PRESS RELEASE

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Finance and public accounts: social security

REPORT ON THE APPLICATION OF SOCIAL SECURITY FUNDING LAWS

In accordance with its constitutional duty to assist Parliament, the Court is today publishing its 2025 report on the application of social security funding laws.

Loss of control over social security accounts

In 2024, the social security deficit reached €15.3bn, almost €4.8bn higher than the initial forecast. Three quarters of the deficit increase is due to a lower revenue yield, and one quarter to higher health care spending that exceeds the target. **In 2025, the social security deficit is expected to rise sharply again, reaching €22.1 billion. This forecast is also tentative** as it is based on optimistic growth assumptions. It assumes the implementation of unprecedented savings measures for the health insurance system (€5.2 billion) and the containment of outpatient care expenditure, which was responsible for the overspend in 2024. **Looking ahead, the 2025 financing act has once again downgraded the social security system's financial trajectory, with a deficit expected to reach €24.1 billion in 2028**, with no prospect of stabilisation, let alone a return to financial balance. The deficit forecast for 2027 is one-third higher than it was in 2024. **Short-term social security debt will increase rapidly. There is a growing risk of a liquidity crisis weighing on its financing conditions**.

Necessary reforms to redress social security accounts

The amount of general reductions in employer contributions, which are intended to reduce labour costs, almost quadrupled between 2014 and 2024, reaching €77 billion. In principle, this loss of revenue for the social security system is compensated by the State, but the terms of this compensation have become unfavourable. In the current context of deteriorating financial balance in social security, better control of this phenomenon is necessary, while taking into account the associated economic challenges. The restructuring of the general reduction in 2026 could include broadening the base to include new wage supplements and lowering the eligibility threshold to 2.5 times the minimum wage, for savings of €3 to €5 billion if behaviour remains unchanged.

In hospitals, the Court examined **the use of temporary staffing in paramedical roles** (nurses, physiotherapists, healthcare assistants, etc.). This form of replacement, which is normally exceptional, is rapidly expanding, which is costly, raises human resource management difficulties, and can degrade the quality of care. The Court recommends controlling the hours worked in multiple jobs, capping remuneration, and addressing the structural causes of this development.

Non-clinical staff (administrative, logistical and technical staff) are often perceived as being over-represented in French public hospitals. However, there is no reliable framework for comparing data with other countries or the private sector that would allow this assumption to be confirmed. Nevertheless, the performance of support services should be better analysed and improved through greater pooling, case-by-case outsourcing and the modernisation of administrative processes, in particular through the use of artificial intelligence.

The strategic stock of masks acquired during the Covid crisis, which is diverse and ageing, is currently being renewed. The prospect of storage sites reaching capacity in the near future means that it is necessary to determine when expired masks become unusable and to implement dynamic inventory management by distributing masks free of charge to hospitals and nursing homes before they expire.

More than 700,000 people **combine their retirement with professional activity**, excluding military personnel and special schemes. Compared to other European countries, French law is more confusing and accommodating. It allows many professionals and individuals who have benefited from the long career scheme to combine a full pension with continued professional activity before the age of 67.

Restructuring the system would save the social security system €500 million per year. **Pensions paid to people living abroad** present specific risks of fraud, in particular the non-reporting of the death of the pensioner. Since 2017, significant progress has been made, particularly with the development of electronic data exchanges with other European countries. Physical proof-of-life checks have been developed in Algeria and Morocco but need to be stepped up, in particular through the use of biometric facial recognition. Foreign establishments receiving the minimum old-age pension could be better controlled.

Overpayments are amounts paid in error by social security funds due to error, omission or fraud. Undetected overpayments remain too high. The detection and recovery of fraudulent overpayments has improved but remains insufficient: overpayments should be recovered for the entire period allowed by the legal limitation period and artificial intelligence should be used to process the many cases concerned. Better recovery of deductibles and co-payments would bring between €500 million and €1 billion to the health branch.

Social security: a need to improve service quality and efficiency

The **creation of the autonomy branch** in 2020 has not delivered the expected results. Responsibilities remain fragmented, support for departments is unclear, regional disparities have not been reduced and internal control of the sums paid is insufficient. A budgetary trajectory beyond 2030 must be defined for the arrival of the baby boom generation in old age, and responsibilities for planning the necessary investments must be clarified.

The community pharmacy model in France has become increasingly fragile in three respects: the density of the network in rural areas, the way pharmacies are remunerated in light of their expanding responsibilities, and the independence of pharmacist with the financialisation of healthcare provision. The actions of the public authorities remain too modest and must be stepped up to preserve the French model.

The public child maintenance service was created in 2017 and then extended to guarantee the payment of maintenance in the event of separation of a couple with children. This is a definite step forward, but the scale of demand remains poorly measured and the quality of service provided to users is inadequate.

The disability pension system is poorly managed. There are significant disparities between regions, the ability to work is not reassessed frequently enough, employers are not proactive enough in adapting jobs or redeploying workers, and people on long-term sick leave are granted disability status too late.

The retirement scheme for artists and authors was reformed in 2019 after serious difficulties in collecting social security contributions. The quality of service has improved, but the reform, which is still incomplete, needs to be finalised.

Read the report

The Court of Accounts ensures that public money is used properly and informs citizens accordingly.

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