

Publication

SOCIAL PARAMETERS APPLICABLE AS FROM 1 JANUARY 2020

Summary / Content

SOCIAL CHARGES

Contribution rate 1)

Contributory thresholds

MINIMUM SOCIAL WAGE

REMUNERATION OF PUPILS AND STUDENTS EMPLOYED DURING THE SCHOOL HOLIDAYS

SOCIAL CHARGES

Situation on 1 January 2020 (index 834.76)

CONTRIBUTION RATE 1)

Insurance branch	Rate	Employer's contribution	Employee's contribution
Pension insurance	16.00%	8.00%	8.00%
Health insurance – contribution to the National Health Fund (CNS) ²⁾	6.10% ³⁾	3.05%	3.05%



Health insurance - Contribution to the « Mutualité des employeurs » Mutualité des employeurs	/	Depending on the class of risk 4)	/
Accident insurance	Individual contribution rate 5)		
Occupational medicine 6)	STI : 0.10% / STM : 0.11%		
Dependency insurance 7)	1.40%	/	1.40%

1 Applicable only in the context of a “principal occupation”

2 Rate applicable to early retirements and to occasional indemnities and allowances as well as bonuses: 5.60% in total, of which employer's contribution: 2.80%; employee's contribution: 2.80%.

3 6.10% in total, of which 5.60% for benefits in kind and 0.50% for cash benefits

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4 The different risk classes are as follows:

Financial absenteeism rate « d'absentéisme financier »	0% – <0.65%	0.65% – <1.60%	1.60% – <2.50%	≥2.50%
Contribution rate	0.46%	1.07%	1.58%	2.70%

5 Since fiscal year 2019, the single rate system is replaced by a bonus-malus system whereby the individual contribution rate of each contributor (employers and self-employed) can be reduced or increased according to the cost of work-related accidents during the observation period. The single contribution rate, set at 0.75% for the year 2020, is thus multiplied for each contributor by its bonus-malus factor that can take the values 0.9; 1.0; 1.1; 1.3 or 1.5. Each contributor should receive an information letter, mentioning his individual contribution rate, as part of the introduction of the bonus-malus system.

6 These rates only apply to companies affiliated with the STI or the STM.

7 1.40% of gross salaries after deduction of one quarter of the Minimum social salary (SSM) (535,50 EUR)

CONTRIBUTORY THRESHOLDS

Branch of insurance	Monthly minimum	Monthly maximum 1)
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Health insurance	Minimum social salary which is EUR 256,60 at the index 100,	
Pension insurance at the current index 834.76: 2.141,99 EUR	5 times the social salary i.e. 10.709,97 EUR (index 834.76)
Accident insurance for employees aged 18 and over: 2.141,99 EUR	
for employees aged 17 to 18: 1.713,60 EUR	
Occupational medicinefor employees aged 15 to 17: 1.606,50 EUR	

1 The annual maximum for the different branches of insurance corresponds to 12 times the monthly maximum. The maximum is not valid for the dependency contribution

MINIMUM SOCIAL WAGE

The level of the minimum social wage (application rate 834.76 of the moving salary scale) amounts from 1 January 2020 to:

Non-qualified employee (256;60 EUR, index 100)

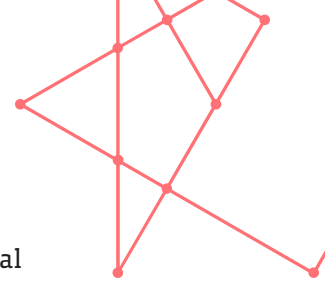
	Monthly rate	Hourly rate
18 years completed	2.141,99 EUR	12,3815 EUR
17 years completed	1.713,60 EUR	9,9052 EUR
15 and 16 years completed	1.606,50 EUR	9,2861 EUR

The level of the minimum social wage for a qualified employee within the meaning of Article L. 222-4. Of the Labour Code amounts from 1 January 2020 to:

2.570,39 EUR

Can claim minimum wage for qualified employees:

1. An employee who practices a profession with a vocational qualification usually acquired through an education or training sanctioned by an official certificate. Certificates recognized by the Luxembourg State and which are at least at the level of the certificate of technical and vocational aptitude (CATP) or the diploma of vocational aptitude (DAP) of technical secondary education are to be considered as official certificates. The equivalence of certificates which are at least at the level of the Certificate of Technical and Vocational Qualification (CATP) or the Diploma of Professional Aptitude (DAP) is recognized by the Minister in charge of National Education upon the advice of the Minister in charge of Labour.
2. The holder of the Certificate of Manual Capacity (CCM) or of a Certificate of Professional Ability (CCP) with of at least two years practice in the trade or profession in which the certificate was issued.
3. The holder of the certificate of technical and vocational initiation (CITP)



after a practice of at least five years in the trade or profession in which the certificate was issued.

4. In the absence of a certificate, the employee has a minimum professional practice of ten years.
5. In occupations where training is not established by an official certificate, the employee may be considered as a qualified employee when he has acquired practical training resulting from the exercise for at least six years of a profession requiring progressively increasing technical capacity.

REMUNERATION OF PUPILS AND STUDENTS EMPLOYED DURING THE SCHOOL HOLIDAYS

The remuneration of the pupil or student may not be less than 80% of the minimum social wage. At index 834.76 the student is entitled to the minimum amounts listed in the table below, graduated due to age.

Remuneration of pupils and students at index 834.76

	Monthly rate	Hourly rate
18 years completed	1.713,60 EUR	9,9052 EUR
17 years completed	1.370,88 EUR	7,9241 EUR
15 and 16 years completed	1.285,20 EUR	7,4289 EUR