

SOCIAL SECURITY PARAMETERS 1 JANUARY 2019 UPDATE JULY 2019



The social minimum wage has been increased, retroactively as of 1 January 2019, from €254.31 to €256.60 by a law of 12 July 2019¹. The index applicable to salaries remains set at 814.40.

I. Social minimum wage

A. Non-qualified wage-earners

The social minimum wage for non-qualified wage-earners amounts to €256.31 per month at cost of living index 100, i.e. **€2,089.75** per month at cost of living index 814.40. It is reduced for employees under 18 years.

Age	%	Monthly gross amount	Hourly gross amount
18 years on	100%	€2,089.75	€12.0795
17 to 18 years	80%	€1,671.80	€9.6636
15 to 17 years	75%	€1,567.31	€9.0596

B. Qualified wage-earners

The social minimum wage for qualified wage-earners amounts to €307.92 per month at cost of living index 100, i.e. **€2,507.70** per month at cost of living index 814.40.

C. Students occupied during school holidays

The minimum remuneration of students occupied during the school holidays amounts to 80% of the social minimum salary. It is applicable to students under the age of 27.

Age	%	Monthly gross amount	Hourly gross amount
18 years on	80% of €2,089.75	€1,671.80	€9.6636
17 to 18 years	80% of €1,671.80	€1,337.44	€7.7309
15 to 17 years	80% of €1,567.31	€1,253.85	€7.2477

¹ Law of 12 July 2019 modifying article L. 222-9 of the Labour Code, Mémorial A no. 498 of 12 July 2019

II. Social security

A. Ceiling applicable as of 1 January 2019

Social minimum wage for non-qualified wage-earners	Wage index 01.01.2019	Multiplier	Income ceiling for social security contributions
€2,089.75	814.40	5	€10,448.75

B. Social security contribution rates for 2019

Coverage	Ceiling		Contribution rate	
	Per year	Per month	Employee's part	Employer's part
Health Insurance-Rate Caisse Nationale de Santé (1)	€125,385.00	€10,448.75	2.80% / 3.05%	2.80% / 3.05%
Health Insurance- Rate Mutual Insurance (2)	€125,385.00	€10,448.75	/	0.41% to 2.79%
Pension insurance (3)	€125,385.00	€10,448.75	8.00%	8.00%
Care Insurance (4)	/	/	1.40%	/
Health at work Insurance (5)	€25,385.00	€10,448.75	/	0.11%
Accident Insurance (6)	€125,385.00	€10,448.75	/	0.80%
Total			12.20% to 12.45%	12.12% to 14.75%

- (1) Rate of 3.05% applicable to base salary and to monthly supplements in cash. Rate of 2.80% applicable to benefits in kind and to bonuses.
- (2) The contribution rate depends on the average rate of absenteeism in the company.

Rate of absenteeism	0% to < 0.65%	≥0.65% to <1.60%	≥1.60% to <2,50%	≥2.50%
Contribution rate	0.41%	1.07%	1.63%	2.79%

- (3) In case an old age pensioner is employed after the age of 65, full contributions are due. However, upon request, the contributions paid by the insured person are reimbursed to him per calendar year.
- (4) No ceiling applies to the care insurance contribution. Nevertheless, the assessable basis is reduced by an abatement equal to ¼ of the social minimum wage, i.e. €522.44 at cost of living index 814.40.
- (5) For employers affiliated to the Multisector service for health at work.
- (6) As from 1 January 2019 the accident insurance contribution rate is multiplied for each insured person by a bonus-malus factor which is calculated on the basis of the contributor's work-related accident allowances.

III. Family allowances

The below table summarises the family allowances applicable as of 1 August 2016, following to the law of 23 July 2016 which reformed the family allowances.

The new system applies to children born as from 1 August 2016 and having their actual permanent residence or legal domicile in Luxembourg or who have one parent who began to work in Luxembourg as from 1 August 2016. Households with at least two children on 1 August 2016 remain subject to the old system of family allowances. Households having one child at this date transit to the new system. Concerning the school year allowance, the difference in the amount according to the number of children being part of the household has been removed.

According to the law dated 19 December 2014, the education allowance and the maternity allowance have been abolished as of 1 June 2015. Those benefiting from the education allowance before 1 June 2015 are still entitled to this allowance until the end of their rights.

As from 1 December 2016, a real replacement income disbursed during the parental leave replaces the former lump-sum allowance. This income is calculated on basis of the average monthly professional income of the 12 months before the beginning of the parental leave.

For the parents who have already started their parental leave on 1 December 2016, the previous provisions continue to apply. Parents who have not started their leave on 1 December 2016 can, under the condition to address a new request to the “Caisse pour l’avenir des enfants” (“CAE”), be submitted to the new provisions.

	€	Periodicity of the payments
Family allowance for:		
-new system (child bonus included)	€ 265.00	} Monthly
- old system		
1 child	€ 265.00	
2 children	€ 594.48	
3 children	€ 1,033.38	
4 children	€ 1,472.08	
5 children	€ 1,910.80	
Increase due to age (per child):		} Monthly
6-11 years	€ 20.00	
12 years and above	€ 50.00	
Special additional allowance (disabled child)	€ 200.00	
Professional income considered in case of professional activity of both parents:		
- with 1 bearing child	€ 6,145.63	
- with 2 bearing children	€ 8,194.17	
- with more than 2 bearing children	€ 10,242.71	

School year allowance per child: - child aged 6-11 years - child aged as from 12 years and more	€ 115.00	} Annual
	€ 235.00	
Childbirth allowance (amount per instalment)	€ 580.03	3 instalments
Parental leave : - new system (Full-time parental leave for a full-time employment contract) Minimum Maximum	€ 2,071.10	} Monthly
	€ 3,451.83	

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