

# WITHHOLDING TAX

---

## FAQ

October 15, 2018  
N°5



**I do not want my employer to know all of my income.  
How will confidentiality be preserved?**

The withholding tax rate applicable to your 2019 earnings will be calculated by the tax office in the summer of 2018, starting from your 2017 tax return. This personalized rate will be sent to your employer so that he can carry out the withholding tax.

If you opted for the neutral rate and the amount deducted by the employer is less than that resulting from the application of the personalized rate, you will have to authorize the tax authorities to deduct the corresponding additional tax from your bank account in order to regularize your situation.

Measures have been put in place to ensure the confidentiality of private data in the withholding tax operations.

The employer, as a collector, is thus subject to an obligation of professional secrecy as defined in Articles 226-13 and 226-14 of the Penal Code. In the case of use of information collected, held or transmitted for purposes other than those relating to the deduction at source, the employer incurs a penalty of one year's imprisonment and a fine of € 15,000.

In practice, the professional secrecy attached to the operations of the withholding tax applies to any person in the company. The management must ensure compliance with this obligation by all employees likely to have access to this data and if necessary take the disciplinary measures if any breaches of confidentiality occur.

This obligation of confidentiality is further reinforced by the entry into force on May 25, 2018, of the *General Data Protection Regulation* (GDPR) that requires the employer to be vigilant about the tax data processed.

# WITHHOLDING TAX

---

## FAQ



**I have a *Avis à Tiers Détenteur* (garnishee notice), how will happen the withholding?**

When the employer receives "*avis de tiers détenteur*" from the tax office for the settlement of tax debts or a request for "*saisie sur rémunérations*" requested by a private creditor, he must apply the scale of seizures. Revised by decree on 1 January each year, the latter takes into account family expenses and net salary, after deduction of social security contributions.

With the introduction of the deduction at source, the "*avis de tiers détenteur*" becomes the "*saisie administrative à tiers détenteur*".

Forced collection proceedings in progress on 1 January 2019 continue regardless of the introduction of the withholding tax. Deduction at source changes the amount that can be seized, which will be calculated after deduction of social contributions and withholding tax as of January 2019.

The "*Avis à tiers détenteur*" "pre-existent" to the implementation of the withholding tax will be deducted from the amount of the net income paid after deduction of the withholding tax.

More broadly, the withholding tax will have consequences for wage seizure.

As such, article L 3252-3 of the Labor Code will be amended on 1 January 2019, confirming that for the determination of the seizable fraction will be determined taking into account:

- Remuneration and its accessories, including benefits in kind
- Deducting contributions and mandatory social contributions
- And withholding tax

As a result and "mechanically" the deduction for a seizure on wages, made from January 1, 2019 will be reduced (except possible reevaluation of the tax scale).

For more information on withholding <https://www.economie.gouv.fr/prelevement-a-la-source>

To refer to our newsletter on withholding tax, click [here](#)