Luxembourg

Exchange rate: US$1.00 = 0.83 euro (€).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1911 (wage earners) and 1931 (salaried employees).


Type of program: Social insurance system.

Coverage

Economically active persons in the private sector, including self-employed persons, farmers and apprentices; and public-sector employees who entered the labor force after December 31, 1998.

Voluntary coverage is available.

Special systems for railway employees and public-sector employees who entered the labor force before January 1, 1999.

Source of Funds

Insured person: 8% of covered earnings.

The minimum monthly earnings used to calculate contributions are the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,998.59.

The maximum monthly earnings used to calculate contributions are €9,992.93.

Self-employed person: 16% of covered income.

The minimum monthly earnings used to calculate contributions are the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,998.59.

The maximum monthly earnings used to calculate contributions are €9,992.93.

Employer: 8% of covered payroll.

The minimum monthly earnings used to calculate contributions are the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,998.59.

The maximum monthly earnings used to calculate contributions are €9,992.93.

Government: 8% of covered earnings; contributes as an employer for public-sector workers who entered the labor force after December 31, 1998.

The minimum monthly earnings used to calculate contributions are the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,998.59.

The maximum monthly earnings used to calculate contributions are €9,992.93.

Qualifying Conditions

Old-age pension: Age 65 with at least 120 months of paid contributions (including voluntary contributions and contributions paid retroactively).

Contributions may be credited for periods of study or apprenticeship from age 18 to age 27, periods caring for a child younger than age 6 (age 18 if disabled) or for a recipient of long-term care or disability benefits (since 1990), and periods the insured received sickness, maternity, work injury (since 2011), or unemployment benefits, or the minimum income guarantee.

Contributions may be paid retroactively for periods of no or reduced work for family responsibilities if the insured is a resident of Luxembourg, younger than age 65 with at least 12 months of contributions, and is not entitled to any pension.

Employment may continue.

Early pension (earnings tested): Age 60 with at least 480 months of paid or credited contributions, including at least 120 months of paid contributions (including voluntary contributions and contributions paid retroactively); age 57 with at least 480 months of paid contributions (excluding voluntary contributions and contributions paid retroactively).

Earnings test: The early pension is subject to recovery if the insured’s average monthly salary in the last year is at least one-third of the legal monthly social minimum.

The legal monthly social minimum wage is €1,998.59.

Guaranteed minimum pension: Paid with at least 20 years of paid or credited contributions.

Old-age gratuity (allocation de fin d’année): Paid to new pensioners.

The old-age pension is payable abroad.

Old-age settlement: Age 65 with less than 120 months of paid contributions.

Disability pension: Must be younger than age 65, have at least 12 months of coverage in the three years before the disability began, and be unable to work in his or her usual occupation or any other similar occupation. There is no minimum qualifying period for a disability that is the result of an accident (including work-related accidents) or an occupational disease.

Employment may continue if the insured’s monthly earnings do not exceed one-third of the legal monthly social minimum wage.
The deceased had at least 12 months of coverage in the three years before death or received an old-age or disability pension at the time of death. There is no minimum qualifying period if the death is due to an accident (including work-related accidents) or occupational disease.

Eligible survivors include a widow(er) or declared partner (also a divorced widow(er) or separated partner if not remarried before the deceased's death) if the date of marriage or legal declaration of partnership was at least one year before the date of the deceased's retirement or death and the deceased did not receive an old-age or disability pension at the time of marriage. These conditions are waived if the death resulted from an accident, the widow(er) or partner had children with the deceased, or the marriage or partnership lasted at least 10 years (at least one year if the age gap between the two spouses or partners was less than 15 years).

Other eligible survivors include children younger than age 18 (age 27 if a student or in vocational training) and, if there is no surviving spouse or partner, the deceased's dependent parent or close relative older than age 40 who lived with the deceased for at least five years before the deceased's death.

Guaranteed minimum pension: Paid with at least 20 years of paid or credited contributions.

Earnings test: The survivor pension is subject to recovery if the insured's average monthly salary in the last year is at least one-third of the legal monthly social minimum wage. If the insured's average monthly salary in the best five years of earnings, the pension is reduced such that the sum of earnings and the pension does not exceed the average monthly salary in the best five years of earnings. No pension is paid if the insured's average monthly salary for the year exceeds the insured’s average monthly salary over the best five years of earnings.

Survivor gratuity (allocation de fin d'année): A lump sum of the total employer and employee contributions, adjusted based on changes in the cost of living and periodically based on changes in wages.

Old-age settlement: A lump sum of the total employer and employee contributions, adjusted based on changes in the cost of living, is paid.

Permanent Disability Benefits

Disability pension: The monthly pension consists of a flat-rate amount and an income-related supplement.

Flat-rate amount (majorations forfaitaires): €478.25 a month with at least 40 years of coverage. The amount is reduced by 1/40 for each year of coverage less than 40 years.

Income-related supplement (majorations proportionnelles): 1.813% (gradually decreasing by 0.006% a year until reaching 1.6% by 2052) of the insured's adjusted lifetime total earnings plus 0.013% (gradually rising to 0.025% by 2052) of adjusted lifetime total earnings for each year the insured's age and years of coverage exceeds 93 years (gradually rising by one year every six years until reaching 100 by 2052) is paid.

Guaranteed minimum pension: The difference between the old-age pension and €1,780.45 is paid with at least 40 years of coverage. If the insured contributed for at least 20 years but less than 40 years, the guaranteed minimum pension is reduced by 1/40 for each year of coverage less than 40 years.

The maximum monthly old-age pension is €8,242.81.

Early pension (earnings tested): Calculated in the same way as the old-age pension.

Earnings test: If the insured's average monthly salary for the year is at least one-third of the legal monthly social minimum wage but less than the insured’s average monthly salary in the best five years of earnings, the pension is reduced such that the sum of earnings and the pension does not exceed the average monthly salary in the best five years of earnings. No pension is paid if the insured's average monthly salary for the year exceeds the insured’s average monthly salary over the best five years of earnings.

The legal monthly social minimum wage is €1,998.59.

Old-age gratuity (allocation de fin d'année): A lump sum of €760.56 is paid with at least 40 years of coverage. The amount is reduced by 1/40 for each year of coverage less than 40 years.

Benefit adjustment: Benefits are adjusted based on changes in the cost of living and periodically based on changes in wages.

Old-age settlement: A lump sum of the total employer and employee contributions, adjusted based on changes in the cost of living, is paid.

Permanent Disability Benefits

Disability pension: The monthly pension consists of a flat-rate amount and an income-related supplement.

Flat-rate amount (majorations forfaitaires): €478.25 a month with at least 40 years of coverage. The amount is reduced by 1/40 for each year of coverage less than 40 years.

Income-related supplement (majorations proportionnelles): 1.813% (gradually decreasing by 0.006% annually until reaching 1.6% by 2052) of the insured's adjusted lifetime total earnings. The income-related supplement is increased by 0.013% (gradually rising to 0.025% by 2052) for each year the insured's age and years of coverage exceeds
93 years (gradually rising by one year every six years until reaching 100 by 2052).

An additional flat-rate amount is paid based on the years of coverage the insured would have had by age 65 if he or she had not been assessed with a disability (majorations forfaitaires spéciales). If the disability began before age 55, an additional income-related supplement is paid based on the income the insured would have received by age 55 if he or she had not been assessed with a disability (majorations proportionnelles spéciales).

Guaranteed minimum pension: The difference between the disability pension and €1,780.45 is paid with at least 40 years of coverage. If the insured contributed for at least 20 years but less than 40 years, the guaranteed minimum pension is reduced by 1/40 for each year of coverage less than 40 years.

The maximum monthly disability pension is €8,242.81.

Disability gratuity (allocation de fin d’année): A lump sum of €760.56 is paid with at least 40 years of coverage. The amount is reduced by 1/40 for each year of coverage less than 40 years.

Benefit adjustment: Benefits are adjusted based on changes in the cost of living and periodically based on changes in wages.

**Survivor Benefits**

**Survivor pension (earnings tested)**

*Spouse’s pension:* If the deceased was an old-age or disability pensioner, 100% of the pension’s flat-rate amount (majorations forfaitaires) plus 75% of the income-related supplement (majorations proportionnelles) is paid.

If the deceased was actively insured, the spouse’s pension is based on the old-age or disability pension the insured was entitled to receive: 100% of the flat-rate amounts of the pension (majorations forfaitaires and majorations forfaitaires spéciales) plus 75% of the income-related supplements (majorations proportionnelles and majorations proportionnelles spéciales) is paid.

The spouse’s pension for an eligible divorced spouse or separated partner is calculated based on the years of contributions accrued during the marriage or partnership.

Earnings test: The spouse’s pension is reduced if the total income (including other pension income) exceeds a certain amount.

The maximum combined survivor benefit is 100% of the deceased’s old-age or disability pension.

Benefit adjustment: Benefits are adjusted based on changes in the cost of living and periodically based on changes in wages.

**Administrative Organization**

Ministry of Social Security (http://www.mss.public.lu/) provides general supervision.

National Pension Insurance Fund (http://www.cnap.lu/) administers the private-sector program.

Public Employees Administration (https://ape.gouvernement.lu/) administers the program for civil servants.

**Sickness and Maternity**

**Regulatory Framework**

*First law:* 1901.

*Current laws:* 1992 (sickness insurance and health sector), 2008 (single fund), and 2010 (health care system).
Luxembourg

**Type of program:** Social insurance and employer-liability system.

Note: A 2017 amendment to the labor code (2006) requires employers to pay fathers 100% of daily earnings for up to 10 days in the two months following the birth (paternity leave).

**Coverage**

**Social insurance:** Public- and private-sector employees, social security beneficiaries, and self-employed persons, including artists and agricultural workers.

Voluntary coverage is available (health care and maternity benefits only).

**Employer liability:** Employed persons.

Exclusions: Self-employed persons.

**Source of Funds**

**Insured person**

*Social insurance (cash benefits):* 0.25% of monthly covered earnings.

The minimum monthly earnings used to calculate contributions are the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,998.59.

The maximum monthly earnings used to calculate contributions are €9,992.93.

*Social insurance (medical benefits):* 2.8% of monthly covered earnings; pensioners contribute 2.8% of the pension.

The minimum monthly earnings used to calculate contributions are the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,998.59.

The maximum monthly earnings used to calculate contributions are €9,992.93.

*Social insurance (attendance benefits):* 1.4% of gross monthly income.

There are no maximum earnings used to calculate contributions.

**Employer liability:** Not applicable.

**Self-employed person**

*Social insurance (cash benefits):* 0.5% of monthly covered income (the earnings base is fixed for agricultural workers).

The minimum monthly earnings used to calculate contributions are the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,998.59.

The maximum monthly earnings used to calculate contributions are €9,992.93.

*Social insurance (medical benefits):* 5.6% of monthly covered income.

*Social insurance (attendance benefits):* 1.4% of gross monthly income.

There are no maximum earnings used to calculate contributions.

**Employer liability:** None.

**Employer**

*Social insurance (cash benefits):* 0.25% of monthly covered payroll.

The minimum monthly earnings used to calculate contributions are the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,998.59.

The maximum monthly earnings used to calculate contributions are €9,992.93.

*Social insurance (medical benefits):* 2.8% of monthly covered payroll.

The minimum monthly earnings used to calculate contributions are the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,998.59.

The maximum monthly earnings used to calculate contributions are €9,992.93.

*Social insurance (attendance benefits):* None.

**Employer liability:** The total cost for the first two days.

**Government**

*Social insurance (cash benefits):* Provides a subsidy of 740% of contributions.

*Social insurance (medical benefits):* Provides a subsidy of 40% of contributions.

*Social insurance (attendance benefits):* Provides a subsidy of 40% of the cost of long-term care.

**Employer liability:** The total cost from the 3rd day; contributes as an employer.

**Qualifying Conditions**

**Cash sickness, medical, and attendance benefits (social insurance):** Must be a member of a sickness fund. For attendance benefits, the insured must require the constant attendance of others to perform daily functions.

**Cash maternity benefit and adoption leave (social insurance):** Must be a member of a fund for at least six months in the year before the year of the expected date of childbirth or adoption leave. An adopted child must be younger than age 12.
Cash paternity benefit (employer liability): Paid for the birth of a child or the adoption of a child younger than age 16.

Parental leave allowance (congé parental, universal): See Family Allowances.

Prenatal, birth, and postnatal allowance (allocation de naissance, universal): See Family Allowances.

Sickness and Maternity Benefits

Sickness benefit (social insurance): 100% of the insured’s average daily covered earnings is paid after a 77-day waiting period (no waiting period for self-employed persons) until full recovery or certification of permanent incapacity for work or for up to a total of 52 weeks within a 104-week period, whichever is less (the employer pays 100% of the insured’s salary for the first 77 days).

Average daily covered earnings are based on the insured’s earnings in the last three calendar months before the sick leave began.

The minimum monthly sickness benefit is the legal social minimum wage.

The maximum monthly sickness benefit is five times the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,998.59.

Attendance benefits (social insurance): €71.51 an hour is paid for care provided at home by a professional, €67.30 an hour for care provided in a mobile health center, from €12.50 to €262.50 a week depending on the amount of hours per week for care provided at home by a relative or friend, and from €54.03 to €59.88 an hour for care provided in an institution.

Maternity benefit (social insurance): 100% of the insured's average daily covered earnings is paid for eight weeks before and eight weeks after the expected date of childbirth (12 weeks after childbirth for a premature birth, multiple births, or if the mother is breastfeeding her child).

Average daily covered earnings are based on the insured’s earnings in the last three calendar months before the start of maternity leave.

The minimum monthly maternity benefit is the legal monthly social minimum wage.

The maximum monthly maternity benefit is five times the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,998.59.

Paternity benefit (employer liability): 100% of the employee’s daily earnings is paid for up to 10 days in the two months after the birth.

Adoption leave (social insurance): 100% of the insured’s average daily covered earnings is paid for 12 weeks.

Average daily covered earnings are based on the insured’s earnings in the last three calendar months before the start of maternity leave.

The minimum monthly adoption leave is the legal monthly social minimum wage.

The maximum monthly adoption leave is five times the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,998.59.

Parental leave allowance (congé parental, universal): See Family Allowances.

Prenatal, birth, and postnatal allowance (allocation de naissance, universal): See Family Allowances.

Workers’ Medical Benefits

Doctors and hospitals provide services under collective agreements based on an established schedule of fees. (The insured may choose the service provider.) Medical benefits include general and specialist care, hospitalization, laboratory services, maternity care, dental care, appliances, medicine, transportation, and rehabilitation services.

Cost sharing: In general, insurance reimburses most of the cost of medical benefits. The insured pays 20% for a doctor’s visit, 12% for other outpatient services, 12% for dental care fees that exceed €60 a year, €21.45 a day for hospitalization for up to 30 days, and either 20% or 60% of the cost of medicines (waived for certain products used to treat serious and chronic diseases). Fees for medical and dental care are waived for patients with limited income.

The maximum annual medical costs paid by the insured is 2.5% of annual insurable income in the previous year (or the minimum income level, whichever is less).

Dependents’ Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Eligible dependents include a spouse or declared partner, children younger than age 30 who are recognized as dependent by the tax authorities, and, if there is no spouse or partner, a dependent parent or close relative that manages the insured’s household.

Administrative Organization

Ministry of Social Security (http://www.mss.public.lu/) provides general supervision.

National Health Fund (https://cns.public.lu/), with the insurance funds, administers benefits.
Luxembourg

Work Injury

Regulatory Framework
First law: 1902.
Current law: 2010 (social security).
Type of program: Social insurance system.

Coverage
Employed persons, self-employed persons, household workers, maritime workers, civil servants, apprentices, students, and military personnel.

Source of Funds
Insured person: None.
Self-employed person: 0.90% of covered income.
The minimum monthly earnings used to calculate contributions are the legal monthly social minimum wage.
The legal monthly social minimum wage is €1,998.59.
The maximum monthly earnings used to calculate contributions are €9,992.93.
Employer: 0.90% of covered payroll.
The minimum monthly earnings used to calculate contributions are the legal monthly social minimum wage.
The legal monthly social minimum wage is €1,998.59.
The maximum monthly earnings used to calculate contributions are €9,992.93.
Government: No information; contributes an employer.

Qualifying Conditions
Must be assessed with a work injury or occupational disease. Accidents that occur while commuting to and from work are covered.

Temporary Disability Benefits
See sickness benefit under Sickness and Maternity.

Permanent Disability Benefits
Permanent disability pension: If assessed as totally disabled and incapable of any work, 100% of the insured’s average monthly covered earnings in the 12 months before the disability began is paid up to age 65.
The minimum monthly disability pension is the legal monthly social minimum wage.
The maximum monthly disability pension is five times the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,998.59.
Partial disability: A lump sum is paid for an assessed degree of disability of less than 20%.

An insured person assessed by the Medical Control Service (contrôle médical de la sécurité sociale) with at least a 10% disability who returns to work receives a partial pension up to age 65. The benefit is the difference (at least 10%) between the insured’s current earnings and the insured’s earnings in the 12 months before the disability began.
If work incapacity is less than 10%, the insured only receives compensation for physiological harm, physical pain, or disfigurement.

Workers’ Medical Benefits
All necessary care, including medical treatment and surgery, hospitalization, medicine, appliances, and rehabilitation.

Survivor Benefits
Survivor pension: See Old Age, Disability, and Survivors.
The insured is credited with the pension that would have been accumulated at the normal retirement age.

Survivor grant (indemnité pour dommage moral forfaitaire): A lump-sum of €3,649 is paid for a spouse or declared partner and each child younger than age 18 (age 27 if a student or in vocational training); €2,189 for each of the deceased’s surviving parents; €1,459 for other persons who lived with the deceased for at least three years before the date of death.
The maximum combined survivor pension is 100% of the old-age pension the deceased received or was entitled to receive.

Funeral grant: A lump-sum of €1,032.90 is paid.

Administrative Organization
Ministry of Social Security (http://www.mss.public.lu/) provides general supervision.
Accident Insurance Association (https://www.aaa.lu/) administers the program for workers in industry, agriculture, and forestry.

Unemployment

Regulatory Framework
First law: 1921.
Current law: 2006 (labor code).
Type of program: Social insurance system.
Coverage
Employed persons, certain self-employed persons, recent school graduates, and persons aged 16 to 28 who have completed vocational training.

Source of Funds
Insured person: Paid as a special solidarity tax.
Self-employed person: Paid as a special solidarity tax.
Employer: None.
Government: Central government pays an amount set annually by the budget law and the proceeds from an earmarked tax on certain products. Local governments contribute 4% of revenues.

Qualifying Conditions
Must have at least 26 weeks of work in the last 12 months; self-employed must have at least six months of work and at least two years of paid contributions (excluding voluntary contributions and contributions paid retroactively); recent graduates depending on their age, after a 26-week waiting period of registered unemployment. Must register at the employment office, and be capable of and willing to work. Must not receive an old-age, disability, or work injury pension. Unemployment must not be due to voluntary leaving or the refusal of a suitable job offer.

Periods during which the insured received sickness and maternity benefits or took parental leave, are taken into account for the calculation of the work period.

Unemployment Benefits
80% of the insured’s average earnings in the three months before unemployment (85% with a dependent child; 90% if participating in training programs), up to 2.5 times the legal monthly social minimum wage, is paid.

The legal monthly social minimum wage is €1,998.59.

The maximum unemployment benefit is 2.5 times the legal monthly social minimum wage (2 times the legal social minimum wage after nine months of unemployment). The maximum benefit is reduced to twice the legal monthly social minimum wage after 182 days; 1.5 times the legal monthly social minimum wage after 365 days.

Young unemployed persons receive 70% of the legal monthly social minimum wage (40% is paid if aged 16-17) after a waiting period of 36 weeks (26 weeks if a student).

Benefits are paid for up to 365 days in a 24-month period; may be extended for six, nine, or 12 months for older unemployed persons; additional extensions are available for hard-to-place unemployed persons.

Benefit adjustment: Benefits are adjusted based on changes in the cost of living.

Administrative Organization

Employment Agency (http://www.adem.public.lu/), through its local offices, administers the program and pays benefits.

Family Allowances

Regulatory Framework
First laws: 1947 (employed persons) and 1959 (self-employed persons).


Type of program: Universal and social assistance system.

Coverage
Residents of Luxembourg.

Source of Funds
Insured person: None.
Self-employed person: None.
Employer: None.
Government: The total cost.

Qualifying Conditions
Family allowance (allocation pour l’avenir des enfants, universal): Paid for children younger than age 18 (age 25 if a student in general or technical secondary education or disabled).

Supplementary allowance (allocation spéciale supplémentaire): Paid for children with serious disabilities.

Beginning of school year allowance (allocation de rentrée scolaire, universal): Paid to families with one or more children aged 6 to 18 (age 25 if a student in general or technical secondary education or disabled) who qualify for the family allowance.

Prenatal, birth, and postnatal allowance (allocation de naissance, universal): Paid if a mother and child undergo prescribed medical examinations.

Parental leave allowance (congé parental, universal): Paid to a parent receiving the family allowance for a child younger than age 6. Must have been working in Luxembourg at the time of the child’s birth. The parent must allocate more than half of his or her normal working time to raising the child, must have been employed by the same employer (or insured, for a self-employed person) in the...
### Family Allowance Benefits

**Family allowance (allocation pour l’avenir des enfants, universal):** €265.00 a month is paid for each child eligible on or after August 1, 2016 (due to birth date, parent’s employment status, or place of residence).

For children eligible before August 1, 2016, €265.00 a month is paid for one child, €594.48 for two, €1,033.38 for three, €1,472.08 for four, or €1,910.80 for five. An additional €20.00 a month is paid for each child aged 6 to 11 and €50.00 for each child aged 12 or older.

Supplementary allowance (allocation spéciale supplémentaire): €200.00 a month is paid.

**Beginning of school year allowance (allocation de rentrée scolaire, universal):** A lump sum of €115.00 is paid for each eligible child aged 6 to 11; €235.00 if aged 12 or older.

**Prenatal, birth, and postnatal allowance (allocation de naissance, universal):** Three installments of €580.03 are paid.

### Parental Leave Allowance (congé parental, universal):
Parents have a choice of benefit amounts that vary depending on their previous employment status and working time. Full-time (at least 40 hours a week) workers may choose from: 100% of average earnings in the 12 months before the parental leave begins for up to six months; 50% for up to 12 months; 100% for up to four months within a 20-month period; or 100% for one day a week for up to 20 months. Half-time (at least 20 hours a week) workers may choose from: 100% of average earnings in the 12 months before the parental leave begins for up to six months; or 50% for up to 12 months. For other workers and apprentices, 100% of average earnings in the 12 months before parental leave begins is paid for up to six months.

The minimum monthly parental leave paid to full-time workers is the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,998.59.

The maximum monthly parental leave paid to full-time workers is 5/3 of the legal monthly social minimum wage.

The minimums and maximums are reduced for part-time workers.

**Minimum income guarantee (social assistance, income tested):** The monthly minimum income guarantee level or the difference between 130% of the monthly minimum income guarantee level and the gross monthly household income, whichever is less, is paid.

The monthly minimum income guarantee level is €1,401.18 for one adult (€2,101.80 for a couple) plus €127.37 for each eligible child.

Rental assistance: 10% of the minimum income benefit or €123.94, whichever is less, is paid.

**Special allowance (allocation de la vie chère, social assistance, income tested):** €1,320 a year is paid to an adult plus €330 a year for each additional family member, up to €2,640.

Benefit adjustment: All allowances are adjusted based on changes in the cost of living.

### Administrative Organization

Ministry of Family, Integration, and Greater Region ([https://www.mfamigr.public.lu/](https://www.mfamigr.public.lu/)) provides general supervision.

Children’s Future Fund ([https://cae.public.lu/](https://cae.public.lu/)) administers the allowances.