGA (excluding budgetary allocation for the administrative management of ACOSS, offset in the accounts) amounted to **€934.1 M**, compared with **€1,032.9 M** in 2016, an increase of €98.8 M.

They are composed primarily of:

- Day-to-day management allocations to URSSAF and CGSS, which fell from **€930.9M** in 2017, excluding the CERTI allocation for 2017 (€124.5 million), to **€851.1M** in 2018, a drop of €49.6 M. This significant decrease is the consequence of the implementation of the first phase of the single budget for the CGSSs. For 2018, these bodies will receive an allocation from ACOSS only for expenses relating to depreciation, i.e. €1.4 M in 2018 compared with €41.3 M in 2017 taking into account the fact that the 2017 allocation from Martinique was paid to CNAM as part of the pilot phase of the single budget for CGSS;
- Various current management contributions for partner organisations amounting to €45.7 M in 2018 compared with €66.7 M in 2017, i.e. a decrease of €21 M corresponding mainly to the Martinique allocation (€16.1 M) paid to CNAM in 2017;
- Various other ordinary administrative expenses relating mainly to the payment of operating expenses for social jurisdictions (the French Social Security Court (*tribunal des affaires de sécurité sociale* - TASS)), saw an increase of €1.9 M.

## 6.2 Day-to-day management income

**Breakdown of day-to-day management income by type**

*In millions of euros (M€)*

| Type of income | 2018 | 2017 proforma | 2017 | Change 2018/2017 | | Structure 2018 |
|---|---|---|---|---|---|---|
| **Sales of products and services** | **251.6** | **247.9** | **247.8** | **3.7** | **1.5 %** | **20.8 %** |
| **Capitalised production** | **33.9** | **43.9** | **18.7** | **-10.0** | **-22.8 %** | **2.8 %** |
| **Operating subsidies** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0 %** | **0.0 %** |
| **Miscellaneous day-to-day management income** | **921.5** | **1,006.0** | **1,006.0** | **-84.5** | **-8.4 %** | **76.2 %** |
| Contributions from national funds | 917.6 | 1,000.2 | 1,000.2 | -82.6 | -8.3 % | 75.8 % |
| Other day-to-day management income | 3.9 | 5.8 | 5.8 | -1.9 | -32.8 % | 0.3 % |
| **Reversals of provisions and transfer of expenses** | **2.8** | **3.4** | **2.2** | **-0.6** | **-18.6 %** | **0.2 %** |
| **Total day-to-day management income** | **1,209.8** | **1,301.3** | **1,274.7** | **-91.5** | **-7.0 %** | **100.0 %** |

Day-to-day management income in 2018 amounted to €1,209.8 M compared with €1,301.3 M in 2017, taking into account the integration of CERTIs as of 01/01/2018.

Excluding the contribution of the national funds of the general scheme, which balances branch management expenses, less its own revenues, ACOSS' own revenues decreased by €8.8 M, falling from €301 M in 2017 to €292.2 M at end 2018.

This change was mainly due to "sales of products and services" (+€3.7 M) and "capitalised production" (-€10 M).

### 6.2.1 Sales of products and services

From €251.6 M, they increased by €3.7 M and are composed primarily of:

- Management fees for collection of the transport payment for the AOT/SMT of €87.6 M (€88.3 M in 2017), i.e. -€0.7 M;
- Management fees linked to revenues collected for CADES amounting to €69.8 M, compared with €67.2 Min 2017 (+€2.6 M);
- Management fees related to the collection of unemployment benefits and the Wage Guarantee Insurance Association (*Association pour la gestion du régime de garantie des créances des salariés* - AGS) invoiced under the *Pole emploi* (French Job Centre) and UNEDIC partner agreement were recorded as at 31 December 2018 at €25.6 M compared to €31.9 M in 2017 (-€6.3 M);
- Management fees invoiced to FNAL in the amount of €16.4 M compared to €16 M in 2017;
- Management fees invoiced to third parties (FSV, CNSA, the Alsace Moselle local scheme, UNEDIC, Training Insurance Funds for Juvenile Correctional Institutions (*Fonds d'assurance formation - Établissements pénitentiaires pour mineurs* - FAF EPM), and the International Technical Experts (*Expert technique international* - ETI) for €35.5 M compared to €38.5 M in 2017 (or -€3 M);
- Costs related to the new agreement signed with Pôle Emploi (exemption from unemployment salary contributions) for €9.4 M in this first year;

### 6.2.2 Capitalised production

This mainly concerns the overhaul of the collection activity's information system (Clé-a) for €13.2 M out of €33.9 M, i.e. 38.9% of the expenses incurred.

It was capitalised at €33.9 M compared with €43.9 M, taking into account CERTI data for 2017.

### 6.2.3 Contributions of the national funds of the general scheme to the financing of the administrative management expenses of the collections branch

In accordance with the rules set by the decree of 14 March 2017, the amount of the contribution of the national funds of the general scheme is set to balance the branch’s annual management expenditure, less its own revenue.

To clear the previously established reserves in the ACOSS accounts (€408.4 million as of 31/12/2017), a reduction of €17.8 M is made on the theoretical amount of the contribution calculated by deducing the branch’s day-to-day management expenses (including exceptional charges) from its day-to-day management income (including exceptional income).

In total, the contribution from the national funds amounted to €917.6 M in 2018 compared with €1000.2 M in 2017 - a decrease of €82.6 M. This change can be explained by an increase in revenue

(+€15 M), the implementation of the single budget for CGSS as from 01/01/2018, for the expenses and current income accounts, and the payment in 2017 to CNAM of the allocation of the Martinique CGSS, for €41.3 M and €16 M respectively.

The table below details how the contributions of the national funds of the general scheme were determined in 2018:

| in € millions | 2018 | 2017 | change |
|---|---|---|---|
| day-to-day management expenses | 1,294.5 | 1,362.7 | -68.2 |
| exceptional management expenses | 3.8 | 1.8 | 2.0 |
| day-to-day expenses linked to cash management | 0.0 | 0.0 | 0.0 |
| **Total day-to-day management expenses** | **1,298.3** | **1,364.5** | **-66.2** |
| Day-to-day capital management income | 343.0 | 345.1 | -2.1 |
| exceptional day-to-day management income | 19.9 | 1.4 | 18.5 |
| **total day-to-day management income (b)** | **362.9** | **346.5** | **16.4** |
| net day-to-day administrative expenses (c)=(a)-(b) | 935.4 | 1,018.0 | -82.6 |
| theoretical contribution of national funds (d)=(c) | 935.4 | 1,018.0 | -82.6 |
| annual reduction (since 2016) (e) | -17.8 | -17.8 | 0.0 |
| contribution from national funds (f)=(d)+(e) | 917.6 | 1,000.2 | -82.6 |
| Net result of the collection division (g)=(f)-(c) | -17.8 | -17.8 | 0.0 |

The breakdown between the national funds, according to the keys set by the aforementioned decree, is as follows:

Contribution of national funds to the branch's FNGA

*In millions of euros (€m)*

| NATIONAL FUNDS | 2018 Contribution | 2017 Contribution | Change 2018/2017 | |
|---|---|---|---|---|
| CNAM MALADIE | 459.7 | 502.3 | -42.6 | **-8.5%** |
| CNAM A.T. - MP | 44.8 | 47.7 | -2.9 | **-6.1%** |
| CNAF | 169.7 | 184.3 | -14.6 | **-7.9%** |
| CNAV | 243.4 | 265.9 | -22.5 | **-8.5%** |
| Total contributions | 917.6 | 1,000.2 | -82.6 | |

### 6.2.4 Other day-to-day administrative income

Other day-to-day administrative income recorded in 2018, or €3.9 M, a change of -€1.9 M. This decrease was almost exclusively the result of the decrease in the contribution of the MDS GIP for expenses and investments in connection with the DSN and the RCD (-€1.7 million)

## 7. Financial income and expenses

In 2018, in a context of negative short-term interest rates, ACOSS generated a positive financial result of €119 M for the financial management of the general scheme (compared with €126 M in 2017). This result was allocated to the national funds of the general scheme by applying interest to the current accounts of the branches set by decree (€132 M compared with €138 M in 2017) and the on-lending of interest paid on the management of advances and deposits with the other schemes. In view of these mechanisms, the branch's result is by construction in equilibrium.

The table below details the financial result:

## Breakdown of financial income and expenses of the collection activity

*In millions of euros (€ million)*

| Type of expenses and income | 2018 | 2017 | Change 2017/2018 | |
|---|---|---|---|---|
| **ACOSS financial income and expenses** | | | | |
| **Expenses** | | | | |
| **Banking transactions expenses** | | | | |
| Rejection fees | 0.0 | 0.0 | 0.0 | -94.4% |
| Commitment fees on advances D-1 and J-J | 2.0 | 2.0 | 0.0 | 0.0% |
| Penalties for announcement / forecasts differential | 0.0 | 0.2 | -0.1 | -78.1% |
| Debit interest on the Caisse des Dépôts account | 12.1 | 11.1 | 1.0 | 9.5% |
| Debit interest on the Banque de France account | 7.6 | 2.9 | 4.8 | 165.9% |
| **Charges on market transactions** | | | | |
| Interest on ECP margin calls | 0.3 | 0.8 | -0.5 | -58.1% |
| Interest on Delivered Repos | 0.0 | | | 100.0% |
| **Total banking and market transactions expenses** | **22.1** | **16.9** | **5.2** | **30.7%** |
| **Income** | | | | |
| **Income from market transactions** | | | | |
| Interest on NeuCP | 20.6 | 26.6 | -5.9 | -22.3% |
| Interest on Euro Commercial Paper (ECP) | 120.1 | 115.6 | 4.4 | 3.8% |
| Interest on ECP margin calls | 0.5 | 0.2 | 0.3 | 164.0% |
| Interest on other borrowings and payables | | 0.3 | -0.3 | 100.0% |
| **Total income from market transactions** | **141.2** | **142.7** | **-1.5** | **-1.1%** |
| ***Income from market transactions and bank interest*** | **119.0** | **125.8** | **-6.7** | **-5.4%** |

| Type of expenses and income | 2018 | 2017 | Change 2017/2018 | |
|---|---|---|---|---|
| **Branch interest** | | | | |
| **Expenses** | | | | |
| CNAM Maladie creditor interest (expenses) | 123.1 | 111.6 | 11.5 | 10.3% |
| CNAM AT-MP creditor interest (expenses) | | 0.0 | 0.0 | -100.0% |
| CNAF creditor interest (expenses) | 2.3 | 4.0 | -1.7 | -42.1% |
| CNAV creditor interest (expenses) | 30.2 | 33.1 | -2.9 | -8.9% |
| **Total interest expense for the branches** | ***155.6*** | ***148.8*** | ***6.8*** | 4.6% |
| **Income** | | | | |
| CNAM Maladie debtor interest (income) | | | | |
| CNAM AT-MP debtor interest (income) | 14.1 | 6.3 | 7.8 | 123.2% |
| CNAF debtor interest (income) | 8.3 | 4.0 | 4.3 | 109.2% |
| CNAV debtor interest (income) | 0.9 | 0.5 | 0.4 | 71.6% |
| **Total interest income from branches** | ***23.3*** | ***10.8*** | ***12.5*** | 115.5% |
| ***Branch interest result*** | **-132.3** | **-138.0** | **5.6** | -4.1% |

| Type of expenses and income | 2018 | 2017 | Change 2017/2018 | |
|---|---|---|---|---|
| **Partner interest** | | | | |
| **Expenses** | | | | |
| CNSA Interest expenses | 0.0 | 0.0 | 0.0 | -84.6% |
| UNEDIC inerest expenses | 0.4 | 0.1 | 0.2 | 163.1% |
| **Total interest expenses related to third parties** | ***0.4*** | ***0.2*** | ***0.2*** | **132.4%** |
| **Income** | | | | |
| UNDIC interest income | 0.2 | 0.4 | -0.1 | -36.1% |
| **Total interest income related to third parties** | ***0.2*** | ***0.4*** | ***-0.1*** | -36.1% |
| ***Result of partner interest*** | **-0.1** | **0.2** | **-0.3** | -164.1% |

| Type of expenses and income | 2018 | 2017 | Change 2017/2018 | |
|---|---|---|---|---|
| **Financial income and expenses of local bodies** | | | | |
| Financial expenses | 0.0 | 0.0 | 0.0 | |
| Financial income | 0.0 | 0.0 | 0.0 | |
| ***Financial management result of local bodies*** | **ns** | **Not significant** | Not significant | Not significant |
| **Financial income and expenses from the collection activity** | | | | |
| **Total financial expenses** | **178.1** | **165.9** | 12.2 | 7.4% |
| **Total financial income** | **164.7** | **153.9** | 10.8 | 7.0% |
| **Financial income before distribution to branches** | **-13.4** | **-12.0** | **-1.4** | 12.0% |

| ALLOCATION OF THE FINANCIAL RESULT TO BRANCHES | 2,018.0 | 2,017.0 | Change 2016/2015 | |
|---|---|---|---|---|
| Transfer of financial result - Illness | 6.8 | 6.1 | 0.7 | 12.0% |
| Transfer of financial result - AT MP | 0.5 | 0.5 | 0.1 | 12.0% |
| Transfer of financial result - Family | 2.4 | 2.2 | 0.3 | 12.0% |
| Transfer of financial income - Old-age | 3.6 | 3.2 | 0.4 | 12.0% |
| | **13.4** | **12.0** | 1.4 | 12.0% |

| | | | | |
|---|---|---|---|---|
| **Financial income and expenses of the collection activity after allocation to the branches** | | | | |
| **Total financial expenses** | **178.1** | **165.9** | 12.2 | 7.4% |
| **Total financial income** | **178.1** | **165.9** | 12.2 | 7.4% |
| **Financial result after allocation to the branches** | **0.0** | **0.0** | **0.0** | |

## 7.1 Financial income

Financial income amounting to **€164.7 M** was made up of:

- **€141.2 M** in interest on market transactions;
- **€23.3 M** in interest applied to the branch balances;
- **€0.2 M** in interest on financial transactions with partners.

### 7.1.1 Income from market transactions and bank interest

Income from market transactions and bank interest is formed as follows:

ı millions of euros (€ million

| INTEREST INCOME BANKS & MARKET TRANSACTIONS | 2018 | 2017 | Change 2018/2017 | |
|---|---|---|---|---|
| | | | in € millions | in % |
| Interest on Neu CP | 20.6 | 26.6 | -6.0 | |
| Interest on ECP | 120.1 | 115.6 | 4.5 | |
| Interest on ECP margin calls | 0.5 | 0.2 | 0.3 | |
| Interest on interest rate sw aps | 0.0 | 0.0 | 0.0 | |
| Interest on borrow ings | 0.0 | 0.3 | -0.3 | |
| **Interest on financial market transactions** | **141.2** | **142.7** | **-1.2** | **-0.8%** |
| CDC central current account interest | 0.0 | 0.0 | 0.0 | |
| Banque de France account interest | 0.0 | 0.0 | 0.0 | |
| CDC emergency account interest | 0.0 | 0.0 | 0.0 | |
| **Bank interest** | **0.0** | **0.0** | **0.0** | |
| **TOTAL** | **141.2** | **142.7** | **-1.2** | **-0.8%** |

Income from market transactions (**€141.2 M)**comes mainly from interest on negative interest rate loans recorded under particularly favourable market conditions in 2018 on:

- ECP amounting to €120.1 M,
- Neu CP amounting to €20.6 M.

Since the end of 2014, the euro-zone money market rates have been negative. All short-term assets with a maturity of less than one year therefore posted a negative return. The amount repaid is thus less than the amount borrowed, with income from the issue of securities recorded to balance the cash position. ACOSS, as an issuer of short-term debt, therefore recorded proceeds on borrowings in 2018 (e.g., Neu CP and ECP).

### 7.1.2 Interest income from transactions with partners

en millions d'euros (M€)

| PRODUITS D'INTERETS OPERATIONS avec les PARTENAIRES | 2018 | 2017 | Evolution 2018/2017 | |
|---|---|---|---|---|
| | | | en M€ | en % |
| UNEDIC - Produits des intérêts | 0.2 | 0.4 | -0.2 | -50.0% |
| **Intérêts partenaires** | **0.2** | **0.4** | **-0.2** | **-50.0%** |

Interest income mainly stems from the cash adjustments with UNEDIC made to restore ex-post neutrality when the monthly total of interim payments paid daily by ACOSS exceeds the total monthly amount of payments recorded by the network to the benefit of the said partner, in accordance with the ACOSS/UNDIC agreement of 17 December 2010 (€0.2 M).

## 7.2 Financial expenses

Financial expenses amounted to **€178 M**. These consisted of:

- **€155.6 M** in remuneration of the balances of branches of the general scheme;
- **€22.1 M** in bank interest (€21.8 M) and financial market transactions (€0.3 M);
- **€0.4 M** in remuneration for financial transactions with partners.

### 7.2.1 Market transactions and bank interest expenses

**Bank interest and market transactions were as follows:**

*in millions of euros (€ millio*

| INTEREST EXPENSES BANKS & MARKET TRANSACTIONS | 2018 | 2017 | Change 2018/2017 | |
|---|---|---|---|---|
| | | | in € millions | in % |
| Interest on ECP margin calls | 0.3 | 0.8 | -0.5 | |
| Interest on Delivered Repos | 0.0 | 0.0 | 0.0 | |
| Interest on Delivered Repos margin calls | 0.0 | 0.0 | 0.0 | |
| Interest on interest rate sw ap margin calls | 0.0 | 0.0 | 0.0 | |
| Interest on interest rate sw aps | 0.0 | 0.0 | 0.0 | |
| **Interest on market transactions** | **0.3** | **0.8** | **-0.5** | **-62.5%** |
| Commitment fees on advances D-1 and J-J | 2.0 | 2.0 | 0.0 | |
| Penalties for announcement / forecasts differential | 0.0 | 0.2 | -0.2 | |
| Interest on the medium-term loans | 0.0 | 0.0 | 0.0 | |
| Debit interest on the Caisse des Dépôts account | 12.1 | 11.1 | 1.0 | |
| Debit interest on the Banque de France account | 7.7 | 2.9 | 4.8 | |
| **Bank interest** | **21.8** | **16.1** | **5.7** | **35.4%** |
| **TOTAL** | **22.1** | **16.9** | **5.2** | **30.8%** |

Interest on margin calls rose slightly in 2018 (€0.3 million in 2018 versus €0.8 million in 2017). Outstanding margin calls are remunerated daily on an Eonia basis, with a negative rate in 2018.

Bank interest expenses increased by 35.4% in 2018, mainly due to the increased use of accounts opened with the BDF.

Interest on the account opened with the Caisse des Dépôts increased from €11.1 M in 2017 to €12.1 M in 2018. These correspond to the remuneration of the balance of the centralising current account in accordance with the investment conditions for current liquid assets, as defined in the agreement with CDC. It applies to balances deviating from the forecast, previously announced, up to or above €200 M, in accordance with the said agreement.

Since ACOSS cannot mobilise the exact amount on the markets every day to give it a zero cash balance, it raises the funds further upstream to secure the necessary coverage. Likewise, since repo activities offer no interest in the context of negative interest rates, it is more appropriate to leave the funds in the CDC account.

This increase resulted from the increase in the average balance of the account opened with Caisse Dépôts, which rose from €2.728 bn in 2016 to 2,984 bn in 2017. The number of days with a balance greater than €200 M was 329 in 2017 compared with 342 in 2016.

To reduce the penalties for the differential between the forecast cash balance and the actual figures (-€0.2 million in 2018) and to comply with the balance limits set by the 2015-2018 CDC agreement, ACOSS may make transfers from the CDC account to the account opened with Banque de France.

Interest expenses linked to this account increased by €4.8 M in 2018 in application of negative interest rates on credit balances recorded following the 88 diversionary transfers made in 2018 (compared with 59 in 2017).

On the other hand, no interest was recorded on medium-term loan contracts, as no new loans were taken out with CDC in 2018.

### 7.2.2 Interest expenses on transactions with partners

Partners' interest expenses were recorded for the following transactions:

in millions of euros (€ million

| INTEREST EXPENSES TRANSACTIONS with PARTNERS | 2018 | 2017 | Change 2018/2017 | |
|---|---|---|---|---|
| | | | in € millions | in % |
| CNSA - Term deposit | 0.0 | 0.0 | 0.0 | -84.6% |
| UNDIC - Daily cash flow | 0.4 | 0.1 | 0.2 | 163.1% |
| **Partner interest** | **0.4** | **0.2** | **0.2** | **132.4%** |

The main interest expense concerns UNEDIC (€0.4 M) following the recording of interest expenses calculated for the monthly settlements paid at the Eonia rate, in accordance with the financial agreement signed on 17/12/2010 between UNEDIC and ACOSS.

For the other partners such as CNSA, given current market conditions and a negative Eonia rate for 2018, the rate applied to advances granted to partners amounted to 0 bp.

### 7.2.3 Interest income and expenses of the branches

The branch's interest is calculated based on a benchmark rate applied to the daily balances recorded in the current accounts of the national funds. The rate used for 2018 was -0.6504%. Since 2011, the supervisory authorities have opted for a so-called "365-day" base for the branch interest rate.

The rate set by ministerial order for 2018 (pending publication in the Official Journal at the time of the closing of the accounts) was thus -0.6415% (i.e. -0.6504% *365/360).

As in 2017, the sharp fall in the rate applied to the branches is mainly due to the fall in rates observed on the short-term negotiable securities market, which benefited the financing raised mainly in ECP and in Neu CP (formerly Commercial Paper).

The European Central Bank's monetary policy leads to negative borrowing rates on the money market from which ACOSS, as the issuer of short-term debt, is a beneficiary.

The agency therefore records financial income on its securities issuances, which ultimately leads to an income being recorded on behalf of the branches. Consequently, as in 2017, the negative interest rates on the euro-zone money market lead to income recorded on borrowings and expenses recorded on investments.

The financial context benefits ACOSS, whose status enables it to amass a growing number of investors wishing to reduce their risk of exposure in an economic environment that remains uncertain.

The daily balances of the national funds' current accounts thus produced €155.6 M in interest expenses for ACOSS, which correspond to the repayment in their favour of income generated on the management of their cash, which was distributed between the branches as follows:

in millions of euros (€ million

| INTEREST EXPENSES BRANCHES | 2018 | 2017 | Change 2018/2017 | |
|---|---|---|---|---|
| | | | in € millions | in % |
| CNAM Maladie | 123.1 | 111.6 | 11.5 | |
| CNAM AT-MP | 0.0 | 0.0 | 0.0 | |
| CNAF | 2.3 | 4.0 | -1.7 | |
| CNAV | 30.2 | 33.1 | -2.9 | |
| **Branches interest** | **155.6** | **148.7** | **6.9** | **4.6%** |

Interest income was marginally recorded for €23.3M in the following branches:

in millions of euros (€ million

| INTEREST INCOME BRANCHES | 2018 in €M | 2017 in € m | Change 2018/2017 | |
|---|---|---|---|---|
| | | | in € millions | in % |
| CNAM Maladie | 0.0 | 0.0 | 0.0 | |
| CNAM AT-MP | 14.1 | 6.3 | 7.8 | 123.2% |
| CNAF | 8.3 | 4.0 | 4.3 | 109.2% |
| CNAV | 0.9 | 0.5 | 0.4 | 71.6% |
| **Branches interest** | **23.3** | **10.8** | **12.5** | **115.5%** |

The change in interest income resulted from the change in the negative interest rate applied to daily balances and the improvement in the CNAM AT MP balances, which, when they are credit items, allows for interest income to be recorded.

## 8. Extraordinary income and expenses

The 2018 non-recurring income (expense), in surplus of €13.7 M, consisted almost exclusively of the recognition of *boni* the liquidation of the CCVRP for €13.7 M.

| Expenses and income in €m | 2018 | 2017 | Change 2017/2018 |
|---|---|---|---|
| Extraordinary expenses | 0.2 | 0.5 | -0.3 |
| Extraordinary income | 13.9 | 0.2 | 13.7 |
| Profit or loss on extraordinary activities | 13.7 | -0.3 | 14 |

# 9. Calculation of the result for the financial year

This note presents the main components contributing to the formation of the 2018 income for ACOSS:

This note presents the main components contributing to the formation of the 2018 income for ACOSS:

**Results by management**

*In millions of euros (M€)*

| Detailed result by management | 2018 | 2017 proforma | 2017 | Change 2018/2017 | |
|---|---|---|---|---|---|
| **Collection management result (A-B)** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0 %** |
| Technical management income excluding transfer of expenses (a) | 89,344.7 | 83,556.8 | 83,556.8 | 5,787.9 | 6.9 % |
| Transfer of expenses (b) | 1,092.9 | 847.8 | 847.8 | 245.1 | 28.9 % |
| Extraordinary income on technical operations (c) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 % |
| **A - Total technical income (a+b+c)** | **90,437.6** | **84,404.6** | **84,404.6** | **6,033.0** | **7.1 %** |
| Technical management expenses excluding transfer of income (d) | 10,765.9 | 847.8 | 847.8 | 9,918.1 | 1169.9 % |
| Transfer of income (e) | 79,671.7 | 83,556.8 | 83,556.8 | -3,885.1 | -4.6 % |
| Exceptional expenses on technical operations (f) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 % |
| **B - Total technical expenses (d+e+f)** | **90,437.6** | **84,404.6** | **84,404.6** | **6,033.0** | **7.1 %** |
| **Cash management result (C+D)** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0 %** |
| Day-to-day management income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 % |
| Day-to-day management income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 % |
| **C - Day-to-day management result** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0 %** |
| Financial income | 178.1 | 165.8 | 165.8 | 12.3 | 7.4 % |
| Financial expenses | 178.1 | 165.8 | 165.8 | 12.3 | 7.4 % |
| **D - Financial result** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0 %** |
| **Administrative management result (E+F+G)** | **-17.8** | **-17.8** | **-17.8** | **0.0** | **0.2 %** |
| Day-to-day management income | 1,209.8 | 1,301.4 | 1,274.8 | -91.6 | -7.0 % |
| Day-to-day management income | 1,241.3 | 1,319.0 | 1,292.2 | -77.7 | -5.9 % |
| **E - Day-to-day management result** | **-31.5** | **-17.6** | **-17.4** | **-13.9** | **79.0 %** |
| Financial income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 % |
| Financial expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 % |
| **F - Financial result** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0 %** |
| Extraordinary income | 13.9 | 0.8 | 0.1 | 13.1 | 1638.9 % |
| Extraordinary expenses | 0.2 | 1.0 | 0.5 | -0.8 | -75.4 % |
| **G - Extraordinary activities result** | **13.7** | **-0.2** | **-0.4** | **13.9** | **-6932.6 %** |
| **Financial year result** | **-17.8** | **-17.8** | **-17.8** | **0.0** | **0.2 %** |

Taking ACOSS's activities into account, the intermediate management balances are presented in a format that conforms with that defined by the general accounting plan (*plan comptable général* - PCG), to show the results of these activities by type (technical management, cash management and administrative management).

As was the case in 2017, the result for the 2018 financial year, which amounts to **-€17.8 M,** corresponds to that resulting from the ACOSS annual financial statements. With regard to the accounting and management rules used in the division, this result comes exclusively from administrative management (see note 6).

## 9.1 The collection management result

ACOSS's activity generates a **zero technical management balance** to the extent that all technical income and expenses relating to collection are transferred to the beneficiaries:

- transfers of income recorded as technical management expenses correspond to technical income notified to beneficiaries, the collection of which is recorded as revenue in the income statement;
- similarly, expense transfers recorded as technical management income correspond to technical expenses notified to beneficiaries and recorded as expenses in the income statement.

## 9.2 The cash management result

To the extent that the applicable texts provide that ACOSS allocates the net cost of the financing it incurs to the national funds of the general scheme, the cash management result is zero (see note 7).

The distribution of the financial income for these transactions between the branches is based on the allocation keys set by decree.

## 9.3 The administrative management result

**The administrative management result was -€17.8 million.**

In connection with the decree amending the method for calculating the contribution of the national funds to the financing of the FNGA, the accounting result for administrative management since 2016 is **-€17.8m.**

This result will remain unchanged until 2040, when reserves totalling €426 M will be discharged due to the national investment funds being invoiced at the time of their maturation and not as a result of their amortization. Secondly, the accounting result will be structurally balanced in accordance with the economics of the financing mechanism for administrative management collection expenses, which provides for their assumption by the national funds, as ACOSS has no mandate to generate income (see note 6).

## 10. Tangible and intangible fixed assets

Intangible assets and property, plant and equipment can be summarised as follows:

**Breakdown of fixed assets**

*In millions of euros (M€)*

| Net assets | 2018 | 2017 proforma | 2017 | Change 2018/2017 | | Structure 2018 | Structure 2017 |
|---|---|---|---|---|---|---|---|
| **Intangible assets** | **153.5** | 137.4 | **73.4** | **16.1** | **10.5 %** | **70.6 %** | **66.8 %** |
| **Tangible assets** | **63.8** | 68.2 | **14.4** | **-4.4** | **-6.5 %** | **29.4 %** | **33.2 %** |
| **Total fixed assets** | **217.3** | **205.6** | **87.8** | **11.7** | **5.7 %** | **100.0 %** | **100.0 %** |

Intangible assets and property, plant and equipment amounted to €217.3 M, i.e. an increase of 5.7% compared to 2017 at constant scope given the reversal of the assets of the CERTI at the end of 2017.

This change is explained, first of all, by the acquisition of software and IT equipment for the collection branch, and the entry into production of IT applications previously recognised as “ongoing capitalised production” and, secondly, by the conduct of a major inventory clearance operation for all ACOSS sites.

Intangible assets consist of software, software packages and licenses.

Tangible assets consists of land, buildings, technical installations, equipment and tools, general installations, various fixtures and fittings, office furniture and vehicles.

**Table of fixed assets**

*In millions of euros (M€)*

| Heading | Gross amount at beginning of financial year (1) | Acquisitions (2) | Disposals / write-offs (3) | Gross amount at year-end (4)=(1)+(2)-(3) | Accumulated depreciation at the beginning of the financial year (5) | Allocations for the financial year (6) | Reversals/ write-offs during the financial year (7) | Accumulated depreciation at year-end (8)=(5)+(6)-(7) | Net values at year-end (9)=(4)-(8) |
|---|---|---|---|---|---|---|---|---|---|
| **INTANGIBLE ASSETS** | **240.9** | **44.6** | **9.1** | **276.3** | **103.5** | **24.1** | **4.8** | **122.8** | **153.5** |
| Concessions and similar rights, patents, licenses, trademarks, processes, software, rights and similar values | 187.5 | 18.7 | 4.8 | 201.4 | 103.5 | 24.1 | 4.8 | 122.8 | 78.6 |
| Other intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| IT intangible assets in progress | 53.4 | 25.9 | 4.3 | 74.9 | 0.0 | 0.0 | 0.0 | 0.0 | 74.9 |
| Advances and payments made on fixed assets orders. Intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **TANGIBLE ASSETS (property, plant and equipment)** | **226.6** | **12.2** | **15.8** | **223.0** | **158.4** | **16.2** | **15.3** | **159.2** | **63.8** |
| Land | 4.5 | 0.0 | 0.0 | 4.5 | 0.0 | 0.0 | 0.0 | 0.0 | 4.5 |
| Land layout and development | 0.7 | 0.0 | 0.0 | 0.7 | 0.3 | 0.1 | 0.0 | 0.3 | 0.4 |
| Construction | 66.4 | 1.2 | 0.3 | 67.3 | 38.1 | 2.9 | 0.3 | 40.7 | 26.6 |
| Buildings on non-freehold land | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Technical facilities, equipment and tools | 1.6 | 0.0 | 0.5 | 1.1 | 1.3 | 0.1 | 0.5 | 0.9 | 0.2 |
| Other tangible assets | 153.2 | 10.8 | 14.8 | 149.2 | 118.7 | 13.1 | 14.5 | 117.3 | 31.9 |
| Tangible assets in progress | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Advances and prepayments made on intangible asset orders | 0.2 | 0.2 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| **Total fixed assets** | **467.5** | **56.8** | **24.9** | **499.3** | **261.9** | **40.3** | **20.1** | **282.0** | **217.3** |

☞ **FINANCIAL YEAR ACQUISITIONS**

Acquisitions over the year totalled €56.8 M, the breakdown of which is as follows:

### Intangible fixed assets (€44.6 million)

They consist of software acquired for the whole of the collection division amounting to €6.4 M, the largest items of which concern IULA-C-IBM licenses amounting to €2 M, HORTON Work licenses for €0.7 M, a metrology solution for €0.3 M and the start of implementation of the SONATE solution, for €0.2 M, for telephony.

Capitalised production for 2018 amounted to €8 M, while software completed during the year, and previously recorded as assets under construction, amounted to €4.3 M (TELEDEP, RECO 3, CESU – PAS, etc.)

They also include €25.9 M in other intangible assets in progress, resulting mainly from the information system overhaul works.

### Intangible fixed assets (€12.2 million)

They are composed of:

- €1.2 M resulting from the end of the real estate operation at the Biot site that came into service at the end of 2017, and for which improvements continued in 2018 (€0.2 M), to works on the Caen site to accommodate URSSAF staff (€0.8 M) and various works on the other ACOSS sites (€0.2 M);
- €10.8 M for "other fixed assets", i.e., outfitting work on the Montreuil-Gaumont site (€0.2 M), the installation of storage bays for the Montreuil-Marceau and Feyzin sites (€1.1 M) and the acquisition of various IT equipment for ACOSS and URSSAF (€9.1 M) and furniture (€0.2 M) to replace obsolete equipment or for new needs;
- €0.2 M resulting from the payment of instalments for new work on the Montreuil - Gaumont site.

☞ **DISPOSALS OR REDUCTIONS IN ASSETS DURING THE FINANCIAL YEAR IN GROSS VALUES**

A major inventory clearance operation for "Historic" ACOSS was carried out in 2018 and led to the recording of a substantial volume of inventory outflows for both intangible and tangible assets.

Asset reductions amounted to a total of €24.9 M with the following composition:

### Intangible assets (€9.1 million)

The clearance operation generated inventory write-downs of €4.8 M for acquired software, while the transfer of assets under construction to intangible assets (software created) reduced this item by €4.3 M.

### Intangible fixed assets (€15.8 million)

They include the following:

- €0.3 M for the air conditioning outlet from the Nancy site;
- €0.5 M for equipment and tools, a consequence of the clearance operation for ACOSS Headquarters;
- €14.8 M for "other fixed assets", a direct consequence of the clearance operation for the "historical" ACOSS, with outflows paid out to DSI accounting only for €1.4 M;
- €0.2 M resulting from the regularisation of advances and deposits paid for work at the Montreuil - Gaumont and Caen sites.

☞ **CONTRIBUTIONS GRANTED TO AGENCIES**

With the integration of the CERTIs into ACOSS, the institution inherited the services entrusted to these entities, specifically, making the software and IT equipment necessary for their missions available to the branch's bodies.

For 2018, the contribution granted by ACOSS to the collection bodies is as follows:

**Contributions granted**

*In millions of euros (M€)*

| Organisations | Intangible assets | | Intangible assets | | TOTAL | |
|---|---|---|---|---|---|---|
| | Purchase amount | Net carrying amount at year-end | Purchase amount | Net carrying amount at year-end | Purchase amount | Net carrying amount at year-end |
| URSSAF | 6.5 | 0.1 | 55.5 | 7.8 | 62.0 | 7.9 |
| CGSS / CCSSM | 0.1 | 0.0 | 3.2 | 1.2 | 3.3 | 1.2 |
| **TOTAL** | **6.6** | **0.1** | **58.7** | **9.0** | **65.3** | **9.1** |

## 11. Financial fixed assets

Financial fixed assets consist mainly of long-term loans and receivables with social security bodies or bodies contributing to the performance of their tasks:

**Breakdown of financial fixed assets**

*In millions of euros (M€)*

| Net assets | 2018 | 2017 proforma | 2017 | Change 2018/2017 | |
|---|---|---|---|---|---|
| Receivables between social security bodies | 314.8 | 332.0 | 449.7 | -17.2 | -5.2 % |
| Partner loans | 3,798.0 | 3,723.0 | 3,723.0 | 75.0 | 22.6 % |
| Employee loans | 1.0 | 1.3 | 1.3 | -0.3 | -0.1 % |
| Other loans | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 % |
| Deposits and guarantees paid | 0.4 | 0.4 | 0.4 | 0.0 | 0.0 % |
| Other fixed asset receivables | 18.7 | 0.0 | 0.0 | 18.7 | 5.6 % |
| Other financial fixed assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 % |
| **Total financial fixed assets** | **4,132.9** | **4,056.7** | **4,174.4** | **76.2** | **23.0 %** |

These concern mainly:

- Loans to partners, which show a balance of €3,798 M resulting from a cash advance to the benefit of Caisse Centrale de Mutualité Sociale Agricole (CCMSA) of €3,400 M and an advance to the benefit of the Caisse Autonome Nationale de la Sécurité Sociale dans les Mines (CANSSM) of €398 million;
- other capitalised receivables of €18.7 M for the advances granted to the CFP artisans training funds

  These advances are elaborated upon in Note 14.
- Advances allocated to social security organisations of €314.8 M million (7.6% of the item), comprising:
  - €294.5 M in advances granted to branch organisations - including CGSS - to finance their investment operations.
  - €20.3 M in advances granted to other social security bodies (CLEISS, EN3S, MDA and Mayotte CSS).

The table below shows the amounts of advances granted in 2018 to beneficiary organisations for a total amount of €13.7 M.

Amount of advances allocated

*In millions of euros (€)*

| PAYMENT | URSSAF | | CERTI | | CGSS | | OTHERs | | TOTAL | | CHANGES | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | million | % |
| Advances for real estate unions | 0.2 | 1.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 1.4 | -1.2 | -85.7% |
| Advances carried forward | 9.7 | 69.1 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 9.7 | 69.2 | -59.5 | -86.0% |
| other advances | 2.5 | 8.6 | 0.0 | 42.4 | 0.8 | 0.9 | 0.5 | 2.9 | 3.8 | 54.8 | -51.0 | -93.1% |
| TOTAL | 12.4 | 79.1 | 0.0 | 42.4 | 0.8 | 1.0 | 0.5 | 2.9 | 13.7 | 125.4 | -111.7 | -89.1% |

The €111.7 M decrease in advances in 2017 is mainly due to the lack of payment to CERTI, which were included in ACOSS on 1 January 2018, and to the sharp decrease in advances paid to the URSSAF.

The breakdown is as follows:

- - €59.5 million in deferred advances. The year 2017 saw a one-off carry-over for investment operations to be completed in subsequent years, and for which the organisations retained the funding notified to them in 2017;
- - €51 M which is mainly the result of the integration of CERTI into ACOSS at 1st January 2018, the last payment to these organisations was in 2017 for €42.4 M, as well as a significant decrease in the payment to URSSAF of €6.1 M, with URSSAF favouring the use of the advances reported instead of a request for payment of an advance. The CGSS contribute to a decrease of €0.1 M while other organisations are seeing their advances decline by €2.5 M;
- a -€1.2 M in advances for property unions.

In addition to the 2018 payments, it should be noted that €43.4 M in advances carried over from 2017 were used to finance acquisition or renovation projects for organisations of all types in 2018.

## 12. Shareholder equity

**Statement of changes in shareholders' equity**

*In millions of euros€ (M€)*

| Equity - EPN | Balance as at 31/12/17 | Allocation of 2017 income | 2018 result | Other changes during the financial year | Balance as at 31/12/18 |
|---|---|---|---|---|---|
| Allocations, contributions | 0.0 | | | 0.0 | 0.0 |
| Freeholdings returned to the bodies | 0.0 | | | 0.0 | 0.0 |
| Reserves | 426.2 | -17.8 | | 0.0 | 408.4 |
| Financial year result | -17.8 | 17.8 | -17.8 | 0.0 | -17.8 |
| Investment grants | 0.0 | | | 0.0 | 0.0 |
| **Total Shareholders' Equity** | **408.4** | **0.0** | **-17.8** | **0.0** | **390.7** |

Shareholder equity amounted to €390.7 M as at 31 December 2018.

After the allocation of income for the financial year, shareholder equity was exclusively composed of the reserves constituted by ACOSS as part of the financing by the national funds of the general scheme of the branch's operating expenses. These reserves will be cleared over a period of 25 years by imputing the income for the financial year, which will be recorded each year as -€17.8 M, in accordance with the mechanism instituted by decree on 14 March 2017 in 2016 (see note 6).

Integration of the CERTIs as at 1st January 2018 increased reserves by €0.1 M.

## 13. Provisions for risks and expenses

Provisions for risks and expenses amounted to €470.7 M at the end of 2018 (versus €411.3 M at the end of 2017)

**Table of changes in provisions**

*In millions of euros (€ million)*

| Provisions for risks and expenses | Balance as at 31/12/17 | 2018 increase | 2018 decrease | Balance as at 31/12/18 |
|---|---|---|---|---|
| Provisions for risks and expenses | 0.00 | 0.00 | 0.00 | 0.00 |
| Provisions for technical risks and expenses | 409.4 | 425.3 | 365.8 | 468.9 |
| Other expenses provisions | 1.9 | 1.6 | 1.7 | 1.8 |
| **Total provisions for risks and expenses** | **411.3** | **426.9** | **367.5** | **470.7** |

Technical provisions amounted to €468.9 M at the end of 2018.

These include:

- provisions set aside for reimbursement risks stemming from an unfavourable decision by the ECJ on the taxable nature of French-source income received by individuals affiliated to a social security scheme of another EU Member State (so-called "Ruyter" litigation) amounting to €65.7 M. An additional allocation of €22.1 M was carried out, as was a reversal of €50 M in respect of reductions recorded over the period, and on the balance, a downward adjustment of the risk (see note 5, reversals of provisions).
- €403.2 million in provisions for wage tax credits. This amount corresponds to as-yet unused tax credits on salaries acquired in 2018, which are attributable to future periods.

Other provisions for expenses totalling €1.8 million relate to personnel (profit sharing, variable bonus shares, performance bonus, long-service awards).

## 14. Financial debt and cash

ACOSS performs its cash management duties under the general scheme in accordance with Articles L.225-1, L.225-1-3, L.225-1-4, D.225-1 to 3 and D.253-38 and 41 of the CSS.

Decree no. 2012-1127 of 4 October 2012 on ACOSS's common management of the cash of general scheme bodies specifies that a central current account is opened with the CDC in the name of ACOSS. This provision is without prejudice to the opening of other accounts with the CDC, in particular those necessary for the organisation of the financial circuits, as well as an account for stockpiling reserves as part of financial risk management. These provisions are codified in Article D. 225-3 of the CSS.

ACOSS thus holds the following accounts with the CDC:

- Head office account 185A, through which the following pass:
  - Flows recorded directly by ACOSS in respect of its financial and collection operations. These include financing (cash advances, repayment of advances, commercial paper, deposits, etc.), contributions, social security contributions, and taxes collected directly by the central Agency;
  - where applicable, full or partial hedging of a position, using transfers from the emergency account or the Banque de France account (see below).
- procurement accounts opened with the DGFiP network, which record:
  - the payment of contributions, social contributions and taxes collected by the URSSAF/CGSS/CCSS network;
  - drawdowns made by general scheme bodies (Primary Health Insurance Funds (*Caisses primaires d'assurance maladie* – CPAM), Family Benefits Funds (*Caisses d'allocations familiales* - CAF, Retirement and Occupational Health Funds (*Caisses d'assurance retraite et de santé au travail* - CARSAT)) to pay for services, other technical expenses, and administrative management.
- Social security bodies' surplus cash accounts (one per branch and one for collections and UCANSS);
- the ECP account recording Euro Commercial Paper (ECP) transactions issued by ACOSS.

The balances of these accounts are matched to the pivot account on a daily basis.

ACOSS has also opened an emergency account with CDC to hedge the risk of intra-day non-unwinding of cash transactions. Pursuant to Amendment 2 of the agreement signed with Caisse des Dépôts in 2018, the emergency account was made dormant and the funds transferred to the account opened with Banque de France (see note 4). On the basis of the provisions of Article D. 225-3 of the CSS, ACOSS holds a deposit account with Banque de France whose role is to:

- secure the supply of the central current account, due mainly to intra-day differences between the financial flows associated with ACOSS's cash management;

- facilitate the investment of lasting surpluses or other liquid assets mentioned in Article R. 255-4 of the CSS.

ACOSS also has an external cash account, open to the DRFiP, that it uses to manage its administrative management income and expenditure.

## 14.1 ACOSS's net financial debt at 31 December 2018

Net financial debt corresponds to the amount of financial debt (€23.5 bn), net of cash balances (€1.9 bn) and taking into account the balance of financial instruments.

It amounted to €21.5 bn at 31 December 2018, an increase of €5.7 bn compared to 31 December 2017.

**Net financial debts**

in millions of euros (€ million)

| Net financial debts | 2018 | 2017 | Change 2018/2017 | |
|---|---|---|---|---|
| New CP | 5,215.0 | 3,905.0 | 1,310.0 | 33.5% |
| ECP | 17,878.5 | 23,425.6 | -5,547.0 | -23.7% |
| CNSA deposit | 0.0 | 200.0 | -200.0 | -100.0% |
| CAMIEG deposit | 369.5 | 341.5 | 28.0 | 8.2% |
| **Financing (1)** | **23,463.0** | **27,872.0** | **-4,409.0** | **-15.8%** |
| Accrued interest payable * | 1.7 | 1.1 | 0.5 | 44.4% |
| **Other financial debts (2)** | **1.7** | **1.1** | **0.5** | **44.4%** |
| **TOTAL FINANCIAL DEBT (3)=(1)+(2)** | **23,464.7** | **27,873.2** | **-4,408.5** | **-15.8%** |
| Marketable securities (4) | - | - | - | - |
| Repurchase agreements (repos) | - | - | - | - |
| Banks, financial institutions and similar (5) | 1,959.0 | 820.8 | 1,138.2 | 138.7% |
| Deposits in transit | 0.0 | 0.0 | 0.0 | 186.3% |
| CDC Central current account | 507.4 | 119.4 | 388.0 | 324.9% |
| CDC Emergency Account | 0.0 | 0.0 | 0.0 | |
| Banque de France | 1,451.3 | 701.2 | 750.1 | 107.0% |
| Ile de France Regional Public Finance Directorate (CED) | 0.1 | 0.1 | 0.0 | 27.4% |
| Banque postale | 0.1 | 0.0 | 0.1 | 556.6% |
| Accrued interest receivable | 0.2 | 0.1 | 0.1 | 45.3% |
| Cash instruments (6) | 0.7 | -154.7 | 155.3 | -100.4% |
| Margin calls (on ECP & delivered repos) ** | -21.6 | 189.9 | -211.5 | -111.4% |
| Foreign exchange swaps | -46.7 | -427.8 | 381.1 | -89.1% |
| PAR carry-over/offset | 68.9 | 83.2 | -14.3 | -17.2% |
| Cash (7) | - | - | - | - |
| **Liquid assets (8)=(4)+(5)+(6)+(7)** | **1,959.7** | **666.1** | **1,293.6** | **194.2%** |
| **Net financial debt (9)=(3)-(8)** | **21,505.0** | **27,207.1** | **-5,702.1** | **-21.0%** |
| **Net financial debt excluding accrued interest (10)=(1)-(8)** | **21,503.3** | **27,205.9** | **-5,702.6** | **-21.0%** |

At 31 December 2018, financial debts totalled €23.5 billion. These consisted of:

- Financing issued on the financial markets in accordance with the financing plan approved by the Tutelle, in the amount of €23.1 bn, split between Neu CP (€5.2 bn) and ECPs (€17.9 bn); 93% of this is to cover cash requirements
- CAMIEG deposits amounting to €0.4 bn;

The positive cash flow change noted in 2018 following the positive change in the company financial statements resulted in a decrease in financial debt for the year (-15.8%).

Standby Account

As part of the financial risk management policy implemented by Acoss in its funding strategy, the agency has put in place, so as to be able to compensate for any incidents related to treasury operations on a daily basis, a €700 m fixed assets scheme in an account opened with the Banque de France. By virtue of Article D.225-3 of the CSS, ACOSS holds an open deposit account with Banque de France, the purpose of which is to secure the supply of the central current account and to invest long-term surpluses or other available funds mentioned in Article R. 225-4 of the CSS. However, under the amendment signed in 2017 with the Caisse des Dépôts, the emergency account was made dormant.

Offloading to Banque de France as at 31 December 2018

In order to limit its financial expenses and be able to optimise the management of cash balances on a daily basis and in particular to cover position differences, Acoss is authorised to make load-shedding transfers between its account with the Caisse des Dépôts and that opened with the Banque de France. In order to comply with the management of balances as stipulated in the new Acoss/CDC agreement from 1 January 2019, load shedding was carried out on 31.12.2018 to the Banque de France account, due to the significant balance at that date.

## 14.2 The net financial debt of the branches of the general scheme within ACOSS's net debt at 31 December 2018

The net financial debt for tax collections at 31 December 2018 was €21.5 bn. This includes:

- net financial debt of the branches of the general scheme of €18.7 bn, recorded in the national funds' ACOSS current accounts;
- the net balance of other receivables and cash debts vis-à-vis third parties recorded on the ACOSS balance sheet (€2.8 bn).

The cash position of the four branches of the general scheme participating in the joint cash management arrangement is individualised.

This individualisation is achieved through the debiting or crediting of current accounts opened with ACOSS, which are similar to those held by a bank for its customers. ACOSS thus maintains current accounts for the national funds (CNAM Maladie, CNAM AT-MP, CNAF, CNAV), for UCANSS, each URSSAF and CGSS.

For these current accounts, ACOSS positions, on a daily basis, on the value date, all the financial movements recorded in the central current account for each body and the branch to which it belongs (allocation of income received and drawdowns to finance social benefits).

The national bodies keep the current accounts of the bodies within their network in their accounts, and impute the movements of each local body.

The table below shows the change in the current account balances of the branches of the general scheme between 2017 and 2018, as well as the overall cash balance of the branches:

**Current accounts of the branches of the General Scheme at ACOSS**

(In billions of euros)

| Branches | Current account situation | | | |
|---|---|---|---|---|
| | At 31/12/18 | At 31/12/2017 | Change 2017 / 2018 | |
| Sickness | debtor | debtor | | |
| | 20.5 | 21.8 | 1.3 | 5.9% |
| AT-MP | Creditor | Creditor | | |
| | 2.4 | 1.1 | -1.3 | -120.5% |
| Family | debtor | debtor | | |
| | 0.4 | 1.3 | 0.9 | 68.1% |
| Old age | debtor | debtor | | |
| | 0.1 | 2.9 | 2.8 | 97.8% |
| **General Scheme Total** | **18.6** | **24.9** | **6.3** | **25.3%** |

The branches' cash position fell by €6.3 bn in 2018, with the cumulative net debit balance of these current accounts increasing from €24.9 bn at 31 December 2017 to €18.6 bn at 31 December 2018.

## 14.3 Factors explaining the change in liquid assets between 1 January and 31 December 2018: ACOSS cash flow statement

The following table shows all cash receipts and disbursements between 1 January 2018 and 31 December 2018, and proof of the available cash balance at the end of the financial year.

CASH FLOW TABLE - FY 2018 - EPN ACCOUNTS -

*In millions of euros (M€)*

| CASH FLOW TABLE - FY 2018 - FINAL EPN ACCOUNTS - | 2018 | 2017 | Change | Change in % |
|---|---|---|---|---|
| LIQUID ASSETS AT 1 JANUARY (A) | 820.7 | 902.1 | -81.4 | -9.0% |
| Banque de France account (51211) | 701.2 | 200.0 | 501.2 | 250.6% |
| CDC Central Current Account (51313) | 119.4 | 202.0 | -82.6 | -40.9% |
| CDC Emergency Account (51317) | 0.0 | 500.0 | -500.0 | -100.0% |
| Other Acoss cash accounts (RGF 51212, La Poste 51213) | 0.1 | 0.1 | 0.0 | 32.5% |
| TOTAL INPUTS (B)=(B1+B2+B3) | 1,052,797.5 | 851,071.1 | 201,726.4 | 23.7% |
| CASH (B1) | 516,039.6 | 498,687.4 | 17,352.2 | 3.5% |
| **Reversal of CADES debt** | **0.0** | **0.0** | **0.0** | **Not significant** |
| **Cash received via territorial lines** | **390,847.4** | **370,124.4** | **20,723.0** | **5.6%** |
| Private sector contributions | 308,033.2 | 291,466.9 | 16,566.3 | 5.7% |
| Public sector contributions | 50,441.7 | 47,375.2 | 3,066.5 | 6.5% |
| ISU contributions | 14,784.1 | 14,703.8 | 80.3 | 0.5% |
| Cash surpluses generated by URSSAF-CERTI-CGSS-CCSS | 68.9 | 68.1 | 0.8 | 1.2% |
| Cash surpluses generated by non-combining entities | 17,519.3 | 16,510.3 | 1,009.0 | 6.1% |
| **Cash received directly from the ACOSS head office account (185A)** | **125,192.3** | **128,563.0** | **-3,370.8** | **-2.6%** |
| ACOSS direct collections (R 451461) | 69,844.9 | 74,671.9 | -4,827.0 | -6.5% |
| Receipts from common cash management | 55,347.4 | 53,891.2 | 1,456.2 | 2.7% |
| FINANCING (B2) | 299,713.2 | 237,078.1 | 62,635.1 | 26.4% |
| CNSA deposit (165111) | 0.0 | 450.0 | -450.0 | -100.0% |
| CNIEG deposit (165113) | 3,550.0 | 5,460.0 | -1,910.0 | -35.0% |
| Deposit Active Segment (1651141) | 5.3 | 0.0 | 5.3 | Not significant |
| Deposit Inactive Segment (1651142) | 22.8 | 24.7 | -1.9 | -7.9% |
| Commercial paper (1681111) | 147,982.0 | 138,421.8 | 9,560.2 | 6.9% |
| ECP (1681112) | 147,941.7 | 87,184.7 | 60,757.0 | 69.7% |
| Received interest/deposits and surety (16885) | 0.0 | 0.0 | 0.0 | -100.0% |
| Banque Postale credit line (5191) | 0.0 | 6,000.0 | -6,000.0 | -100.0% |
| Receipts of Margin Calls on ECP (52112) | 21.6 | -463.1 | 484.8 | -104.7% |
| Payment of Margin Calls on ECP (52111) | 189.9 | 0.0 | 189.9 | Not significant |
| INVESTMENTS (B3) | 237,044.6 | 115,305.6 | 121,739.0 | 105.6% |
| Loans to partners (274231) Repayment of Advances (CANSSM) | 34,643.0 | 14,451.0 | 20,192.0 | 139.7% |
| Loans to partners (274232) Repayment of Advances (CNIEG) | 2,855.0 | 1,500.0 | 1,355.0 | 90.3% |
| Loans to partners (274233) Repayment of Advances (CCMSA) | 199,530.0 | 98,614.0 | 100,916.0 | 102.3% |
| Loans to partners (27612) Repayment of Advances (training funds) | 0.6 | 0.0 | 0.6 | Not significant |
| Onlending of delivered repos (50816) | 1.7 | 0.0 | 1.7 | Not significant |
| Foreign exchange swap (521221) | 0.0 | 742.6 | -742.6 | -100.0% |
| Credit margin call rate swap (52132) | 0.0 | -2.0 | 2.0 | -100.0% |
| PAR ON ECP MARGIN CALLS (52881) | 14.3 | 0.0 | 14.3 | Not significant |
| TOTAL OUTPUTS (C)=(C1+C2+C3) | 1,051,659.4 | 851,152.5 | 200,506.9 | 23.6% |
| DISBURSEMENTS (C1=C11+C12+C13) | 510,243.5 | 504,828.7 | 5,414.9 | 1.1% |
| Drawdowns (C11) | 395,102.7 | 388,269.7 | 6,833.0 | 1.8% |
| Health drawdowns | 192,143.1 | 187,204.7 | 4,938.4 | 2.6% |
| AT-MP Drawdowns | 9,297.7 | 9,326.0 | -28.3 | -0.3% |
| Family Drawdowns | 77,596.8 | 77,585.7 | 11.1 | 0.0% |
| Old-age Drawdowns | 112,233.2 | 110,317.0 | 1,916.2 | 1.7% |
| URSSAF-CERTI-CGSS-CCSS drawdowns | 3,795.4 | 3,800.7 | -5.3 | -0.1% |
| UCANSS Drawdowns | 36.5 | 35.6 | 0.9 | 2.4% |
| Repayments (C12) | 107,540.6 | 101,644.5 | 5,896.1 | 5.8% |
| Repayments to UNEDIC (unemployment insurance, AGS) | 27,658.7 | 33,416.6 | -5,758.0 | -17.2% |
| UNEDIC Compensation Reversals | 8,206.6 | 0.0 | 8,206.6 | Not significant |
| Repayments to CNRSI | 15,733.0 | 13,615.5 | 2,117.5 | 15.6% |
| Repayments to FSV | 6,989.4 | 6,696.6 | 292.8 | 4.4% |
| Repayments to CADES | 15,322.0 | 15,012.5 | 309.4 | 2.1% |
| Repayments to CNSA | 5,053.9 | 4,736.3 | 317.5 | 6.7% |
| Repayments to other partners and third parties (CCMSA, CPRP SNCF, IRCEM, CMU, etc.) | 28,577.1 | 28,166.9 | 410.2 | 1.5% |
| Expenditure from Acoss head office account (C13) | 7,600.2 | 14,914.5 | -7,314.3 | -49.0% |
| Sickness Expenditure | 6,221.6 | 10,228.4 | -4,006.8 | -39.2% |
| AT-MP Expenditure | 923.7 | 862.9 | 60.8 | 7.0% |
| Family Expenditure | 444.8 | 1,088.6 | -643.7 | -59.1% |
| Old-Age Expenditure | 10.0 | 2,734.6 | -2,724.6 | -99.6% |
| FINANCING (C2) | 303,910.7 | 231,820.9 | 72,089.9 | 31.1% |
| Repayment of CNSA deposit (165111) | 200.0 | 1,000.0 | -800.0 | -80.0% |
| Repayment of CNIEG deposit (165113) | 3,550.0 | 5,460.0 | -1,910.0 | -35.0% |
| Commercial Paper Repayment (1681111) | 146,672.0 | 143,356.8 | 3,315.2 | 2.3% |
| ECP Repayment (1681112) | 153,488.7 | 75,814.1 | 77,674.6 | 102.5% |
| Received interest/deposits and surety (16885) | 0.0 | 0.0 | 0.0 | -61.6% |
| La Banque Postale drawdowns (51911) | 0.0 | 6,000.0 | -6,000.0 | -100.0% |
| Payment of Margin Calls on ECP (52111) | 0.0 | 189.9 | -189.9 | -100.0% |
| INVESTMENTS (C3) | 237,505.2 | 114,503.0 | 123,002.2 | 107.4% |
| Loans to partners (274231) CANSSM Advances | 34,698.0 | 14,459.0 | 20,239.0 | 140.0% |
| Loans to partners (274232) Repayment of Advances (CNIEG) | 2,845.0 | 1,510.0 | 1,335.0 | 88.4% |
| Loans to partners (274233) Repayment of Advances (CCMSA) | 199,560.0 | 98,534.0 | 101,026.0 | 102.5% |
| Loans to partners (27612) Repayment of Advances (training funds) | 19.3 | 0.0 | 19.3 | Not significant |
| Repos (Repurchase agreements) (50816) | 1.7 | 0.0 | 1.7 | Not significant |
| Foreign exchange swap (521221) | 381.1 | 0.0 | 381.1 | Not significant |
| **Changes in other cash accounts (D)** | **0.1** | **0.0** | **0.1** | **-247.1%** |
| **Changes in other Acoss cash accounts** | **0.1** | **0.0** | **0.1** | **-247.1%** |
| LIQUID ASSEST AT 31 DECEMBER (E)=(A+B-C+D) | 1,958.8 | 820.6 | 1,138.2 | 138.7% |
| Banque de France account (51211) | 1,451.3 | 701.2 | | |
| CDC Central Current Account (51313) | 507.4 | 119.4 | | |
| Other Acoss cash accounts (RGF 51212, La Poste 51213) | 0.2 | 0.1 | | |
| TOTAL LIQUID ASSETS at 31 DECEMBER | 1,958.8 | 820.6 | | |

## 14.4 Details of ACOSS's (gross) financial debts at 31 December 2018

### 14.4.1 The Acoss account

In 2018, the variation in the cash position was +€5.7 bn. The balance at end-December reached -€17.7 bn. The low point of ACOSS' financing requirement was recorded on 11 May 2018 (-€26.3 bn) and the peak was recorded on 07 November 2018 (-€4.5 bn).

The average balance was -€19.1 billion. The amount of financing mobilised amounted to a maximum of €34.8 bn on 13 April 2018, remaining below the non-permanent funding ceiling set in the LFSS at €38 bn for 2018.

The table below shows the change in recent years in the balance of the central current account, excluding financial debt (defined here as financial liabilities excluding accrued interest – cash and cash equivalents). The variation in this balance is shown for each.

**Key data of the Acoss account for the period 2015-2018**

| | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| Change in the balance of the Acoss account excluding financial debt (*) | -€1 bn | +€11.2 bn | -€6.1 bn | €5.7 bn |
| Balance of Acoss Account at 31 December excluding financial debt | -€28.5 bn | -€17.2 bn | -€23.4 bn | -€17.7 bn |
| Average borrowed amounts | -€28.6 bn | -€26.7 bn | -€26.9 bn | -€26.9 bn |
| Number of days with negative balance | 365 | 365 | 365 | 365 |

Source: ACOSS DIFI

(*) In ACOSS' current communication, this aggregate is referred to as "cash flow change".

### 14.4.2 Euro Commercial Papers

In accordance with the roadmap issued on 4 March 2010 by its supervisory bodies, ACOSS has opened an ECP programme for a maximum amount of €20 bn in all OECD currencies, with technical assistance from Agence France Trésor. The ECP management programme was internalized to ACOSS on 17 February 2016 (with post-market integration).

In early 2018, the maximum outstanding amount was increased to €40 bn. This instrument is favoured given the positive dynamics of the ECP market, its longer maturity and its favourable price differential with the NeuCP market.

This instrument represented 80% of average outstanding debts in 2018 versus 74% in 2017. The highest outstanding debt was reached on 30 August 2018 (€28.4 billion). The average maturity was 52 days in 2018 versus 91 days in 2017. The average outstanding amount in 2018 was €21.4 bn (versus €19.5 bn in 2017).

In 2018, ACOSS issued 1250 ECPs for a cumulative nominal amount of €147.9 bn compared with €87.6 M in 2017. The breakdown of foreign currencies and counterparties is given below.

**ECP issuance by currency**

In millions of euros (M€)

| | Currency | | | | | |
|---|---|---|---|---|---|---|
| Counterparties | USD | GBP | AUD | EUR | Others | TOTAL |
| BRED | 2,901.74 | 14,024.50 | 34.01 | 0.00 | 81.97 | 17,042.22 |
| CA-CIB | 32,899.28 | 4,125.53 | 1,433.77 | 9,616.55 | 594.33 | 48,669.46 |
| CSFB | 2,603.02 | 11,855.52 | 0.00 | 133.00 | 22.12 | 14,613.66 |
| ML | 6,553.79 | 8,095.88 | 193.30 | 0.00 | 0.00 | 14,842.97 |
| RBS | 5,667.68 | 24,880.49 | 26.57 | 1,300.00 | 0.00 | 31,874.74 |
| UBS | 10,649.07 | 3,934.53 | 1,127.18 | 4,684.50 | 503.34 | 20,898.62 |
| **Overall total** | **61,274.58** | **66,916.45** | **2,814.83** | **15,734.05** | **1,201.76** | **147,941.67** |

In 2018, ECP issuances were made primarily in GBP pounds sterling (45.2%), in USD dollars (41.4%) and AUD Australian dollars (1.9%). In 2018, the share of issues in euros increased and accounts for 10.6% of issues. All 2018 issuances were made at a negative rate.

At 31 December 2018, the outstanding amount of ECPs was €17.9 bn, of which €14.5 bn in foreign currencies was covered by a systematic currency hedge, leading to an outstanding swap. Following the change in accounting method, the stock of ECPs in foreign currencies was revalued at the ECB's exchange rate on 31/12/18, resulting in a debt reduction of €46.7 M. Symmetrically, the amount of the currency swap was recorded for the same amount in the opposite direction (i.e. as debt) at the end of 2018.

All ECPs issued and received by ACOSS are denominated in euros. Each security is fixed at issuance so that its principle and interest are fully known throughout its lifespan, regardless of fluctuations in the currencies in which the securities are issued.

Each issue is hedged in terms of amount and maturity using a standard hedging instrument (currency swap), in line with financial market regulations.  To insure ACOSS against any possible default, these transactions are “collateralized”; i.e., a guarantee is provided in the form of margin calls, which act as a pledge of repayment.

As such, during 2018, €6.95 bn was paid for margin calls for which the counterparty was owed by ACOSS and €6.97 bn was received from creditor counterparties, making for a net balance of €20 M. These amounts come from instruments used to hedge foreign currency issuances in stock at 31 December 2018.

Negative interest

The continuous fall in interbank rates since September 2014, reinforced by the successive decisions of the ECB's Governing Council, led to negative rates throughout 2018 for short-term assets with a maturity of less than 1 year, resulting in negative remuneration.

These investments led investors to recover a slightly smaller amount than they invested.

As an issuer of short-term debt, ACOSS hence saw its issuance rates remain below zero once again in 2018, leading to financial income being recorded on its market borrowings. Conversely, the investment of surplus short-term liquidity resulting from the issuance policy would have led the Agency to record financial expenses, which is why it did not make use of repurchase agreements (only one in 2018).

### 14.4.3 Neu CP

These short-term debt securities (from 1 to 364 days) that can be traded on the financial markets enable ACOSS to secure short-term financing requirements. In return, ACOSS bears the risk associated with this financing.

Article 43 of the LFSS 2007 authorised ACOSS to issue commercial paper and Article L.213-3 of the French Monetary and Financial Code was supplemented by a paragraph citing ACOSS as an institution authorised to issue commercial paper. This financial instrument has become a central element in the Agency's funding, which has also led to greater flexibility in day-to-day cash management.

In 2010, the Bank of France approved an increase to the ceiling of the ACOSS commercial paper programme from €11.5 billion to €25 billion.

The market for short-term negotiable debt securities in France was modified in June 2016 by the creation of a new security: Neu Commercial Paper (Neu CP). The ACOSS commercial paper program has thus been updated to become a Neu CP programme, with an unchanged ceiling of €25 billion.

Since the beginning of 2018, the portion of Neu CP sold on the financial markets represents 14% of total financing, down from the 19% observed in 2017 due to the favourable price differential on the ECP market at that time.

In addition to Neu CP issuances as part of a strategy aimed at promoting the optimisation and pooling of "public" cash management, ACOSS distributes Neu CP among other public players such as CADES and Agence France Trésor (AFT), in particular at the end of each quarter (2.5% of funding).

Short-term treasury papers known as Neu Cp "*tuile*" ("tiles") are also subscribed by the CDC. They constitute one of the non-permanent resources that ACOSS is authorised to use to partially finance the cash requirements of the general social security system linked to payment of old-age pensions (€2.5 bn per month, with zero outstandings at 31.12.2018).

The average outstanding amount for investor-subscribed NeuCPs was €3.7 bn (versus €43.9 bn in 2017), for an average maturity of 12 days.

Over the course of 2018, ACOSS issued 667 NeuCPs for a cumulative nominal amount of €147.9 bn.

At 31 December 2018, outstanding Neu CP amounted to €5.2bn, of which €4.5bn was under the AFT.

Neu Cp in foreign currencies

Still with a policy of diversifying its sources of financing in order to further secure day-to-day operations on the market and to face current uncertainties (Brexit in 2019), Acoss has implemented the recommendations of the IGAS and the DSS to give priority to the Paris financial marketplace. In November 2018, Acoss launched the project for the dematerialised issue of Neu CP in foreign currencies by backing up the domiciliary agent Caceis.

*A test was carried out at the end of 2018 with a deal negotiated for €12 M in USD over 3 days (from 17 to 20 December 2018).*

### 14.4.4 Term deposits as part of the pooling of local cash

Article 33 of LFSS 2009 no. 2008-1330 of 17 December 2008 codified in Article L. 225-1-3 of the CSS authorised certain organisations to deposit all or part of their cash and cash equivalents with ACOSS in exchange for remuneration, in the context of the optimisation of social security cash flows, initiated by the 2006-2010 Targets and Management Agreement (*Convention d'objectifs et de gestion* - COG).

#### 14.4.4.1 CNSA term deposits

By agreement signed with ACOSS on 13 April 2010, CNSA entered into the deposit mechanism, enabling the pooling of social security cash. However, CNSA made no deposits in 2018. Only one ticket maturing on 20 April 2018 was reimbursed for €200 M. As of 31 December 2018, the balance of the account was zero.

#### 14.4.4.2 CNIEG term deposits

By agreement signed with ACOSS on 4 April 2013, CNIEG also entered into the cash deposit mechanism.

In 2018, the total amount of 32 deposits was €3.5 bn. As of 31 December 2018, the balance of the account was zero.

#### 14.4.4.3 CAMIEG term deposits

By agreement signed with the ACOSS on 6 October 2014, CAMIEG entered the mechanism, in accordance with the provisions of Articles L.225-1-3 and R.255-5 of the Social Security Code.

As of 31 December 2018, the demand account balance stood at €369.5 M.

### 14.4.5 Loans from Caisse des Dépôts

Given investors' strong appetite for ACOSS securities and ACOSS's slightly higher cash requirements, the annual confirmation of the 2018 commitments provided for by CDC's 2015-2018 agreement did not allow for the provision of a medium-term loan by CDC.

## 14.5 ACOSS investments

### 14.5.1 Repos delivered

According to the order of 3 March 2011 relating to the investment conditions for ACOSS cash or cash equivalents, the agency is authorised to invest its liquid assets via the reverse repurchase of French government securities (OAT ( fungible medium- and long-term Treasury bonds with a maturity of 2-50 years); BTF (fixed-rate short-term discount Treasury bills issued by the French debt agency)): "The Central Agency of Social Security Bodies may invest cash of cash equivalents referred to in the third paragraph of Article R. 255-4 of the Social Security Code by reverse repurchasing French state securities under the conditions provided for in Articles L. 211-27 et seq. of the French Monetary and Financial Code". Amended on 19 July 2012, the decree also makes it possible to reverse repurchase CADES securities.

In 2018, the repo rate remained below the ECB deposit rate due to the scarcity of collateralized paper accepted following the ECB's massive redemption in the market. The use of repos proved to be economically unprofitable. CDC account investment proving a better option.

In 2018, a single reverse repurchase ticket for USD 12 M. At 31 December 2018, the outstanding amount of the repurchase agreements was nil.

### 14.5.2 Advances

Article L. 225-1-4 of the Social Security Code provides that the ACOSS may, in return for remuneration, grant loans and advances for a period of less than twelve months to the old-age pension scheme for non-salaried agricultural employees and to the old-age pension scheme of the special social security scheme for mines. It may also, on an exceptional basis and in return for remuneration, make advances of less than one month to basic mandatory schemes other than the general scheme within the limit of the projected financial flows for the current year between the agency and the scheme, body or fund concerned.

The cumulative level of ceilings granted to these schemes was €5.8 bn in 2018 compared with €5.2 bn in 2017, for ceilings of between €440 M and €4,450 M.

**Advances**

In millions of euros (€ million)

| ADVANCES | 31/12/18 | 31/12/17 | Change 2018/2017 in € million | Change 2018/2017 as % |
|---|---|---|---|---|
| Advances for partners | 3,816.70 | 3,723.00 | 93.7 | 2.5% |
| CANSSM | 398.00 | 343.00 | | |
| CNIEG | 0.00 | 10.00 | | |
| CCMSA | 3,400.00 | 3,370.00 | | |
| CFP Artisans Training Fund | 18.70 | | | |

#### 14.5.2.1 Advances to CCMSA

Article 31 of Law no. 2014-1554 of 22 December 2014 on the financing of social security for 2015 amended the provisions of Article L. 225-1-4 of the CSS by opening the possibility for ACOSS to grant, in return for remuneration, loans and advances of less than twelve months to the old-age pension scheme for non-salaried agricultural workers (CCMSA). For 2018, the amounts borrowed by CCMSA from ACOSS may not exceed a ceiling of €4.9 bn.

The Agency was able to cover all of CCMSA's cash requirements for an average volume of €3.5 bn. 56 advances were granted for a cumulative amount of €199.6 bn, compared to €98.5 bn in 2017.

At 31 December 2018, the balance of the account was €3.4 bn, representing a financing advance over the period from 18 December 2018 to 2 January 2019.

#### 14.5.2.2 Advances to CANSSM

Under the agreement of 30 December 2013, and since February 2016, the scheme has met its cash requirements exclusively via cash advances granted by ACOSS.

In 2018, ACOSS granted 111 cash advances to CANSSM, for a cumulative amount of €34.7 bn, compared with €14.5 bn in 2017.

As of 31 December 2018, outstanding cash advances amounted to €0.4 bn in respect of an advance repaid on 02 January 2019.

#### 14.5.2.3 Advances to CNIEG

In accordance with the provisions of Article L.225-1-4 of the CSS, the scheme has recourse to cash advances from ACOSS with a maximum maturity of one month.

The cumulative amount of advances is €2.8 bn in 2018. Work in progress was zero at year-end.

#### 14.5.2.4 Advances to the CFP Artisans training funds

Act 2016-1088 of 8 August 2016 on work, the modernisation of social dialogue and the security of career pathways introduced a change in the collection of contributions to professional training for craftspeople from 2018 by entrusting this mission to the collection branch formerly operated by the DGFIP.

In order to effectively make this transition in collection and cover the funding needs of the training bodies receiving the contribution to the professional training of craftspeople, the Law for the freedom to choose one's professional future allows Acoss to grant cash advances by derogation to Article L. 225-1-4 of the Social Security Code relating to loans and advances.

Advances totalling €18.7 M were granted within the limit of their cash requirement and pending payment of the November 2018 collection.

### 14.5.3 Interest rate swaps

No transaction of this kind was carried out in 2018.

# 15. Current assets and liabilities

## 15.1 Current assets

### 15.1.1 Receivables

Net receivables, which are all due in less than one year apart from the current accounts of the national general scheme funds, amounted to **€33,276.6 M** at 31 December 2018, versus **€35,279.53 M** at 31 December 2017, an increase of 5.7%.

in millions of euros (€ million)

| Receivables | 2018 | 2017 pro forma | 2017 Published | 2018/2017 pro forma change | % change |
|---|---|---|---|---|---|
| **Receivables from contributors** | **2,063.7** | **1,959.3** | **2,344.6** | **104.4** | **5.3%** |
| *Contributors* | 0.0 | 0.5 | 385.8 | -0.5 | Not significant |
| *Doubtful or disputed contributors* | 218.3 | 149.6 | 149.6 | 68.7 | 45.9% |
| *Contributors: accrued income* | 1,845.3 | 1,809.2 | 1,809.2 | 36.1 | 2.0% |
| | | | | | |
| **Receivables from the State and public entities** | **6,878.8** | **7,719.8** | **7,520.4** | **-841.0** | **-10.9%** |
| State | 6,637.2 | 7,297.2 | 7,097.7 | -659.9 | -9.0% |
| *Exemptions from contributions* | *483.1* | *321.9* | *266.9* | *161.3* | 50.1% |
| *PAR exemptions* | *602.4* | *824.5* | *680.1* | *-222.1* | -26.9% |
| *PAR ITAF* | *5,551.7* | *6,150.7* | *6,150.7* | *-599.0* | -9.7% |
| *Other public entities* | *241.5* | *422.6* | *422.6* | *-181.1* | |
| | 0.0 | | | | |
| **Receivables from social security bodies and other schemes** | **24,290.5** | **25,540.5** | **27,695.3** | **-1,249.9** | **-4.9%** |
| Current accounts of the National Funds | 20,986.0 | 23,834.5 | 25,989.0 | -2,848.5 | -12.0% |
| *CNAM Maladie* | *20,513.4* | *20,082.5* | *21,838.3* | *430.9* | *2.1%* |
| *CNAM AT* | *0.0* | *0.0* | *0.0* | *0.0* | |
| *CNAF* | *410.0* | *1,284.3* | *1,284.3* | *-874.3* | *-68.1%* |
| *CNAV* | *62.6* | *2,467.7* | *2,866.3* | *-2,405.0* | *-97.5%* |
| Receivables from National Funds (PAFAR) | 112.8 | 78.5 | 83.7 | 34.3 | 43.8% |
| Receivables from National Funds Receivable (excl. PAFAR) | 1,277.0 | 0.0 | 0.0 | | |
| Other bodies and schemes | 1,615.4 | 1,218.7 | 1,213.8 | 396.7 | 32.5% |
| CCMSA financial monitoring account | 299.3 | 408.8 | 408.8 | -109.4 | |
| | | | | | |
| **Administrative management receivables** | **1.4** | **1.4** | **1.3** | **0.0** | **0.7%** |
| Personnel and related accounts | 0.1 | 0.2 | 0.1 | -0.1 | -59.1% |
| Social security and other social bodies. | 0.1 | 0.0 | 0.0 | 0.0 | 80.3% |
| Social suppliers and intermediaries | 0.4 | 0.2 | 0.1 | 0.2 | 157.8% |
| Accrued income (OSS) | 0.8 | 1.0 | 1.0 | -0.2 | |
| | | | | | |
| **Miscellaneous debtors** | **42.3** | **58.1** | **58.1** | **-15.8** | **-27.3%** |
| **Total receivables** | 33,276.6 | 35,279.0 | 37,619.6 | -2,002.43 | -5.7% |

**Contributions receivables and related accounts** amounted to **€2,063.7 M** at 31 December 2018, compared with €1,958.8 M at 31 December 2017, a decrease of 5.4%. They include the following:

- accrued income of **€1,845.3 M** for tax on business and replacement incomes, compared with €1,809.2 million in 2017;
- the outstanding amounts reported by CCMSA on the collection of withholding tax on operating income; i.e. a net amount of **€218.3 M** (€410 M in gross, less €192 M in impairments).

Note the restatements made in the presentation (non-accounting restatements *pro forma* 2017 and 2018 actual):

- in respect of cash transactions vis-à-vis national funds relating to withholding tax on replacement income. The amounts received in respect of advance payments (including December) were deducted from the amounts due, and the remaining receivable was incorporated into the item "Receivables from national funds" (instead of contributory claims, previously).
  The amounts received in advance (advance payments on products, excluding PAR) have been included in the "Debts to national funds" item (instead of debts to contributors).
- In respect of solidarity contributions on investments: the amounts to be paid to the State in this respect at the end of 2017 were transferred from "contributing debts" to "Government debts and other public entities" in the amount of €124.4 M *pro forma* 2017.

**State and public entities' receivables** amounted to **€6,878 M** at 31 December 2018:

- the bulk of this item consists of accrued income under the ITAF collected by the State and allocated to the financing of social security bodies, for **€5,551.7 M**, down by 9.7%
- PARs relating to the contribution exemption mechanisms, in the amount of **€602.4 M,** down by 26.9% compared with the 2017 amount *pro forma*.
- amounts receivable from the State in respect of exemptions offset by State budget credits, for **€483.1 M.** This amount corresponds to the total of receivables for schemes with a general debit situation at the end of 2018, the schemes with a positive balance sheet being presented as a liability on the ACOSS balance sheet. The main schemes with a negative balance at the end of 2018 are the exemptions under the aid schemes for unemployed people taking over businesses (ACCRE, €196.6 M), for self-employed workers (DOM law, €127 M), overtime exemptions (€35 M), the ZFU scheme (€37.1 M) and apprenticeship (€22.3 M) (see table note 15.2.1).

  It should be noted that in connection with the transformation of the RSI, €55 M in receivables was reported in the 2018 opening balance sheet (see Note 3).
- Cash receivables of an amount of **€241.5M** corresponding to:
  - a receivable from the State of €90.6 M for VT compensation under the system for offsetting loss of resources for organisations receiving this contribution resulting from the increase in employers' liability threshold (between 9 and 11 employees)
  - cash to be received from partners (CMU funds, CNSA) for €150.9 M

**Receivables from social security bodies and other schemes** amounted to **€24,290.5 M** versus €25,540.5 M in 2017.

These receivables comprise:

- **€20,986 M** in debit balances at 31 December 2018 for the current accounts of the three national funds, with only the ATMP branch having a credit balance given its positive net financial position;

- **€1,615.4 M** in receivables due from other bodies and schemes, comprising:
    - €1,516.6 M of the balance of cash transactions with Mayotte CSS recorded at 31 December 2018 in the Head Office account pending the fund's effective integration into the general scheme's accounts (see note 1 of the combined accounts);
    - the balance being sundry receivables from social security bodies;
- **€1,277 M** of receivables vis-à-vis national funds, i.e.
    - €1,174 M in receivables from CNAV and CNAM in respect of withholding tax on replacement income (amount due less payments made).
    - €103 M in receivables vis-à-vis the national funds in respect of their contribution to the equilibrium of the compensation system for unemployment salary exemptions.

- **€112.8 M** in income earmarked for collection from national funds (CNAM – AT only).

- **€299.3 M** for the debit balance at 31 December 2017 of the financial monitoring account opened with CCMSA since July 2017;

The item for miscellaneous receivables amounted to **€42.3 M** at 31 December 2018 and is mainly composed of accrued income in respect of recovery management costs (€39.2 M), the main component of which are payments expected from the *Pôle emploi* and UNEDIC for management fees under the 17 December 2010 agreement on public employment service reform (€27.1 M).

### 15.1.2 Transitional or suspense accounts and prepaid expenses

These accounts totalled **€128.7 M** at 31 December 2018, compared with €164.9 M at 31 December 2017 *pro forma*

**Transitional or suspense accounts and adjustment accounts**

in millions of euros (€ million)

| Transitional or suspense accounts and adjustment accounts | 2018 | 2017 pro forma | 2017 | 2018/2017 pro forma change | |
|---|---|---|---|---|---|
| Transitional and suspense accounts | 92.5 | 99.5 | 99.5 | -6.9 | -7.0% |
| Prepaid expenses | 36.2 | 65.5 | 63.3 | -29.3 | -44.7% |
| **Total** | **128.7** | **164.9** | **162.7** | **- 36.2** | **-22.3%** |

At the end of 2018, the transitional or suspense accounts showed a debit balance consisting of the credit amounts expected from December 2018 to January 2019 of €92.5 M and prepaid expenses of €36.2 M (including €26.5 M for cash management, representing prepaid interest expenses on foreign currency ECPs maturing in 2019).

## 15.2 Current liabilities

### 15.2.1 Non-financial debts

Debts, all with a maturity of less than one year outside the current account of the ATMP branch, amounted to **€14,759.2 M** at 31 December 2018, compared with €9,783.5 M at 31 December 2017 - an increase of 50.9%.

in millions of euros (€ million)

| NON-FINANCIAL DEBTS | 2018 | 2017 pro forma | 2017 | 2017/2016 pro forma change | % change |
|---|---|---|---|---|---|
| **Debts to contributors** | **0.0** | **0.0** | **769.5** | **0.0** | **Not significant** |
| **Debts to the State and public entities** | **1,883.2** | **1,439.7** | **1,314.6** | **443.5** | **30.8%** |
| State | 569.6 | 604.3 | 604.3 | -34.7 | -5.7% |
| Public entity (earmarked income) | 529.0 | 388.3 | 388.3 | 140.7 | 36.2% |
| State and public entities (cash debts) | 784.6 | 447.1 | 322.0 | 337.5 | 75.5% |
| **Debts to social security bodies and other schemes** | **10,543.7** | **7,540.5** | **7,147.5** | **3,003.2** | **39.8%** |
| Current accounts of the National Funds | 2,395.1 | 1,086.3 | 1,086.3 | 1,308.8 | 120.5% |
| *CNAM Maladie* | | | | | |
| *CNAM AT* | *2,395.1* | *1,086.3* | *1,086.3* | *1,308.8* | 120.5% |
| *CNAF* | | | | | |
| *CNAV* | | | | | |
| Debts w ith respect to national funds (PAFAR) | 6,946.5 | 5,165.1 | 4,966.7 | 1,781.5 | 34.5% |
| Debts to other bodies and schemes (earmarked income) | 717.4 | 478.7 | 482.9 | 238.7 | 49.9% |
| Debts to the national funds for the general scheme (PAFAR) | 49.3 | 259.9 | 0.0 | -210.5 | Not significant |
| Other bodies and schemes (cash debts) | 325.4 | 550.6 | 611.6 | -225.1 | -40.9% |
| CMU Fund financial monitoring account | 109.9 | 0.0 | 0.0 | 0.0 | Not significant |
| **Administrative management debts** | **105.4** | **111.6** | **88.2** | **-6.2** | **-5.6%** |
| Suppliers and related accounts | 49.6 | 41.0 | 23.5 | *8.6* | *21.0%* |
| Personnel and related accounts | 10.3 | 9.5 | 5.7 | 0.8 | 8.1% |
| Social security and other social bodies | 5.5 | 6.8 | 4.6 | -1.3 | -19.2% |
| Accrued expenses (OSS) | 40.0 | 54.3 | 54.3 | -14.3 | -26.4% |
| **Other payables** | **2,226.9** | **691.7** | **691.7** | **1,535.2** | **221.9%** |
| Debts to third parties (earmarked income) | 15.6 | 14.8 | 14.8 | 0.8 | 5.3% |
| Accrued expenses ACOSS - UNEDIC compensation | 1,435.2 | 0.0 | 0.0 | 1,435.2 | Not significant |
| Other (cash debts to third parties) | 776.2 | 677.0 | 677.0 | **99.2** | **14.7%** |
| **Total non-financial debts** | **14,759.2** | **9,783.5** | **9,765.3** | **4,975.64** | **50.9%** |

Cash adjustments with contributors for social security contributions on replacement income have been restated on the balance sheet, deducted from receivables to reflect a net asset balance, and the excess has been transferred to "liabilities to national funds", which explains the zero amount of liabilities to contributors at the end of 2018.

**Debts to the State and public entities** amounted to **€1,883.2 M** at 31 December 2018, compared with €1,439.7 M at 31 December 2017. These mainly comprise:

- debts owed to the State of **€569.6 M**, of which €289.5 M in debt come under contribution exemption schemes offset by budgetary allocations; €247.7 M for surplus financing relating to schemes previously offset by the allocation of a fraction of VAT (see table below); and €32.4 M for accrued expenses (collection and recovery costs);

Table of reciprocal payables and receivables with the State via an exemption compensation mechanism

in millions of euros (€m)

| MECHANISMS | BALANCE SHEET AT 31/12/17 (pro forma) ASSETS | BALANCE SHEET AT 31/12/17 (pro forma) LIABILITIES | 2018 RECEITPS | 2018 INCOME excluding RAP | BALANCE SHEET AS AT 31/12/18 ASSETS | BALANCE SHEET AS AT 31/12/18 LIABILITIES |
|---|---|---|---|---|---|---|
| **For the benefit of certain categories of employees** | | | | | | |
| Apprenticeship | 18.5 | | 933.9 | 937.7 | 22.3 | |
| Press-card holders | 0.5 | | 15.3 | 15.1 | 0.3 | |
| Employment Initiative Contract (CIE) | | 2.1 | -2.0 | 0.0 | | 0.0 |
| Professionalisation contracts | | 22.7 | 14.9 | 15.0 | | 22.6 |
| Reduction in benefits in kind (HCR) | | 19.1 | 0.0 | 0.1 | | 19.0 |
| Qualification contracts | | 0.0 | 0.0 | 0.0 | 0.0 | |
| Return to employment contracts (City) | | 4.2 | 0.0 | 0.0 | | 4.2 |
| Integration workshops and projects | 4.7 | | 127.4 | 128.6 | 5.8 | |
| Intermediate associations | 0.3 | | 85.4 | 84.6 | | 0.5 |
| Company integration / hosting or accredited structure | | 50.2 | 11.6 | 11.4 | | 50.4 |
| subtotal | 24.0 | 98.3 | 1,186.5 | 1,192.6 | 28.4 | 96.7 |
| **For the benefit of geographical areas** | | | | | | |
| Rural Revitalization Areas (ZRR) | | 19.4 | 24.8 | 23.0 | | 21.1 |
| Urban regeneration zones (ZRU) | | 0.2 | -0.9 | 0.0 | 0.7 | |
| ZRR for general interest organisations | 1.9 | | 84.5 | 92.2 | 9.6 | |
| Defence restructuring zone | | 42.3 | 1.8 | 1.8 | | 42.3 |
| Employment area to be revitalised | | 7.4 | 19.2 | 19.5 | | 7.0 |
| Free urban areas | 36.2 | | 30.0 | 30.8 | 37.1 | |
| DOM law exemption Employer's share | | 23.4 | 1,020.9 | 1,004.2 | | 40.2 |
| DOM law exemption ETI (AF contribution) | 94.3 | 0.0 | 91.0 | 123.7 | 127.0 | |
| Access to Employment contracts outside the exo dom | | 3.8 | 2.2 | 1.3 | | 4.7 |
| Employment access contracts | 1.1 | | 0.0 | 0.0 | 1.1 | |
| subtotal | 133.5 | 96.4 | 1,273.5 | 1,296.6 | 175.5 | 115.3 |
| **For the benefit of various economic sectors** | | | | | | |
| Standardized deductions EPM | 5.8 | 0.0 | 422.9 | 417.7 | 0.6 | |
| Young innovative companies | 10.8 | 0.0 | 223.7 | 218.9 | 5.9 | |
| Young University Companies | | 1.6 | 0.0 | 1.4 | | 0.2 |
| Exemption for home help provided by vulnerable individuals | | 55.1 | 858.2 | 866.7 | | 46.6 |
| Exemption for home help provided vulnerable individuals employed by associations or companies | 0.1 | | 865.2 | 884.1 | 19.0 | |
| Sports referees and judges | | 10.4 | 0.0 | 0.6 | | 9.8 |
| subtotal | 16.7 | 67.1 | 2,370.0 | 2,389.3 | 25.6 | 56.6 |
| **For the benefit of low wage earners** | | | | | | |
| Volunteering for integration | 1.4 | | 0.0 | 0.0 | 1.4 | |
| Voluntary associations | | 0.2 | 0.0 | 0.0 | | 0.2 |
| Civic service commitment contributions | | 1.7 | 0.0 | 0.1 | | 1.6 |
| Civic service contribution volumes | 0.1 | | 0.0 | 0.0 | 0.1 | |
| Real wages exemption - EPM | | 17.6 | 0.0 | 0.0 | | 17.6 |
| subtotal | 1.5 | 19.5 | 0.0 | 0.1 | 1.5 | 19.4 |
| **For the benefit of certain categories of contributors** | | | | | | |
| Start-up employee/ business creators | | 14.3 | -14.1 | 0.0 | | 0.2 |
| Social scheme for micro-enterprises/self-employed entrepreneurs | | 7.7 | -21.0 | 0.0 | 13.4 | |
| State compensation for contributions by broadcasters, artists and authors | 7.2 | | 0.0 | 0.1 | 7.3 | |
| AF exemption for Shipping companies | 3.7 | | 16.8 | 11.9 | | 1.2 |
| ACCRE | 65.9 | | 265.0 | 395.7 | 196.6 | |
| subtotal | 76.8 | 22.0 | 246.6 | 407.7 | 217.2 | 1.4 |
| **Other coverage** | | | | | | |
| TEPA overtime exemption | 34.9 | | 536.7 | 536.8 | 35.0 | |
| subtotal | 34.9 | 0.0 | 536.7 | 536.8 | 35.0 | 0.0 |
| Sub-total Targeted Exemptions offset by budgetary allocations | 287.3 | 303.3 | 5,613.4 | 5,823.1 | 483.2 | 289.5 |
| **Other contributions covered (allocation of Net VAT to financing targeted exemptions)** | | | | | | |
| Maritime services exemptions | | 35.8 | 0.0 | 0.0 | | 35.8 |
| Household employee exemptions | | 194.1 | 0.0 | 0.0 | | 194.1 |
| Exemption for TEPA overtime (offset by State) | | 17.8 | 0.0 | 0.0 | | 17.8 |
| Subtotal for targeted exemptions financed by tax revenue | 0.0 | 247.7 | 0.0 | 0.0 | 0.0 | 247.7 |
| TOTAL RECIPROCAL PAYABLES AND RECEIVABLES FOR COMPENSED EXEMPTIONS | 287.3 | 551.0 | 5,613.4 | 5,823.1 | 483.2 | 537.2 |

- **€529 M** in income earmarked for collection, mainly on behalf of CADES (€293.1 M) and CNSA (€208.9 M);
- In the amount of **€784.6 M** in pending cash repayments, including:
    - €92.6 M in State loans for micro-entrepreneurs to be regularised
    - €329 M in advance payments received in respect of solidarity levies on capital relating to 2019. Since these revenues are allocated to the State from 2019, the corresponding advance is to be paid back to the State
    - final cash adjustment for income received in 2018, which will be returned in 2019 to CADES (€327.4 M), HAS (€11.2 M) and DGFiP (€21.7 M).

**Debts to national funds and other social security schemes** amounted to **€10,433.8M** at 31 December 2018, compared with €7,540.5 M at 31 December 2017 *pro forma*. These debts comprise:

- income earmarked for collection, amounting to **€6,946.5 M** for the national funds and **€717.4 M** for the other bodies and schemes (CCMSA, FSV, Alsace Moselle and miscellaneous schemes);
- For **€49.3M** , interim dividends paid by CNAM on replacement income exceeding the amount due;
- other debts to social security bodies and schemes of **€325.4 M**, representing:
    - the credit balance of current transactions still to be settled in 2018 with URSSAF, CGSS, CCSS, CERTI, UCANSS, Institut 4.10 (bodies' current accounts totalling €132.5 M);
    - cash transactions pending repayment: credit adjustment of contributions recovered in 2018 to the benefit of the FSV (€21.6 M), revenues received in December 2018 which will be returned in 2019 to various schemes including CIPAV (€71.4 M), CANSSM (€10.1 million); and repayments to various entities (the RATP, AGESSA MDA, National Assembly, Senate, etc.).

This item also includes the credit balance at 31 December 2018 of the current account of the CNAM AT-MP branch (**€2,395 M**) (see §14.2).

The balance of the financial monitoring account of the CMU fund opened on 1 January 2018 in the ACOSS books stood at €109.9 M at 31 December 2018.

The **sundry payables** item, which amounted to **€2,226.9 M** in 2018, mainly comprises:

- an expense of €1,435.2 M to be paid to Unedic, in respect of the compensation for the exemptions from unemployment salary charges instituted in 2018;
- contributions collected and to be paid to the transport organising authorities (AOT / SMT) in the amount of €577 M, including €90.5 M as part of the VT 2017 compensation;
- Training Funds (AGEFICE-Ti for €67 M and FIF PL TI for €79 M;
- to GIE AGIRC-ARRCO (€22.6 M).

### 15.2.2 Transitional or suspense accounts and deferred income

These accounts amounted to **€628.4 M** at 31 December 2018, compared to €1,896.4 M at 31 December 2017, or a decrease of 66.8%.

| Transitional or suspense accounts and adjustment accounts | 2018 | 2017 pro forma | 2017 | 2018/2017 pro forma change | |
|---|---|---|---|---|---|
| Transitional and suspense accounts | 0.0 | 0.1 | 0.1 | -0.1 | |
| Deferred income | 628.4 | 1894.5 | 1894.5 | -1266.0 | -66.8% |
| **Total** | **628.4** | **1,894.6** | **1,894.6** | **- 1,266.1** | **-66.8%** |

This item essentially comprises deferred income on technical operations of direct collection (€617 M).

In addition to the deferred income reported by DGFiP in respect of investment income levies of €583.3 M in 2018 (compared with €843.8 M in 2017) and which correspond to the portion of the advance payments made in October 2018 relating to January 2019 income, business continuity plans are also recorded for the withholding of pension deductions paid by Strasbourg CARSAT (advance payment of pensions in December 2018, €31.3 M) and for the payment of PAM contributions (€2.3 M).

It should also be noted that a BCP of €1 bn had been recorded at the end of 2017 for income allocated to ACOSS to finance expenses that were not recognised until 2018. No equivalent transaction occurred in 2018.

The share of discounted interest on commercial paper and ECPs, acquired in 2018 and maturing in 2019, represents €11.4 M.

## 15.3 The balance of receivables from contributors and the State with debts and other liabilities assigned to beneficiaries

The balance sheet approach makes it possible to reconcile receivables from contributors and the State, which are recorded as assets on the balance sheet, with debts to beneficiaries and other related liabilities.

As all technical income and expenses are distributed among the beneficiaries, all technical receivables and liabilities (so-called “PAFAR – *produits affectés à recouvrer* - income earmarked for collection”) are necessarily distributed among the beneficiaries at the balance sheet level. This balance is presented below:

## Reconciliation of receivables / payables to recipients

in millions of euros (€ million)

| Assets | | Liabilities | |
|---|---|---|---|
| Receivables to national funds | 112.8 | Debts to public entities | 529.0 |
| | | Debts to national funds | 6,946.5 |
| | | Debts to other bodies | 717.4 |
| | | Debts to third parties | 15.6 |
| **Total PAFAR debtors** | **112.8** | **Total PAFAR creditors** | **8,208.5** |
| Contributing receivables | | Provisions for risks and expenses | 468.9 |
| Non-performing or disputed loans | 410.5 | | |
| - Depreciation | -192.2 | Accrued expenses Public entities | 32.4 |
| Accrued income Contributors | 1,845.3 | | |
| Accrued income Exemption from contributions | 602.4 | State debt (exoneration from contributions) | 537.2 |
| Accrued income Public entities | 5,474.5 | ITAF State payables | 0.0 |
| | | State debt (dues, contributions, ITAF) | 0.0 |
| State debt (exemption from contributions) | 483.1 | | |
| Receivables from national funds (excluding PAFAR) | 1,173.9 | Debts to national funds (excluding PAFAR) | 49.3 |
| ACOSS prepaid expenses | 2.9 | ACOSS deferred income | 617.0 |
| **Total receivables** | **9,913.3** | **Total liabilities** | **9,913.3** |

# 16. Off-balance sheet commitments

## 16.1 Financial instrument commitments

For each foreign currency ECP issuance, ACOSS systematically hedges the foreign exchange risk by "swapping" its issues in foreign currencies (foreign exchange swaps) in euros. This allows it to manage its risk by freezing the exchange rate as soon as the transaction is complete.

As at 31 December 2018, over-the-counter hedging transactions on ECPs, all for a period of less than one year and ending in 2019, were as follows, by counterparty:

**Forward financial instruments (currency swaps) as of 31 December 2018**

*(in €)*

| Counterparty | Currency | Amount of return swaps | Market value |
|---|---|---|---|
| BRED | EUR | 3,417,546,527.96 | -1,904,542.36 |
| CA-CIB | EUR | 6,084,131,364.38 | 11,471,128.03 |
| Crédit Suisse | EUR | 1,154,522,212.33 | 3,495,872.20 |
| Merrill Lynch | EUR | 893,604,520.38 | 9,529,151.83 |
| NatWest Market (formerly RBS) | EUR | 1,247,793,780.88 | -1,120,402.77 |
| UBS | EUR | 2,261,153,715.14 | 5,299,775.02 |
| **TOTAL** | **EUR** | **15,058,752,121.07** | **26,770,981.95** |

### The breakdown by currency at 31/12/18 is as follows:

**Forward financial instruments (currency swaps) as of 31 December 2018**

*(in €)*

| Currency processed | Nominal | Amount EUR maturing | Market value |
|---|---|---|---|
| AUD: | 1,894,270,000.00 | 1,180,809,646.46 | -17,170,323.65 |
| CAD | 172,500,000.00 | 111,740,304.47 | -2,516,138.94 |
| CNY | 400,000,000.00 | 51,478,925.17 | -953,798.88 |
| GBP | 4,929,500,000.00 | 4,640,975,438.68 | -30,688,987.22 |
| NZD | 491,000,000.00 | 286,666,821.97 | 318,986.85 |
| PLN | 44,000,000.00 | 10,247,619.76 | -36,579.95 |
| USD | 10,163,320,000.00 | 8,776,833,364.56 | 77,817,823.74 |
| **TOTAL** | | **15,058,752,121.07** | **26,770,981.95** |

The €15.1 bn is the value of foreign currency ECP outstandings (excluding euros) issued at 31 December 2018 but not revalued at the end of the year, unlike the €17.9 bn recorded in financial debts and corresponding to the stock of ECPs (currencies and euros) revalued at 31.12.2018.

The 184 transactions concerned for a total market-to-market amount of -€26.8 M represents the market value calculated by ACOSS if it were to renegotiate exchange rate swaps with another counterparty, particularly in the event of its default.

This counterparty risk on exchange rate swaps does not represent the amounts to be paid or receivable by ACOSS, as it is covered by margin calls whose stock at 31 December 2018 was €21.6 million - a value negotiated between ACOSS and its different counterparties.

**Stock of margin calls**

(in €)

| Counterparty | BALANCE | |
|---|---|---|
| | credit | debit |
| BNP | | |
| BRED | | 20,770,000.00 |
| CA-CIB | 26,910,000.00 | |
| Crédit Suisse | | 1,130,000.00 |
| Merrill Lynch | 7,010,000.00 | |
| NatWest Market (formerly RBS) | | 2,540,000.00 |
| UBS | 12,130,000.00 | |
| GROSS TOTAL | 46,050,000.00 | 24,440,000.00 |
| **NET TOTAL** | | **21,610,000.00** |

This guarantee provided by the counterparties is subject to interest at the EONIA rate, as UBS does not apply negative rates:

**Interest compensation**

(in euros)

| Counterparty | Credit | Debit |
|---|---|---|
| BRED | - | -3,867.65 |
| CA-CIB | 21,042.55 | - |
| Crédit Suisse | - | -162.88 |
| Merrill Lynch | 2,204.97 | - |
| NatWest Market (formerly RBS) | - | -2,177.31 |
| UBS | - | - |
| **TOTAL** | **23,247.52** | **-6,207.84** |

Given the applicable legislative framework, ACOSS cannot raise financing for more than one year. All financial debts are therefore repayable during the coming year.

**Amounts payable within one year**

in millions of euros (€ million)

| | PAYMENTS DUE BY PERIOD | | | |
|---|---|---|---|---|
| CONTRACTUAL OBLIGATIONS | TOTAL | Less than one year | 1-5 years | Over 5 years |
| BALANCE SHEET | | | | |
| Financial Debts | 23,464.7 | 23,464.7 | | |

## 16.2 Retirement benefits

In accordance with accounting rules, the collection activity assesses the retirement benefits of the branch's employees. These allowances are presented in the appendix.

Commitments were measured using the actuarial methods recommended in IAS 19. UCANSS has calculated these commitments for each organisation.

This calculation takes into account the increase in the retirement age provided for by the Law of 9 November 2010 that gradually increased the legal retirement age to 62 in 2018, as well as the extension of the legal age as provided for by the law of 21 December 2011 based on calculations for the 2013 social commitments (four quarters for policyholders born between 1951 and 1954 and five quarters for policyholders born after 1955, as well as the increase in pension length set by Law 2014-40 of 20 January 2014 for those born after 1958 to:

- 167 quarters, for insured persons born between 1 January 1958 and 31 December 1960,
- 168 quarters for insured persons born between 1 January 1961 and 31 December 1963;
- 169 quarters for insured persons born between 1 January 1964 and 31 December 1966;
- 170 quarters for insured persons born between 1 January 1967 and 31 December 1969;
- 171 quarters for insured persons born between 1 January 1970 and 31 December 1972;
- 172 quarters for insured persons born on or after 1 January 1973.

The assessment method, which is identical to that applied to the provisioning of long-service awards, is set out in Chapter 2.

The rates tax and of social contributions used are the average rates recorded on salaries paid to UGSS over the period from January to October 2018, or 59% for non-managers and 61% for managers, the same rates having been applied in 2017.

On the recommendation of the actuarial firm SPAC, the rate used is that of 10-year + euro-denominated loans for first-class AA-rated companies (IBOXX Corporates AA 10+) at 31 October 2018, (i.e., 1.60% versus 1.35% in 2017).

The amount of these commitments, for the public institution, was €12.4 M at 31 December 2018 compared with €11.7 M at 31 December 2017 at constant scope (ACOSS + the 7 CERTIs integrated as of 01/01/2018).