

Revised index of hourly Labour Cost– all employees

ICHTrev-TS: presentation

The **revised index of hourly Labour Cost (ICHTrev-TS)** is generally used for indexing contracts. It is therefore usually not subject to revision. An exception to this principle was made in the publication dated 8th January 2021, cf. *Infra*. **The choice of an index for the purpose of indexing a contract is at the discretion of the contractors.**

The ICHTrev-TS covers all non-agricultural market sectors, excluding services to household, and includes two sectoral groupings focusing on the mechanical and electrical industries (IME) on the one hand, and civil engineering on the other. It is a chain-linked Laspeyres index, base 100 in December 2008. It is computed on the basis quarterly data, smoothed using a 4-quarter moving average (i.e. over the last four quarters) to ensure less volatility of the index, and then made monthly using linear interpolation.

The ICHTrev-TS measures change across all:

- Wages and salaries,
- social contributions net of exemptions,
- Taxes¹ net of subsidies.²

The ICHTrev-TS is calculated as the ratio of the sum of the wage bill and social contributions (net of exemptions) and taxes (net of subsidies) to the number of working hours.

Social contributions include employers' social security contributions, the self-reliance solidarity contribution, unemployment insurance, contributions to the supplementary pension schemes (AGIRC-ARRCO), unemployment insurance. The rates for these contributions are measured quarterly. The index also takes into account the effect of extending compulsory collective healthcare cover, which must be offered by private sector employers to all employees who do not already have it, from 1st January 2016. However, the ICHTrev-TS does not take into account conventional contributions (apart from the contributions that all enterprises/businesses must pay by law).

The subsidies taken into account are those related to the wage bill or workforce of certain specific categories of people, notably the tax credit for encouraging competitiveness and jobs (CICE) from 2013 to 2019 and the youth-hiring bonus in the "1 jeune 1 solution" plan launched in the summer 2020.

An **index of employer contributions** is also published; for this index, the three monthly indices for a given quarter have the same value. This index of contributions measures change in the (1 + rate of contributions) variable, where the rate of contributions is the percentage of the gross wage bill that is represented by the employer contributions.

ICHTrev-TS and ICT: two labour cost indices produced by Insee, for different purposes

INSEE produces another quarterly Labour Cost Index (LCI). This index, which is harmonised at European level, aims to track the actual, unsmoothed change in hourly labour costs (wages and contributions net of subsidies) in France. Unlike the ICHTrev-TS, which is used to index contracts, the LCI can be revised from one release to the next, and is intended business cycle analysis.

Sources

Three main sources are used to calculate the ICHTrev-TS. Gross wage bill and hourly labour volume are derived from administrative data of the Nominative Social Declaration (DSN), reprocessed by INSEE. Additional labour cost data and exemptions from social security contributions are provided by URSSAF Caisse Nationale. These data are used, for example, to track changes in exemptions linked to general reductions in employers' social security contributions. Finally, certain costs and subsidies are derived from INSEE's labor cost surveys (LCS) or from ad hoc estimates.

Publication calendar

The ICHTrev-TS index is published around 75 days after the end of the considered quarter. It is disseminated via the [Informations Rapides](#) devoted to the detailed results of the LCI, in the form of additional data. Data relating to the ICHTrev-TS can also be accessed directly from [the time series on the INSEE website](#).

Before December 2023, this index was published approximatively 100 days after the end of the considered quarter and was the subject of a dedicated *Informations Rapides*.

¹ This is any duty or tax based on the wage bill or on workforce.

² These are subsidies associated with the wage bill or the workforce of certain specific categories of people.

History of the ICHTrev-TS, correspondence with previous series and list of main changes

The ICHTrev-TS replaces the ICHT-TS, and before that the ICMO (index of labour costs for manual workers).

ICHT was a “uniform qualification structure” indicator (i.e. measuring change in the labour cost without taking into account any changes in the qualification of the jobs being done), tracking change in the basic hourly wage and social contributions. Since Q1 2009, ICHTrev-TS has taken into account all aspects of wages (bonuses, overtime pay), and also any change in the qualification structure.

Whereas ICHT covered 4 specific sectors of activity (mechanical and electrical industries, textiles, clothing-leather and services provided mainly to businesses), the current indicator is calculated for all 13 sections of the French classification of economic activities (NAF rev. 2) covering the non-agricultural market sector excluding household services. The indicator is therefore available at a much more aggregated level of the classification, yet covers a broader range of activities, providing businesses with a labour cost indicator that is much closer to that of their sector of activity.

Comparability between ICHTrev-TS and ICHT-TS series

Since Q1 2009, the old IME ICHT-TS has been replaced by an equivalent indicator, IME ICHTrev-TS. To extend the old series beyond December 2008, multiply the new indicator by the adjustment coefficient of 1.43.

For other indicators for which there is no new equivalent series, the adjustment coefficient between an old series A and a new series B is calculated from the ratio of the December 2008 index for series A to that of December 2008 for series B. Next multiply an index from series B by this adjustment coefficient to obtain the corresponding series A index.

Example of an adjustment calculation for the “Services provided mainly for businesses” sector:

The ICHT-TS for the “Services provided mainly for businesses” sector in December 2008 was 142.0. If the user decides to adjust this series to one of the equivalent ICHTrev-TS series, for example, ICHTrev-TS for the “Administrative and Support Service activities” a sector where the December 2008 index was 100, then the adjustment coefficient is $142.0/100 = 1.42$.

To extend the index into January 2009, multiply the ICHTrev-TS for the “Administrative and Support Service activities” sector for January 2009, which is 100.1, by this adjustment coefficient, which gives $100.1 * 1.42 = 142.1$

List of main changes:

- Improved integration of information from the DSN (Appendix 1)
- Exceptional revision of the ICHTrev-TS indices for the second quarter of 2020, when published on 8 January 2021 (Annex 2)
- Inclusion of the CICE from 2013 onwards (Annex 3)

Appendix 1: Improving the way in which information from the DSN is taken into account

With the publication of the detailed results for the first quarter of 2025, INSEE has updated its production of quarterly estimates of the LCI, which is used as the basis for estimating the ICHTrev-TS. The processing chain for the information available on wages and the methods used to estimate the indicators have been revised, with the aim of improving the statistical quality of the LCI (see the LCI methodological note).

This work has led to revisions to the LCI series on the past which are slightly more significant than usual at this time of year, and over a longer period. However, the past of the ICHTrev-TS is not affected by these changes, since it is designed to be non-revisable.

Keep in mind that from the first quarter of 2025, the methods for estimating the ICHTrev-TS will change as a result of the changes made to those of the LCI.

Appendix 2: Exceptional revision of ICHTrev-TS indices for the second quarter 2020, in the 8th January 2021 release

On 15 December 2020, Insee has released the labour cost index (LCI) on the third quarter 2020. This release included strong revisions on the second quarter 2020 compared to the first estimation published three months earlier. This revisions are mainly explained by three factors:

- Short-time working compensation requests could be done with some months of delay. Since the health crisis emergence due to the Covid-19 virus, estimations were more likely than usual to be revised, especially in sectors with an extensive use of short-time working.
- Some inconsistencies between paid hours and short-time working compensated hours in some firms declarations were identified and corrected.
- Announced by the government on 14th May 2020, the plan to support the tourism sector provides for exemptions from employers' social security contributions and assistance with the payment of contributions for the firms with fewer than 250 employees in some sectors (especially concentrated in trade, accommodation and food services and administrative and support service activities). These measures are taken into account in the total labour cost index, amounting to 1.7 billion euros over the three first quarter of 2020, evaluated from firms' declarations. For the previous release, as these data were not available, these measures were taken into account based on the figure provided for in the third draft amending finance bill (2.2 billion euros).

Due to the magnitude of the revisions of these data entering in the computation of the ICHTrev-TS, this index was also exceptionally revised in the 8 January 2021 release relative to the third quarter regarding the period from from April to June 2020.

In view of the very specific conditions in which the economy operated during the health crisis and the wide variety of situations companies faced with this crisis, it is possible that the index initially selected for indexing the contract may reflected less faithfully the variations in costs incurred by the contractors in certain cases. In any event, the choice of an index for the purpose of indexing a contract or the appropriateness of temporarily deviating from the indexation rule provided for in a contract is at the discretion of the contractors.

For any purpose, the values of the ICHTrev-TS indices exceptionally revised on 8 January 2021 and the ones originally published on 9 October 2020 are presented in the following tables, as well as their ratios.

Indices released on 8 January 2021, regarding the ICHTrev-TS production in the third quarter 2020

	01/01/2020	01/02/2020	01/03/2020	01/04/2020	01/05/2020	01/06/2020	01/07/2020	01/08/2020	01/09/2020	01/10/2020
ICHTrev-TS in Mechanical and electrical industries	126.3	126.4	126.5	126.6	127.0	127.4	127.5	127.6	127.7	127.8
ICHTrev-TS in Mining and quarrying (NACE2 B)	126.8	126.9	126.9	127.1	127.2	127.4	127.2	127.0	126.8	
ICHTrev-TS in Manufacturing (NACE2 C)	123.4	123.4	123.5	124.0	124.5	125.0	125.1	125.3	125.5	
ICHTrev-TS in Electricity, gas, steam and air conditioning supply (NACE2 D)	118.1	118.0	117.9	118.3	118.6	118.9	119.2	119.6	119.9	
ICHTrev-TS in Water supply; sewerage, waste management and remediation activities (NACE2 E)	118.4	118.5	118.7	119.5	120.3	121.2	121.6	122.0	122.4	
ICHTrev-TS in Construction (NACE2 F)	122.3	122.4	122.5	123.2	123.9	124.6	124.8	125.1	125.3	
ICHTrev-TS in Wholesale and retail trade; (NACE2 G)	119.3	119.4	119.4	119.9	120.4	120.8	121.1	121.3	121.6	
ICHTrev-TS in Transportation and storage (NACE2 H)	114.8	114.7	114.7	114.9	115.1	115.3	115.3	115.3	115.4	
ICHTrev-TS in Accommodation and food service activities (NACE2 I)	118.3	118.1	118.0	117.0	116.1	115.2	115.4	115.7	116.0	
ICHTrev-TS in Information and communication (NACE2 J)	123.2	123.2	123.3	123.5	123.7	124.0	124.3	124.6	124.9	
ICHTrev-TS in Finance and insurance activities (NACE2 K)	124.1	124.3	124.4	124.8	125.1	125.4	125.6	125.8	126.0	
ICHTrev-TS in Real estate activities (NACE2 L)	135.5	135.8	136.2	137.2	138.3	139.4	139.8	140.3	140.8	
ICHTrev-TS in Professional, scientific and technical activities (NACE2 M)	120.1	120.2	120.3	120.8	121.4	121.9	122.1	122.4	122.6	
ICHTrev-TS in Administrative and support services activities (NACE2 N)	121.6	121.7	121.8	122.1	122.4	122.8	123.1	123.5	123.8	
ICHTrev-TS in civil engineering (NACE2 43)	123.7	123.5	123.3	123.6	123.8	124.0	123.8	123.7	123.6	

	01/01/2020	01/02/2020	01/03/2020	01/04/2020	01/05/2020	01/06/2020	01/07/2020	01/08/2020	01/09/2020
index of employer contributions in Mechanical and electrical industries	98.3	98.3	98.3	98.3	98.3	98.3	98.2	98.2	98.2
index of employer contributions in Mining and quarrying (NACE2 B)	97.7	97.7	97.7	97.6	97.6	97.6	96.8	96.8	96.8
index of employer contributions in Manufacturing (NACE2 C)	97.8	97.8	97.8	97.8	97.8	97.8	97.6	97.6	97.6
index of employer contributions in Electricity, gas, steam and air conditioning supply (NACE2 D)	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5
index of employer contributions in Water supply; sewerage, waste management and remediation activities (NACE2 E)	97.4	97.4	97.4	97.2	97.2	97.2	97.1	97.1	97.1
index of employer contributions in Construction (NACE2 F)	98.2	98.2	98.2	98.2	98.2	98.2	98.0	98.0	98.0
index of employer contributions in Wholesale and retail trade; (NACE2 G)	97.8	97.8	97.8	97.5	97.5	97.5	97.2	97.2	97.2
index of employer contributions in Transportation and storage (NACE2 H)	96.4	96.4	96.4	96.2	96.2	96.2	95.9	95.9	95.9
index of employer contributions in Accommodation and food service activities (NACE2 I)	97.1	97.1	97.1	93.1	93.1	93.1	92.4	92.4	92.4
index of employer contributions in Information and communication (NACE2 J)	99.1	99.1	99.1	98.9	98.9	98.9	98.9	98.9	98.9
index of employer contributions in Finance and insurance activities (NACE2 K)	99.2	99.2	99.2	99.2	99.2	99.2	99.1	99.1	99.1
index of employer contributions in Real estate activities (NACE2 L)	99.4	99.4	99.4	99.3	99.3	99.3	99.2	99.2	99.2
index of employer contributions in Professional, scientific and technical activities (NACE2 M)	99.0	99.0	99.0	98.9	98.9	98.9	98.8	98.8	98.8
index of employer contributions in Administrative and support services activities (NACE2 N)	96.4	96.4	96.4	96.1	96.1	96.1	95.8	95.8	95.8
index of employer contributions in civil engineering (NACE2 43)	98.8	98.8	98.8	98.8	98.8	98.8	98.6	98.6	98.6

Indices released on 9 October 2020, regarding the ICHTrev-TS production in the second quarter 2020

	01/01/2020	01/02/2020	01/03/2020	01/04/2020	01/05/2020	01/06/2020	01/07/2020
ICHTrev-TS in Mechanical and electrical industries	126.3	126.4	126.5	126.6	126.7	126.9	127.0
ICHTrev-TS in Mining and quarrying (NACE2 B)	126.8	126.9	126.9	127.3	127.7	128.0	
ICHTrev-TS in Manufacturing (NACE2 C)	123.4	123.4	123.5	123.8	124.2	124.5	
ICHTrev-TS in Electricity, gas, steam and air conditioning supply (NACE2 D)	118.1	118.0	117.9	118.2	118.5	118.8	
ICHTrev-TS in Water supply; sewerage, waste management and remediation activities (NACE2 E)	118.4	118.5	118.7	119.1	119.5	119.9	
ICHTrev-TS in Construction (NACE2 F)	122.3	122.4	122.5	122.7	123.0	123.3	
ICHTrev-TS in Wholesale and retail trade; (NACE2 G)	119.3	119.4	119.4	119.4	119.4	119.4	
ICHTrev-TS in Transportation and storage (NACE2 H)	114.8	114.7	114.7	115.8	116.9	117.9	
ICHTrev-TS in Accommodation and food service activities (NACE2 I)	118.3	118.1	118.0	116.2	114.5	112.8	
ICHTrev-TS in Information and communication (NACE2 J)	123.2	123.2	123.3	123.7	124.1	124.5	
ICHTrev-TS in Finance and insurance activities (NACE2 K)	124.1	124.3	124.4	124.8	125.1	125.4	
ICHTrev-TS in Real estate activities (NACE2 L)	135.5	135.8	136.2	136.7	137.2	137.8	
ICHTrev-TS in Professional, scientific and technical activities (NACE2 M)	120.1	120.2	120.3	120.9	121.4	122.0	
ICHTrev-TS in Administrative and support services activities (NACE2 N)	121.6	121.7	121.8	121.9	121.9	122.0	
ICHTrev-TS in civil engineering (NACE2 43)	123.7	123.5	123.3	123.3	123.2	123.1	

	01/01/2020	01/02/2020	01/03/2020	01/04/2020	01/05/2020	01/06/2020
index of employer contributions in Mechanical and electrical industries	98.3	98.3	98.3	98.3	98.3	98.3
index of employer contributions in Mining and quarrying (NACE2 B)	97.7	97.7	97.7	97.6	97.6	97.6
index of employer contributions in Manufacturing (NACE2 C)	97.8	97.8	97.8	97.8	97.8	97.8
index of employer contributions in Electricity, gas, steam and air conditioning supply (NACE2 D)	98.5	98.5	98.5	98.5	98.5	98.5
index of employer contributions in Water supply; sewerage, waste management and remediation activities (NACE2 E)	97.4	97.4	97.4	97.2	97.2	97.2
index of employer contributions in Construction (NACE2 F)	98.2	98.2	98.2	98.2	98.2	98.2
index of employer contributions in Wholesale and retail trade; (NACE2 G)	97.8	97.8	97.8	96.9	96.9	96.9
index of employer contributions in Transportation and storage (NACE2 H)	96.4	96.4	96.4	96.3	96.3	96.3
index of employer contributions in Accommodation and food service activities (NACE2 I)	97.1	97.1	97.1	93.8	93.8	93.8
index of employer contributions in Information and communication (NACE2 J)	99.1	99.1	99.1	99.0	99.0	99.0
index of employer contributions in Finance and insurance activities (NACE2 K)	99.2	99.2	99.2	99.2	99.2	99.2
index of employer contributions in Real estate activities (NACE2 L)	99.4	99.4	99.4	99.4	99.4	99.4
index of employer contributions in Professional, scientific and technical activities (NACE2 M)	99.0	99.0	99.0	99.0	99.0	99.0
index of employer contributions in Administrative and support services activities (NACE2 N)	96.4	96.4	96.4	96.2	96.2	96.2
index of employer contributions in civil engineering (NACE2 43)	98.8	98.8	98.8	98.8	98.8	98.8

Ratios between the series released on 8 January 2021 and the ones released on 9 October 2020

	01/01/2020	01/02/2020	01/03/2020	01/04/2020	01/05/2020	01/06/2020	01/07/2020
ICHTrev-TS in Mechanical and electrical industries	1.0000	1.0000	1.0000	1.0000	1.0020	1.0040	1.0062
ICHTrev-TS in Mining and quarrying (NACE2 B)	1.0000	1.0000	1.0000	0.9982	0.9964	0.9947	
ICHTrev-TS in Manufacturing (NACE2 C)	1.0000	1.0000	1.0000	1.0012	1.0025	1.0037	
ICHTrev-TS in Electricity, gas, steam and air conditioning supply (NACE2 D)	1.0000	1.0000	1.0000	1.0004	1.0007	1.0011	
ICHTrev-TS in Water supply; sewerage, waste management and remediation activities (NACE2 E)	1.0000	1.0000	1.0000	1.0037	1.0074	1.0111	
ICHTrev-TS in Construction (NACE2 F)	1.0000	1.0000	1.0000	1.0035	1.0069	1.0104	
ICHTrev-TS in Wholesale and retail trade; (NACE2 G)	1.0000	1.0000	1.0000	1.0039	1.0077	1.0116	
ICHTrev-TS in Transportation and storage (NACE2 H)	1.0000	1.0000	1.0000	0.9924	0.9850	0.9777	
ICHTrev-TS in Accommodation and food service activities (NACE2 I)	1.0000	1.0000	1.0000	1.0069	1.0139	1.0212	
ICHTrev-TS in Information and communication (NACE2 J)	1.0000	1.0000	1.0000	0.9986	0.9972	0.9958	
ICHTrev-TS in Finance and insurance activities (NACE2 K)	1.0000	1.0000	1.0000	0.9998	0.9997	0.9995	
ICHTrev-TS in Real estate activities (NACE2 L)	1.0000	1.0000	1.0000	1.0039	1.0078	1.0116	
ICHTrev-TS in Professional, scientific and technical activities (NACE2 M)	1.0000	1.0000	1.0000	0.9997	0.9995	0.9992	
ICHTrev-TS in Administrative and support services activities (NACE2 N)	1.0000	1.0000	1.0000	1.0020	1.0040	1.0060	
ICHTrev-TS in civil engineering (NACE2 43)	1.0000	1.0000	1.0000	1.0023	1.0045	1.0068	

	01/01/2020	01/02/2020	01/03/2020	01/04/2020	01/05/2020	01/06/2020
index of employer contributions in Mechanical and electrical industries	1.0000	1.0000	1.0000	0.9999	0.9999	0.9990
index of employer contributions in Mining and quarrying (NACE2 B)	1.0000	1.0000	1.0000	1.0000	1.0000	0.9911
index of employer contributions in Manufacturing (NACE2 C)	1.0000	1.0000	1.0000	0.9998	0.9998	0.9986
index of employer contributions in Electricity, gas, steam and air conditioning supply (NACE2 D)	1.0000	1.0000	1.0000	1.0000	1.0000	0.9998
index of employer contributions in Water supply; sewerage, waste management and remediation activities (NACE2 E)	1.0000	1.0000	1.0000	0.9999	0.9999	0.9982
index of employer contributions in Construction (NACE2 F)	1.0000	1.0000	1.0000	0.9998	0.9998	0.9979
index of employer contributions in Wholesale and retail trade; (NACE2 G)	1.0000	1.0000	1.0000	1.0058	1.0058	1.0033
index of employer contributions in Transportation and storage (NACE2 H)	1.0000	1.0000	1.0000	0.9990	0.9990	0.9964
index of employer contributions in Accommodation and food service activities (NACE2 I)	1.0000	1.0000	1.0000	0.9918	0.9918	0.9852
index of employer contributions in Information and communication (NACE2 J)	1.0000	1.0000	1.0000	0.9992	0.9992	0.9985
index of employer contributions in Finance and insurance activities (NACE2 K)	1.0000	1.0000	1.0000	0.9998	0.9998	0.9990
index of employer contributions in Real estate activities (NACE2 L)	1.0000	1.0000	1.0000	0.9991	0.9991	0.9980
index of employer contributions in Professional, scientific and technical activities (NACE2 M)	1.0000	1.0000	1.0000	0.9996	0.9996	0.9988
index of employer contributions in Administrative and support services activities (NACE2 N)	1.0000	1.0000	1.0000	0.9989	0.9989	0.9953
index of employer contributions in civil engineering (NACE2 43)	1.0000	1.0000	1.0000	1.0000	1.0000	0.9982

Appendix 3: CICE

As the tax credit for encouraging competitiveness and jobs (CICE) is calculated on the wage bill, it is taken into account in calculating the ICHTrev-TS as an employer subsidy. It has been included in the calculation of the index since 1st January 2013. The rate increased from 4% on 1st January 2013 to 6% on 1st January 2014, then in the overseas departments (DOM) only, it increased to 7.5% on 1st January 2015 and to 9% on 1st January 2016. In metropolitan France, the rate increased to 7% on 1st January 2017 to come back to 6% on 1st January 2018. Finally, on 1st January 2019, the CICE was transformed into a permanent reduction in employers' social contributions (cf. infra).

Until Q1 2015, due to a lack of available data, the wage bill eligible for CICE was imputed based on the Annual Declaration of Social Data (DADS). Since Q2 2015, changes in the ICHTrev-TS index have taken into account, on an annual basis, the wage bill base declared by enterprises as being eligible for CICE using the summary contributions forms (BRC) sent to the Central Agency of Social Security Associations (ACOSS). The ICHTrev-TS is obtained by applying the quarterly change calculated with this new information to the last published point.

Impact of CICE transformation into a permanent reduction in employers' social contribution

On 1st January 2019, the Competitiveness and Employment Tax Credit (CICE) was transformed into a permanent reduction in employers' social contributions. In concrete terms, this meant abolishing the tax credit as such, and creating a uniform 6-point reduction in the rate of employers' social contributions applicable to salaries up to a maximum of 2.5 times the minimum wage (the rate reduction, as well as the base, are equal to those of the CICE in metropolitan France before its abolition). This transformation was virtually neutral regarding the level and evolution of labour costs as measured by the ICHTrev-TS from Q1 2019 (publication scheduled for early July 2019). On the other hand, it lowered, all other things being equal, the "non-CICE indices", published in supplementary data until the convergence with the series taking the CICE into account. This convergence happened in December 2019. As a result, the "non-CICE indices" are no longer published from Q1 2020.

In December 2018, the last month available before these changes, the ratio of the "non-CICE index" to the ICHTrev-TS index (including CICE) is computed for each economic sector in the table below:

Table 1: Ratio of the "non-CICE index" to the ICHTrev-TS index (including CICE) in December 2018

Mechanical and electrical industries	1,027
Mining and quarrying	1,041
Manufacturing	1,029
Electricity, gas, steam and air conditioning supply	1,020
Water supply; sewerage, waste management and remediation activities	1,034
Construction	1,037
Wholesale and retail trade; repair of motor vehicles and motorcycles	1,034
Transportation and storage	1,035
Accommodation and food service activities	1,045
Information and communication	1,017
Financial and insurance activities	1,016
Real estate activities	1,030
Professional, scientific and technical activities	1,020
Administrative and support services activities	1,042