

Eurostat

Labour market policy statistics

Qualitative report

Luxembourg, 2015

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A - Introduction

Introduction

The Eurostat Labour Market Policy (LMP) database collects information on labour market interventions implemented by each of the EU Member States and Norway. Data are collected according to a comprehensive methodology, which classifies interventions into three main types – services, measures and supports – and into nine detailed categories according to the type of action (see below). Readers are recommended to refer to the LMP methodology ¹ for details of this classification scheme and definitions of terms used in this report.

The LMP database collects quantitative data on expenditure and participants for each intervention. These are published annually and are available online from the Eurostat website ². The quantitative data are complemented by a set of qualitative information describing each intervention. This represents an invaluable source of reference to support a harmonised approach to the classification of national interventions and to help interpret the detailed figures on expenditure and participants. These qualitative data are compiled into a series of **Labour market policy statistics: Qualitative Reports** and produced as separate volumes for each country/year.

The reports all have the same structure:

- Part A Introduction

- Part B Inventory of interventions - a list of all interventions reported for the relevant year, grouped by type of action and including a national language version of the intervention name.

- Part C Qualitative information by intervention - presents the available information about each intervention in three sections: *Identification*, *Description*, and *Supplementary information*. The *Description* contains seven sub-sections: Aim, Beneficiaries/participants, Action/instrument, Financing/support, Eligibility, Legal basis, and Recent changes. The *Supplementary information* contains eight sub-sections describing the breakdown of expenditure, target groups, the treatment of unemployment spells, receipt of benefits, planned duration and other characteristics of the intervention. Together, these items summarise the qualitative information collected through the LMP questionnaire.

- Part D Reference data - provides a description of the populations considered as reference data within the LMP database, giving national definitions of those considered as registered unemployed and other groups registered with the public employment services (PES).

- Part E Abbreviations

The qualitative information in the LMP database is updated annually with the contribution of delegates from each country and Eurostat cannot take responsibility for the validity of the content. The reports are published annually by Eurostat in English and reports for other years that are not currently in the online library can be produced on request.

Classification of interventions by type of action

LMP services

1. Labour market services

LMP measures

2. Training
4. Employment incentives
5. Supported employment and rehabilitation
6. Direct job creation
7. Start-up incentives

LMP supports

8. Out-of-work income maintenance and support
9. Early retirement

¹

http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-GQ-13-002

² http://epp.eurostat.ec.europa.eu/portal/page/portal/labour_market/labour_market_policy

B - Inventory of interventions

Category, intervention number and name (English/National language)

1	Labour market services	
35	[Component] Labour Market Services (ADEM) - Individual action plan	[Component] Services du marché du travail (ADEM) - Action d'accompagnement personnalisé
35	[Component] Labour Market Services (ADEM) - Placement and orientation services	[Component] Services du marché du travail (ADEM) - Service placement et orientation
35	[Component] Labour Market Services (ADEM) - Administration of LMP measures	[Component] Services du marché du travail (ADEM) - Administration des mesures actives
35	[Component] Labour Market Services (ADEM) - Administration of LMP support	[Component] Services du marché du travail (ADEM) - Administration des mesures passives
35	[Component] Labour Market Services (ADEM) - Other services/activities	[Component] Services du marché du travail (ADEM) - Autres services/activités
2	Training	
11	Employability and re-training courses	Cours d'insertion et de rééducation professionnelles
20	Vocational training and retraining measures for disabled workers	Mesures d'orientation, de formation, de réadaptation et de rééducation professionnelles des travailleurs handicapés
39	Support contract for employment	Contrat appui emploi
26	In-company traineeships for adults	Stage de réinsertion professionnelle
29	Apprenticeship for adults	Apprentissage pour adultes
4	Employment incentives	
3	Reemployment Bonus	Aide au réemploi
21	Measures of professional (re)integration of disabled workers	Mesures d'intégration et de réintégration professionnelles des travailleurs handicapés
6	Aid for employing long-term and older unemployed	Aides à l'embauche de chômeurs âgés et de chômeurs de longue durée
7	Mobility allowance	Aides à la mobilité géographique
9	Income tax reduction for hiring unemployed people	Bonification d'impôt pour l'embauche de chômeurs
40	Job initiation contract	Contrat d'initiation à l'emploi
41	Recruitment incentives	Hiring incentives
31	Compensatory benefit	Indemnité compensatoire

5	Supported employment and rehabilitation	
22	Adaptation of the workplace for disabled workers	Aménagement des postes de travail pour personnes handicapées
23	Reimbursement of extra leave for disabled workers	Prise en charge du congé supplémentaire pour travailleurs handicapés
27	Job creation for disabled workers	Création de postes de travail pour les personnes handicapées
33	Wage participation	Participation au salaire
32	Redeployment measures	Mesures de reconversion
6	Direct job creation	
2	Extraordinary works of general interest	Travaux extraordinaires d'intérêt général
10	Socially useful works	Mise au travail des chômeurs (OTI)
13	Subsidies for the creation of jobs of socio-economic value	Aides à la création d'emplois d'utilité socio-économique
28	Pool of assistants	Pool des assistants
34	Temporary Compensated Appointment	Affectation temporaire indemnisée
7	Start-up incentives	
14	Subsidies for the creation of businesses by the unemployed	Aides à la création d'entreprises par les chômeurs
8	Out-of-work income maintenance and support	
5	Unemployment benefits	Indemnité chômage complet
1	Partial unemployment benefit	Indemnisation de chômage partiel
4	Compensation for unemployment due to technical reasons or bad weather	Indemnité chômage involontaire (chômage dû aux intempéries et chômage accidentel ou technique)
8	Debt guarantee in case of employer closing down	Garantie des créances en cas de faillite de l'employeur
9	Early retirement	
19	Early retirement	Prétraite
Mixed	\$\$353	

Number of measures: **61**

C - Qualitative information by intervention

Identification

Country Luxembourg 2015 Category 1 - Labour market services

Intervention n°/name 35 Labour Market Services (ADEM)

Type of action: 1.1.1 - Information services
1.1.2 - Individual case-management
1.2.1 - Administration of LMP measures
1.2.2 - Administration of LMP supports
1.2.3 - Others services / activities

Description

Aim:

To facilitate the integration of jobseekers in the labour market

Beneficiaries:

Registered jobseekers

Action/Instrument:

The ADEM is governed by a 1976 legal text which has been modified several times.

Law of the 18 January 2012: Adem becomes the "Agence pour le développement de l'emploi"

It is under the authority of the Ministry of Labour.

There exist 7 regional agencies (Luxembourg, Esch-sur-Alzette, Diekirch and Wiltz, Dudelange, Differdange and Wasserbillig).

The ADEM missions are:

- to promote the optimal use of the work potential, in coordination with the social and economic policy
- to recruit foreign workers
- to apply the legislation in force relating to the protection against unemployment, the curbing of unemployment and the payment of full unemployment benefits
- to organise and ensure the vocational guidance of young people and adults
- to intervene in the retraining of the workforce
- to ensure the training, rehabilitation and vocational integration of disabled people
- to ensure the guidance, training, placement, rehabilitation and external retraining of workers with reduced working capacity.

The objectives of the Placement service are:

- to match job offers and demands
- to offer a personalised guidance for jobseekers: reception, information gathering, treatment and management of their cases
- to ensure a regular follow-up of the jobseekers
- to provide practical advices to jobseekers and employers (recruitment, information, jobsearch strategies, motivation)
- to keep a regular contact with employers
- to collect job offers
- to promote support and interventions in favour of employment.

The objectives of the Vocational guidance service are:

- to help young people and adults in their vocational career and occupation choices via guidance counselors
- to collaborate with school guidance services, schools and professional chambers
- to gather information on occupations, education and vocational training.

The objectives of the Individualised support service are:

- to supervise and provide support to jobseekers in a personalized way
- to propose individual or collective approaches aimed to promote the vocational reintegration of jobseekers
- to develop new methods, concepts and tools to support the action of jobseekers.

The objectives of the Disabled people service are:

- to deal with the guidance, training, placement, rehabilitation and vocational integration of disabled workers
- to promote the hiring of people recognized as disabled and ensure their maintenance in employment.

Source: Eurostat LMP database. Date of extraction: 30 January 2017

The objectives of the People with reduced working capacity service are:

- to deal with their guidance, training, placement and rehabilitation
- to ensure their external retraining
- to ensure the follow-up of the internal retraining
- to ensure the secretariat of the Joint Commission for the retraining of workers not able to do their last job.

The objectives of the Employment for young people service are:

- to implement interventions in favour of the employment of young people (Support and employment contract and Initiation to employment contract)
- to place students looking for a summer job.

The objectives of the Female employment service are:

- to support female jobseekers in their jobsearch via specific workshops or individualised interviews
- to make ADEM staff more aware of equal opportunities between men and women on the labour market
- to collaborate with the Vocational training service of the Ministry of education and the women's associations involved in the employment and training domains
- to collaborate with the Ministry for the promotion of women.

The objectives of the Employment maintenance service are:

- to support enterprises wishing to maintain jobs
- to reinforce the fight against long-term unemployment and exclusion
- to promote business creation
- to facilitate the retraining of jobseekers and unemployed in another job
- to guarantee the payment of unpaid amounts to workers in case their employer goes bankrupt.

The objectives of the Unemployment Benefits service are:

- to prepare the cases claiming full UB
- to decide the payment (or refusal) of UB
- to examine cases related to the free movement of unemployed people within the European Community (E303).

Other services:

- The workforce service
- EURES.

Finanacina/Support:

State budget and Employment fund

Eligibility:

To be jobseekers

Legal basis:

L.621-1 to L.624-1of the Labour Act

Recent changes:

Supplementary information

Breakdown of expenditure:	Transfers to service providers
Target groups:	Registered unemployed (All) Other registered jobseekers (All) Not registered (All) Employed (All)
Treatment of unemployment spells:	Not relevant

Receipt of benefits:	None		
Planned duration:	Continuously available		
Responsible institution(s):	Public employment services		
Area of application:	National		
Implementation:	<i>Year started:</i> 1976	<i>Year Ended:</i>	Ongoing

Identification

Country Luxembourg 2015 Category 2 - Training
Intervention n°/name 11 Employability and re-training courses
Type of action: 2.1 - Institutional training

Description

Aim:

To promote integration into working life by means of vocational training courses organised through the national education system

Beneficiaries:

Jobseekers

Action/Instrument:

In the interest of integrating into working life jobseekers registered with ADEM (l'Administration de l'Emploi), the law allows the Minister of national education, subject to the agreement of the Minister of Labour, to organise courses, traineeships or other measures of guidance and preparation for working life, further vocational training, retraining or improvement of skills. The recruitment (for training) is handled by ADEM, which also deals with the placement of the candidates.

Unemployed persons participating in these training courses may be allowed to keep, or be granted, full unemployment benefits. Participants who do not benefit from an unemployment benefit receive a training allowance. The expenditure is supported by the employment fund (Fonds pour l'emploi).

The number of training courses varies according to unemployed and employers' demand - and the expenditure covers only the costs of raw materials, training allowances and payments for instructors or part-time lecturers, and not the apprenticeship subsidies.

Financing/Support:

Financing: Employment fund.

Support: Public employment service (ADEM) and the Vocational training service, which is under the authority of the ministry for national education and vocational training.

Eligibility:

Jobseekers

Legal basis:

Labour Act (Code du Travail), articles L.512-1 to L.512-14

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to service providers
Target groups: Registered unemployed (All)
Treatment of unemployment spells: Continuous/Continuous
Receipt of benefits: Cash benefits (Source: Unemployment benefit)
Planned duration: Typical: 2 Months, Maximum: 2 Years
Responsible institution(s): Public employment services
Area of application: National
Implementation: *Year started:* 1976 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 2 - Training
Intervention n°/name 20 Vocational training and retraining measures for disabled workers
Type of action: 2.1 - Institutional training

Description

Aim:

To facilitate the integration of disabled workers through training

Beneficiaries:

Disabled workers

Action/Instrument:

The Disabled Workers Service (Service des travailleurs handicapés, STH) of ADEM (l'Agence pour le Développement de l'emploi) can take in charge completely or partially the costs of training or retraining of disabled workers in order to promote their (re)integration into working life. This includes allowances during retraining and initiation, rehabilitation, as well as other related costs such as registration fees, travel allowances, meal costs, and small didactic equipment. The STH can also send candidates who have the required capacities to orientation seminars and/or vocational training measures.

Financing/Support:

Finance: Ministry for Labour and Employment

Support: Public employment service (ADEM)

Eligibility:

Registered disabled workers

Legal basis:

Law on disabled workers, amended on the 12th November 1991.

Law on disabled workers, of the 12th september 2003, come into force on the 1st of June 2005.

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments)

Target groups: Registered unemployed (Disabled)
Other registered jobseekers (Disabled)
Employed (Disabled)

Treatment of unemployment spells: Continuous/Continuous

Receipt of benefits: Cash benefits (Source: Current intervention)

Planned duration: Typical: 12 Months, Maximum: 24 Months

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1992 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 2 - Training
Intervention n°/name 39 Support contract for employment
Type of action: 2.2 - Workplace training

Description

Aim:

The purpose of this contract is to give an initiation and / or a training (both practical and theoretical) to young people to improve their competences and facilitate their integration on the labour market.

Beneficiaries:

Jobseekers, less than 30 years old.
public sector

Action/Instrument:

The young jobseeker will come once a month at the ADEM as indicated to him. The so called promoter will designate a tutor in charge of assisting the young person and to train him during the period of the contract. The promoter will establish with the young person a training plan which will be communicated to the ADEM.

The Support contract for employment cannot last longer than 9 month (and at least 3 month). The weekly working time cannot exceed 32 hours.

Reimbursement to the promoter:

The Employment Funds reimburses the whole allowance paid during a Support contract for employment contracted within the public sector

The Employment Funds reimburses the employer 85 % of the allowance paid during a Support contract for employment contracted within the privatesector

Financing/Support:

In case of a Support contract for employment, the young person earns 80% of the legal minimum social wage in application.

Eligibility:

Conditions:

being less than 30 year old;
being registered since more than a year at the ADEM ;

Legal basis:

The law of 22th december 2006 promoting the maintaining in work has replaced the temporary auxiliary contract and the by the support contract for employment and the job initiation contract.

art. L.543-1 à L. 543-14 of the labour act

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Reimbursements)
Target groups: Registered unemployed (Youth)
Treatment of unemployment spells: Suspended
Receipt of benefits: None
Planned duration: Maximum: 9 Months
Responsible institution(s): Central government
Area of application: National
Implementation: Year started: 2007 Year Ended: Ongoing

Source: Eurostat LMP database. Date of extraction: 30 January 2017

Identification

Country Luxembourg 2015 Category 2 - Training
Intervention n°/name 26 In-company traineeships for adults
Type of action: 2.3 - Alternate training

Description

Aim:

To promote the vocational reintegration of adult jobseekers through traineeships.

Beneficiaries:

Jobseekers older than 30 years.

Action/Instrument:

Reintegration traineeships last a maximum of 12 months and include alternating periods of hands-on and formal training. There is no contractual relationship between the jobseeker and the company.

Persons receiving unemployment benefits continue to receive full benefits during the traineeship, whilst jobseekers not on benefits receive a trainee allowance equal to the minimum wage for unqualified workers. The company can also pay a performance-related premium. Since the company does not pay the trainee directly (except for any performance-related premium), the company has to redeem the Employment Fund an amount corresponding to 50% of the minimum wage for unqualified workers. This share is reduced to 35% in case of trainees of the under-represented gender in a particular sector and/or for designated professions.

Financing/Support:

Finance: Employment Fund

Support: Public employment service (ADEM)

Eligibility:

Jobseekers aged over 30 and registered with ADEM for at least 3 months.

Legal basis:

Labour Act (Code du Travail), articles L.524-1 to 524-7

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments)

Target groups: Registered unemployed (All)
Other registered jobseekers (All)

Treatment of unemployment spells: Continuous/Continuous

Receipt of benefits: Cash benefits (Source: Current intervention, Unemployment benefit)

Planned duration: Maximum: 1 Years

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1999 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 2 - Training
Intervention n°/name 29 Apprenticeship for adults
Type of action: 2.4 - Special support for apprenticeship

Description

Aim:

To encourage jobseekers and all other persons to obtain qualifications through an apprenticeship.

Beneficiaries:

Registered jobseekers.

Action/Instrument:

Apprenticeship is done by alternation between school and work. The employer pays the apprentices an allowance increased by an allowance to match the statutory minimum wage for non qualified workers. This additional allowance is refunded to by the Employment Fund.

Finanacina/Support:

Employment Fund.

Eligibility:

- Jobseekers registered for at least 1 month at ADEM
- At least 18 years old
- Having quit formal schooling for at least 12 months

Legal basis:

Amended grand-ducal by-law modified on the 17th June 2000.

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Reimbursements)

Target groups: Registered unemployed (All)
Other registered jobseekers (All)

Treatment of unemployment spells: Broken

Receipt of benefits: None

Planned duration: Maximum: 4 Years

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 2000 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 4 - Employment incentives
Intervention n°/name 3 Reemployment Bonus
Type of action: 4 - Employment incentives

Description

Aim:

To encourage jobseekers to take up a job with a lower wage than their previous position.

Beneficiaries:

Employees who are transferred to another company for economic reasons, and recipients of unemployment benefits (see LU-5).

Action/Instrument:

Under certain conditions, the Employment Fund grants assistance to the re-employment of people who agree to be relocated in a job with a lower wage than before. The aid is provided for a maximum of 48 months from the time of relocation. Taking into account the new wage, the aid ensures a remuneration of 90% of the previous wage. In calculating the level of assistance payable, the previous remuneration is limited to 350% of the relevant minimum wage.

Financing/Support:

Finance: Employment Fund

Support: Public employment service (ADEM)

Eligibility:

The aid is available primarily to employees leaving a company with economic problems for structural reasons, though subject to certain conditions. It can also be applied for persons registered with ADEM and receiving unemployment benefits.

Legal basis:

Grand-ducal by-law of the 17th June 1995, amended on 31st July 1995.

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments)

Target groups: Registered unemployed (All)
Employed (All)

Treatment of unemployment spells: Broken

Receipt of benefits: Cash benefits (Source: Current intervention)

Planned duration: Maximum: 48 Months

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1994 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 4 - Employment incentives

Intervention n°/name 21 Measures of professional (re)integration of disabled workers

Type of action: 4 - Employment incentives

Description

Aim:

To facilitate the integration of disabled workers by encouraging employers to take them on.

Beneficiaries:

Disabled workers

Action/Instrument:

The Disabled Workers Service (STH - Service des travailleurs handicapés) can grant a recruitment subsidy in the form of a contribution to the wage costs of disabled workers who are registered jobseekers or who are at risk of losing their job. Under the terms of the legal provisions, the director of ADEM (l'Administration de l'Emploi) is able to grant subsidies varying from 40 to 100% of the gross wage, an allowance to cover an initiation or hand-over period, or a reimbursement of social contributions.

Financing/Support:

Finance: Public employment service (ADEM), Ministry of Labour and Employment

Support: Public employment service (ADEM)

Eligibility:

Registered disabled workers.

Legal basis:

Amended law on disabled workers, of the 12th November 1991.

Law on disabled persons, of the 12th September 2003.

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Periodic cash payments, Reduced social contributions)

Target groups: Registered unemployed (Disabled)
Other registered jobseekers (Disabled)
Employed (Disabled)

Treatment of unemployment spells: Broken

Receipt of benefits: None

Planned duration: Typical: 36 Months

Responsible institution(s): Public employment services

Area of application: National

Implementation: Year started: 1992 Year Ended: Ongoing

Identification

Country Luxembourg 2015 Category 4 - Employment incentives
Intervention n°/name 6 Aid for employing long-term and older unemployed
Type of action: 4.1 - Recruitment incentives

Description

Aim:

Encourage employers to hire particular groups of unemployed

Beneficiaries:

Registered unemployed that meet some age and duration criteria.

Action/Instrument:

Employers who hire an eligible person benefit from a reimbursement of social contributions. The duration of the reimbursement depends on the age and the unemployment duration of the person.

The job contract on which the recruitment is based must either be open-ended, or for a fixed term of not less than 18 months, and relate to working hours of not less than 20 per week.

The law of 22th décembre 2006 defines new age categories in their reimbursement criteria:

Age \geq 30 and unemployment duration \geq 12 Months \implies 2 years of reimbursement

Age \geq 40 and unemployment duration \geq 3 Months \implies 3 years of reimbursement

Age \geq 45 and unemployment duration \geq 1 Month \implies reimbursement until pension.

Financing/Support:

Finance: Employment Fund

Support: Public employment service (ADEM)

Eligibility:

Being registered with ADEM

Legal basis:

Labour Act (Code du Travail), articles L.541-1 to 541-4

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Reduced social contributions)

Target groups: Registered unemployed (LTU, Older)

Treatment of unemployment spells: Broken

Receipt of benefits: None

Planned duration: Typical: 2 Years

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1993 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 4 - Employment incentives
Intervention n°/name 7 Mobility allowance
Type of action: 4.1 - Recruitment incentives

Description

Aim:

Fostering the mobility of jobseekers.

Beneficiaries:

Jobseekers, unemployed persons receiving benefits and young people seeking their first job.

Action/Instrument:

There are three types of mobility assistance:

- a fixed monthly allowance for travelling expenses
- a fixed monthly allowance for double residence
- a one-off fixed payment for relocation costs

Financing/Support:

Finance: Employment Fund

Support: Public employment service (ADEM)

Eligibility:

The following conditions have to be met:

- * Registered jobseeker
- * Residence in Luxembourg
- * Registered with ADEM for at least three months
- * Having a "stable" job based in Luxembourg.
- * Working at least 15 kilometers from its place of residence

<http://www.adem.public.lu/demandeur/aides/mobilitegeographique>

Legal basis:

Grand-ducal by-law of the 17th June 1994, amended on the 11th August 1995 and the 13th July 2000.

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments)

Target groups: Registered unemployed (All)

Treatment of unemployment spells: Broken

Receipt of benefits: Cash benefits (Source: Current intervention)

Planned duration: Typical: 18 Months, Maximum: 18 Months

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1994 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 4 - Employment incentives
Intervention n°/name 9 Income tax reduction for hiring unemployed people
Type of action: 4.1 - Recruitment incentives

Description

Aim:

Encourage employers to take on registered unemployed young people through tax incentives

Beneficiaries:

Registered unemployed.

Action/Instrument:

The amount of tax relief can reach 10% of the gross monthly amount deductible as operating expenses. This relief can be obtained by employers who offer a salaried position to people who are out of work, have been registered for 3 months with ADEM and were placed by them. The jobs must be subject either to an open-ended contract or a fixed-term contract of at least 18 months and with working time of at least 16 hours per week. The tax relief for each unemployed person taken on is granted for a maximum of 36 months from the date of recruitment.

Finanacina/Support:

Finance: Tax authority (Administration des contributions)

Support: Public employment service (ADEM)

Eligibility:

(1) Being registered with ADEM for at least 3 months.

(2) Being assigned into a new job through ADEM.

Legal basis:

Law of the 1st July 1996

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Reduced taxes)

Target groups: Registered unemployed (All)

Treatment of unemployment spells: Broken

Receipt of benefits: None

Planned duration: Typical: 36 Months, Maximum: 36 Months

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1996 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 4 - Employment incentives
Intervention n°/name 40 Job initiation contract
Type of action: 4.1 - Recruitment incentives

Description

Aim:

The purpose of this contract is to give an initiation and / or a training (both practical and theoretical) to young people to improve their competences and facilitate their integration on the labour market.

Beneficiaries:

Jobseekers, less than 30 years old.
private sector

Action/Instrument:

The so called promoter designates a tutor in charge of assisting the young person and to train him during the period of the contract. The promoter will establish with the young person a training plan which will be communicated to the ADEM. The contract is limited between 3 and 12 months depending on the contract and can only be extended for another 12 month if the promoter commits himself in hiring the young person at the end of the extension of the Job Initiation contract. If, following the CIE, an employment contract for undetermined length or a fixed-term employment contract for 18 months minimum is signed, the "Fonds pour l'Emploi" will reimburse the employer's social contributions for the next 18 months. If no employment contract is signed, priority is given to the young job-seeker for future available positions at the company in the next 3 months.

Finanacina/Support:

these young people earn an allowance of 80% of the social minimum wage. The allowance is partly reimbursed by the "Fonds pour l'Emploi" to the employer (between 50% and 85% based on the type of contract), in addition to the related employer's social contributions, in order to encourage companies to sign such employment contracts. The CIE applies only to companies that are able to provide young people with a real employment opportunity at the end of the contract.

Eligibility:

Conditions:

being less than 30 year old;

Legal basis:

The law of 22th december 2006 promoting the maintaining in work has replaced the temporary auxiliary contract and the by the support contract for employment and the job initiation contract.

art. L.543-15 à L.543-34 du code du travail

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Reimbursements, Reduced social contributions)
Target groups: Registered unemployed (Youth)
Treatment of unemployment spells: Suspended
Receipt of benefits: None
Planned duration: Typical: 12 Months, Maximum: 24 Months
Responsible institution(s): Central government
Area of application: National
Implementation: Year started: 2007 Year Ended: Ongoing

Identification

Country Luxembourg 2015 Category 4 - Employment incentives
Intervention n°/name 41 Recruitment incentives
Type of action: 4.1.1 - Permanent

Description

Aim:

Temporary measure to promote employment

Beneficiaries:

Jobseekers over the age of 30

Action/Instrument:

Subsidy to encourage recruitment put in place by article 2 of the law of the 3rd August 2010:

Employers who recruit an unemployed benefit recipient over the age of 30 meeting certain criteria defined below on a permanent contract have the right to a reimbursement of 80% of the individuals effective salary along with the employer's social security contributions during the first three months of the contract by the employment fund.

In order for the an unemployed benefit recipient to be considered eligible for this measure, they must either be in the final three months before the end of their initial rights to benefits, in the benefit extension period or, where appropriate, in three months following the termination of their benefit payments.

The right to reimbursement is given 12 months after recruitment on the condition that the employment contract is still in place. The legal framework for this subsidy may be applied to all contract which were concluded in the 24 months from 17/08/2010.

Financing/Support:

Employment fund

Eligibility:

Employers who recruit an unemployed benefit recipient over the age of 30 on a permanent contract. The unemployed benefit recipient must either be in the final three months before the end of their initial rights to benefits, in the benefit extension period or, where appropriate, in three months following the termination of their benefit payments.

Legal basis:

Article 2 of the law of the 3rd August 2010

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Reimbursements)
Target groups: Registered unemployed (All, Older)
Treatment of unemployment spells: Broken
Receipt of benefits: None
Planned duration: Typical: 3 Months, Maximum: 3 Months
Responsible institution(s): Central government
Area of application: National
Implementation: *Year started:* 2010 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 4 - Employment incentives
Intervention n°/name 31 Compensatory benefit
Type of action: 4.2 - Employment maintenance incentives

Description

Aim:
Compensate the loss of revenue in case of an internal or external placement (reclassement).
Beneficiaries:
Beneficiaries of internal or external placement with an employment contract.
Action/Instrument:
The "compensatory benefit" is an employment subsidy that matches the difference between the old and the new wage, in case of an internal or external placement.
Financing/Support:
Financing: Employment Fund
Support: ADEM
Eligibility:
Beneficiaries of internal or external placement (reclassement)
Legal basis:
Labour Act (Code du travail), art. L.551-1 and following.
Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments)
Target groups: Employed (Disabled)
Treatment of unemployment spells: Not relevant
Receipt of benefits: Cash benefits (Source: Current intervention)
Planned duration: Variable
Responsible institution(s): Public employment services
Area of application: National
Implementation: *Year started:* 2003 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 5 - Supported employment and rehabilitation

Intervention n°/name 22 Adaptation of the workplace for disabled workers

Type of action: 5.1 - Supported employment

Description

Aim:

Facilitate the integration of disabled workers through adaptation of the workplace

Beneficiaries:

Disabled workers

Action/Instrument:

The Disabled Workers Service (STH - Service des travailleurs handicapés) can support the adaptation of work stations or the purchase of specialised equipment for disabled workers employed in companies. Access to the workplace and travel costs can also be covered.

Financing/Support:

Finance: Public employment service (ADEM), Ministry of Labour and Employment

Support: Public employment service (ADEM)

Eligibility:

Registered disabled workers

Legal basis:

Law on disabled workers, amended 12 November 1991

Law on disabled persons, 12th september 2003.

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Reimbursements)

Target groups: Employed (Disabled)

Treatment of unemployment spells: Not relevant

Receipt of benefits: None

Planned duration: One-off

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1992 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 5 - Supported employment and rehabilitation

Intervention n°/name 23 Reimbursement of extra leave for disabled workers

Type of action: 5.1 - Supported employment

Description

Aim:

To compensate employers for six additional days of leave granted to disabled workers.

Beneficiaries:

Disabled workers.

Action/Instrument:

At the request of the employer, the Disabled Workers Service (STH - Service des travailleurs handicapés) reimburses the daily allowances due for the 6 supplementary days of leave granted to disabled workers.

Financing/Support:

Finance: Public employment service (ADEM), Ministry of Labour and Employment

Support: Public employment service (ADEM)

Eligibility:

Registered disabled workers.

Legal basis:

Law on disabled workers, amended 12 November 1991.

Law on disabled persons, 12th september 2003.

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Reimbursements)

Target groups: Employed (Disabled)

Treatment of unemployment spells: Not relevant

Receipt of benefits: None

Planned duration: One-off

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1992 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 5 - Supported employment and rehabilitation

Intervention n°/name 27 Job creation for disabled workers

Type of action: 5.1 - Supported employment

Description

Aim:

Promoting the vocational rehabilitation of disabled workers

Beneficiaries:

Disabled workers.

Action/Instrument:

Each year the Commission of Economy and Rationalisation of the Ministry of State, in collaboration with ADEM's service for disabled workers, submits to the government council a proposal for 2000 man-hours per week to be reserved for disabled workers in public offices.

Finanacina/Support:

Ministry of Public Service and Administrative Reform

Eligibility:

Participants must be recognised as a disabled worker and fulfil the admission criteria of the public services.

Legal basis:

Law on the annual budget

Law of 12 February 1999 on the implementation of the 1998 action plan for employment.

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments)

Target groups: Registered unemployed (Disabled)
Other registered jobseekers (Disabled)
Employed (Disabled)

Treatment of unemployment spells: Continuous/Continuous

Receipt of benefits: Cash benefits (Source: Current intervention)

Planned duration: Typical: 1 Years, Maximum: 1 Years

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1999 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 5 - Supported employment and rehabilitation

Intervention n°/name 33 Wage participation

Type of action: 5.1 - Supported employment

Description

Aim:

Compensate the loss of performance in case of an internal or external placement.

Beneficiaries:

Employers who hire a worker with an external or internal placement status.

Action/Instrument:

Subsidy to cover wage costs, that is granted to employers who hire workers with an internal or external placement status.

Financing/Support:

Employment Fund

Eligibility:

The workers need to have an internal or external placement status, and the employer must prove that there is a loss of performance.

Legal basis:

Labour Act (Code du travail), art. L.551-1 and following.

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Periodic cash payments)

Target groups: Employed (Disabled)

Treatment of unemployment spells: Not relevant

Receipt of benefits: None

Planned duration: Unlimited

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 2003 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 5 - Supported employment and rehabilitation

Intervention n°/name 32 Redeployment measures

Type of action: 5.2 - Rehabilitation

Description

Aim:

Professional reintegration of beneficiaries of an internal or external placement.

Beneficiaries:

Beneficiaries of an internal or external placement.

Action/Instrument:

The employment fund can take in charge the expenditures of reintegration and rehabilitation measures, prescribed by a joint commission.

Financing/Support:

Employment fund.

Eligibility:

Beneficiaries of an internal or external placement.

Legal basis:

Labour Act (Code du travail), art. L.551-1 and following.

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to service providers

Target groups: Registered unemployed (Disabled)
Other registered jobseekers (Disabled)
Employed (Disabled)

Treatment of unemployment spells: Broken

Receipt of benefits: None

Planned duration: Variable

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 2003 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 6 - Direct job creation
Intervention n°/name 2 Extraordinary works of general interest
Type of action: 6 - Direct job creation

Description

Aim:

Maintaining employment in sectors experiencing economic difficulties by occupying the available manpower in public works.

Beneficiaries:

Employees in sectors experiencing economic difficulties

Action/Instrument:

The government determines those sectors where economic difficulties are such that it is necessary to make recourse to exceptional public works in order to ensure productive employment of the available labour force. The head of a company proposing to make use of this type of work must consult with staff, a joint committee of employers and employees and, if necessary, the trade unions. The Minister of Labour is responsible for the decision to admit the company to the work.

Working relationships between the employer and staff are maintained. The costs are borne by the Employment Fund. However, the local authorities and other public bodies involved in the proposal which the Government aims to complete through this exceptional public works, reimburse the related costs to the state. The Ministerial Council can reduce by up to a quarter the amount to be reimbursed.

Financing/Support:

Finance: Employment Fund

Responsible institution: Central government

Eligibility:

Sectors experiencing severe economic difficulties, as designated by the Ministerial Council on recommendation from the Economic Committee.

Legal basis:

Labour Act (Code du travail), articles L.511-16 to L.511-26

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Reimbursements)
Target groups: Employed (All)
Treatment of unemployment spells: Not relevant
Receipt of benefits: None
Planned duration: Variable
Responsible institution(s): Central government
Area of application: National
Implementation: *Year started:* 1977 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 6 - Direct job creation
Intervention n°/name 10 Socially useful works
Type of action: 6 - Direct job creation

Description

Aim:

To promote the integration of unemployed persons by providing work in socially useful activities

Beneficiaries:

Persons on unemployment benefits.

Action/Instrument:

Unemployed persons participating in work for public benefit may be allowed to keep, or be granted, full unemployment benefits. Moreover, the law recognises an additional monthly allowance for persons on unemployment benefit assigned to a task designated as being of public benefit.

By law, the supplementary allowance is not considered as a secondary income to be taken into account when calculating the level of unemployment benefit payable. The supplementary allowance is subject to the social contributions and taxes associated with regular wages, except that the employers social contributions are covered by the Employment Fund.

The Employment Fund pays the supplementary allowance as well as related expenses, in particular insurance, social security, transport, materials, equipment, safety and all other costs related to the activation.

Financing/Support:

Finance: Employment fund.

Support: Public employment service (ADEM)

Eligibility:

Persons on unemployment benefits.

Legal basis:

Labour Act (Code du Travail), Livre V - Titre II; (articles L.521-1 to L.527-4)

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments)
Target groups: Registered unemployed (All)
Treatment of unemployment spells: Continuous/Continuous
Receipt of benefits: Cash benefits (Source: Current intervention, Unemployment benefit)
Planned duration: Typical: 6 Months, Maximum: 18 Months
Responsible institution(s): Public employment services
Area of application: National
Implementation: *Year started:* 1987 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 6 - Direct job creation

Intervention n°/name 13 Subsidies for the creation of jobs of socio-economic value

Type of action: 6 - Direct job creation

Description

Aim:

To encourage the creation of jobs of socio-economic value.

Beneficiaries:

Workers threatened with unemployment, job seekers registered with the ADEM.

Action/Instrument:

Aid from the employment fund is granted for the creation of jobs intended for the unemployed.

Its goal is to foster the launching, operation and development of projects to create permanent employment and services and activities which are not covered by public services or by private enterprise. Thus any economic, social or cultural project may be considered when it is not-for-profit.

Aid from the employment fund can be granted to institutions, bodies or groups of individuals for the creation of jobs that meet the following conditions:

- the jobs must be reserved for individuals threatened with unemployment or to job seekers who are under 26 and are registered with the employment office (ADEM) ;
- the jobs must be open-ended and permanent;
- the beneficiary must guarantee funding for the job created as from one year after the aid was granted;
- the beneficiary must demonstrate that he or she is in compliance with the legal, regulatory, administrative and conventional rules which govern the protection of employees in the practice of their profession.

Aid is granted for a maximum of one year and, in principle, is not renewable unless an exception is made in special, duly justified, cases. A maximum of €8676.23 (LUF 350 000) is available per full-time job created.

Financing/Support:

Finance: Employment Fund

Support: Public employment service (ADEM)

Eligibility:

Workers threatened with unemployment or job seekers who are under 26 and are registered with the employment office (ADEM).

Legal basis:

Grand-Ducal Regulation of 17 June 1994.

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Lump-sum payments)

Target groups: Registered unemployed (All)
Other registered jobseekers (All)
Employed (All)

Treatment of unemployment spells: Broken

Receipt of benefits: None

Planned duration: Maximum: 1 Years

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1995 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 6 - Direct job creation
Intervention n°/name 28 Pool of assistants
Type of action: 6 - Direct job creation

Description

Aim:

To offer jobseekers with post-secondary education either their first professional experience or the chance of a temporary renewal of working experience in order to promote successful integration in the labour market.

Beneficiaries:

Jobseekers with university level education.

Action/Instrument:

A pool of salaried people is established as a resource available to help the directors of post-primary educational establishments with administrative tasks, monitoring of classes and the organisation of extra-curricular activities.

Financing/Support:

This measure is financed by the employment fund and managed by the public employment service and the ministry of education.

Eligibility:

Participants must be jobseekers registered with ADEM and have university level qualifications.

Legal basis:

Grand-ducal by-law of the 28th September 1995 amended on the 13th September 2005.

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments)

Target groups: Registered unemployed (All)
Other registered jobseekers (All)

Treatment of unemployment spells: Continuous/Continuous

Receipt of benefits: Cash benefits (Source: Current intervention)

Planned duration: Typical: 1 Years, Maximum: 2 Years

Responsible institution(s): Central government

Area of application: National

Implementation: *Year started:* 1995 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 6 - Direct job creation

Intervention n°/name 34 Temporary Compensated Appointment

Type of action: 6 - Direct job creation

Description

Aim:

To fight social exclusion.

To reinforce the vocational/social skills as well as work experience of participants before getting a job in the market sector.

Beneficiaries:

Minimum guaranteed income beneficiaries (RMG).

Action/Instrument:

Integration and vocational re-integration measures designed for beneficiaries of the minimum guaranteed income, involving companies in the public and private sectors.

For private companies, the National Solidarity Funds can participate to the personnel costs incurred when hiring beneficiaries of the integration allowances.

Financing/Support:

National Solidarity Funds

Eligibility:

This intervention is limited to beneficiaries of the minimum guaranteed income (RMG).

The RMG eligibility conditions are as follows:

- to be resident in Luxembourg
- to be aged at least 25
- not to exceed a certain amount of revenue (fixed by the law), either at the individual level or at the household level
- to be willing to work out all opportunities offered by the national or foreign legislation in order to improve oneself situation.

Legal basis:

Coordinated text of 22.06.04 of the Law of 29.04.99.

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments)

Target groups: Registered unemployed (Public priorities and Other)
Other registered jobseekers (Public priorities and Other)
Not registered (Public priorities and Other)

Treatment of unemployment spells: Continuous/Continuous

Receipt of benefits: Cash benefits (Source: Current intervention)

Planned duration: Variable

Responsible institution(s): Central government, Public employment services

Area of application: National

Implementation: *Year started:* 1999 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 7 - Start-up incentives
Intervention n°/name 14 Subsidies for the creation of businesses by the unemployed
Type of action: 7 - Start-up incentives

Description

Aim:

To support unemployed persons starting a company.

Beneficiaries:

Jobseekers starting or taking over a company over which they have effective control, or taking up a non-salaried trade.

Action/Instrument:

Beneficiaries receive assistance granted through capitalisation of the unemployment benefit they would have received during the six months following the start or resumption of activity.

Finanacina/Support:

Finance: Employment Fund

Support: Public employment service (ADEM)

Eligibility:

The assistance is available to

- all jobseekers on benefits for 6 months;
- jobseekers aged 40 or over and receiving benefits for 3 months;
- jobseekers not on benefit but registered with ADEM for 8 months and having been employed in the country for at least 6 years;

and who are start or take over a company over which they have effective control or who take up a non-salaried trade in certain sectors/occupations.

Legal basis:

Grand-Ducal by-law of the 17th July 1994

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to individuals (Lump-sum payments)

Target groups: Registered unemployed (All)

Treatment of unemployment spells: Broken

Receipt of benefits: Cash benefits (Source: Current intervention)

Planned duration: One-off

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1994 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 8 - Out-of-work income maintenance and support

Intervention n°/name 5 Unemployment benefits

Type of action: 8.1.1 - Unemployment insurance

Description

Aim:

To partially compensate for loss of wages due to unemployment

Beneficiaries:

Unemployed persons registered with ADEM who are seeking and available for work

Action/Instrument:

In case of the termination of an employment relationship, a worker previously employed for at least 16 hours per week is eligible to receive full unemployment benefits so long as he/she fulfils certain legal criteria.

Unemployment compensation is paid at a rate of 80% of the previous gross wage, so long as this does not exceed 250% of the minimum wage. This threshold is reduced to 200% after 182 days of unemployment within a 12 month period. Under certain conditions the allowance can be continued for a second period of 6, 9 or 12 months (with a threshold of 150% of the minimum wage).

Since the Law of 22 December 2006, the duration of the benefits is now equal to the working career calculated in months.

Financing/Support:

Finance: Employment Fund

Support: Public employment service

Eligibility:

Persons out of work, previously employed for at least 16 hours a week and having worked for a certain length of time.

The law also defines the compensation systems for young people and self-employed persons who have ceased activity due to economic difficulties or through the intervention of a third party.

Legal basis:

Labour Act (Code du Travail), Livre V - Titre II; (articles L.521-1 to L.527-4)

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments, Reduced social contributions),
Transfers to service providers

Target groups: Registered unemployed (All)

Treatment of unemployment spells: Not relevant

Receipt of benefits: Cash benefits (Source: Current intervention)

Planned duration: Maximum: 24 Months

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1976 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 8 - Out-of-work income maintenance and support

Intervention n°/name 1 Partial unemployment benefit

Type of action: 8.2 - Partial unemployment benefits

Description

Aim:

To maintain employment by compensating for loss of wages in case of short-time working.

Beneficiaries:

Workers subject to short-time working arrangements

Action/Instrument:

The compensatory allowance is paid for each working hour lost involuntarily other than for personal reasons. The working week to be taken into account when fixing the normal hours of work for the month concerned is the regular working week of the company, which cannot in any case exceed 40 hours. The rate of the compensatory allowance is fixed at 80% of the regular gross hourly wage, though it cannot exceed 250% of the minimum wage.

The allowance due in respect of the first 16 hours per month is paid by the employer and the worker according to rates agreed by both parties, though the share of the workers cannot exceed 8 hours (50%). A subvention from the state then covers the total amount of compensatory allowances paid out by the employer in respect of hours lost in excess of the first 16 per month.

The allowance is payable for a maximum of 6 months within a 12 month reference period.

The labour act, more precisely the short-time working has been changed with the law of 22th december 2006, which says that the compensatory allowance for the first 16 hours lost per month is paid completely by the employer. The employment fund intervenes from the 17th hour on by paying 80% of the regular gross hourly wage gained by the worker, on the basis of the article L. 511-11 of the labour act. The interruption of the working time because of short-time working cannot exceed 50% of the monthly normal working time.

The Law of 13 August 2010 extends these provisions in 2011 et adds 2 additional temporary measures. Employers' contributions on the compensatory allowance is supported by the FPE for enterprises facing partial unemployment since 6 months provided that the number of hours lost per month exceeds 25% the normal working hours (up to August 2012). Moreover, the intervention is now extended to enterprises which do not belong to a sector facing a short-term difficulty.

Financing/Support:

Finance: Employment Fund

Support: Public employment service

Eligibility:

The compensatory allowance is payable to all workers regularly employed by the company at the time that short-time working arrangements are introduced, excluding the following:

- persons aged over 64;
- persons for whom the formal retirement age is below 65 and who already receive a pension;
- young people covered by an apprenticeship contract.

The government determines, on the advice of the Economic Committee, the sectors in which the economic difficulties are such that reductions in normal working hours are inevitable.

Legal basis:

Labour Act (Code du travail), articles. L.511-1 to 511-15

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Reimbursements)

Source: Eurostat LMP database. Date of extraction: 30 January 2017

Target groups:	Employed (All)
Treatment of unemployment spells:	Not relevant
Receipt of benefits:	None
Planned duration:	Typical: 1 Months, Maximum: 6 Months
Responsible institution(s):	Public employment services
Area of application:	National
Implementation:	<i>Year started:</i> 1975 <i>Year Ended:</i> Ongoing

Identification

Country Luxembourg 2015 Category 8 - Out-of-work income maintenance and support

Intervention n°/name 4 Compensation for unemployment due to technical reasons or bad weather

Type of action: 8.2 - Partial unemployment benefits

Description

Aim:

To compensate for hours of work lost involuntarily by employees in the construction sector

Beneficiaries:

Employees in the construction sector

Action/Instrument:

In case of involuntary unemployment as a direct result of bad weather, workers employed in construction who suffer a loss of wages without any break in the employment relationship are eligible for a compensatory payment.

The wage compensation is payable for each hour of work lost involuntarily other than for personal reasons beyond a basic 8 hours per calendar month. Compensation is payable in respect of single hours and not just for whole days of unemployment. The wage compensation is paid by the employer who is reimbursed by the Employment Fund for the full amount paid out.

The rate of the compensatory allowance is fixed at 80% of the regular gross hourly wage, though it cannot exceed 250% of the minimum wage.

Financing/Support:

Finance: Employment Fund

Support: Public employment service

Eligibility:

The measure relates only to employees in the construction sector or in related activities, who routinely work on building-sites and suffer loss of wages without any break in the employment relationship.

Legal basis:

Labour Act (Code du Travail), articles L.531-1 to L.533-17

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Reimbursements)

Target groups: Employed (All)

Treatment of unemployment spells: Not relevant

Receipt of benefits: None

Planned duration: Typical: 350 <1 day, Maximum: 500 <1 day

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1995 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 8 - Out-of-work income maintenance and support

Intervention n°/name 8 Debt guarantee in case of employer closing down

Type of action: 8.5 - Bankruptcy compensation

Description

Aim:

To guarantee the payment of employees in case of bankruptcy of the employer

Beneficiaries:

Employees who have not been paid due to bankruptcy of their employer

Action/Instrument:

In case of bankruptcy of an employer, the Employment Fund is paying wages and all kinds of allowances due to employees at the date of the formal declaration of bankruptcy. The Employment Fund covers the 6 months that preceded the bankruptcy, up to a net amount of 6 times the relevant minimum wage.

Financing/Support:

Finance: Employment Fund

Support: Public employment service

Eligibility:

Persons whose contract of employment is broken due to bankruptcy of the employer.

Legal basis:

Labour Act (Code du travail), article L.126-1

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to individuals (Lump-sum payments)

Target groups: Employed (All)

Treatment of unemployment spells: Not relevant

Receipt of benefits: Cash benefits (Source: Current intervention)

Planned duration: One-off

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1989 *Year Ended:* Ongoing

Identification

Country Luxembourg 2015 Category 9 - Early retirement
Intervention n°/name 19 Early retirement
Type of action: 9.1.2 - Partial

Description

Aim:

To ease the transition from working life to retirement by encouraging gradual early retirement provided that unemployed individuals are hired as replacements.

Beneficiaries:

Employees aged over 57 (52 in the mining sector)

Action/Instrument:

The early retirement allowance is calculated according to average gross wages in the three months prior to obtaining the allowance.

This reference salary includes the variable part of wages (extra pay for working Sundays, nightshifts, bank holidays, etc.) by taking into account the annual average. Moreover, the "13th month" is included by adding 1/12 of it per month.

During the first year, the amount is set at 85% of wages. During the second, it is set at 80%, and during the third, 75%. The aid is limited to 5 times the statutory minimum wage. Social contributions and taxes must be paid.

Entitlement to the early retirement allowance lapses the day that the retiree becomes entitled to an old age or invalidity pension, or if he or she takes on paid employment (where wages are higher than half the statutory minimum wage).

There are four different kinds of early retirement:

- "Solidarity" early retirement: this type of early retirement is intended for workers in the private sector. It requires agreement between the worker and the employer in the form of a special, individual contract. The government's financial contribution is conditional upon a job seeker put forward by the ADEM or a worker at immediate risk of redundancy on economic grounds being hired. The law does not require each position to be replaced, but rather the total number of employees. In this way, the newly-hired worker or apprentice will not necessarily take on the job left by the retiree. The employer must demonstrate that there is a causal relationship between the hiring and the early retirement of the staff member. The allowance will be paid for a maximum of three years. The employment fund refunds this to the tune of 70%.

- Gradual early retirement: this is granted to employees who are willing to change their full-time employment to part-time. The government refunds the financial contributions paid by the employer provided that they justify that they have actually hired one or more unemployed individuals receiving benefits or job seekers registered at the ADEM for at least 6 months (on a permanent contract or as an apprentice). It is up to the employer to demonstrate that there is a causal relationship between the hiring and the early retirement of the staff member. The amount of the allowance is calculated in proportion to the working time of the early retiree. The employment fund refunds up to 100 % of this.

- "Adjustment" early retirement: this concerns employees of undertakings being restructured or being closed. The allowance may be paid out for more than three years in cases where early retirement begins on 1 January of the year in which the worker turns 57. This scheme can only be applied when an agreement has been concluded with the Minister of Employment. The undertaking may be required to pay part of the contributions (maximum of 50%) resulting from the early retirement allowance if it is in good economic and financial condition.

- Early retirement for shift/night workers: this can be granted to workers who have spent 20 years working shifts or working nights. It will be paid for a maximum of three years. The Minister of Employment is responsible for deciding whether early retirement under this scheme is possible. If the Minister agrees that it is so, the employer will be fully refunded their costs of the early retirement allowance from the employment fund.

Financing/Support:

Finance: Employment Fund

Support: Public employment service

Eligibility:

Workers of 57 years of age or older, provided that they are eligible for an early old-age pension at the age of 60. Note that there is an exception to this condition for the "adjustment" early retirement.

Legal basis:

Labour Act (Code du Travail), article 581-1 and following.

Recent changes:

Source: Eurostat LMP database. Date of extraction: 30 January 2017

Supplementary information

Breakdown of expenditure:	Transfers to individuals (Periodic cash payments)		
Target groups:	Employed (Older)		
Treatment of unemployment spells:	Not relevant		
Receipt of benefits:	Cash benefits (Source: Current intervention)		
Planned duration:	Maximum: 3 Years		
Responsible institution(s):	Public employment services		
Area of application:	National		
Implementation:	<i>Year started:</i>	1995	<i>Year Ended:</i> Ongoing

D - Reference data

R.1.1 Registered unemployed

30 Registered unemployed

Overview:

Registered unemployed jobseekers are persons aged between 15 and 64, out of work, available for work, seeking suitable employment, are not taking part in a labour market measure, in receipt of unemployment benefits or not, respect the conditions of reporting/follow-up applied by ADEM. Since 2012, people in sick for more than 7 days or in maternity leave are not considered as jobseekers anymore and sorted out of the statistics.

Minimum age to be registered unemployed: 15

- School leaving age: 15. Minimum employment age: 15.
- No specific regulation for students.
- No restrictions for school-leavers/first-time jobseekers.

Maximum age to be registered unemployed: 64

- Retirement age: 65.
- UBR aged over 50 have to follow the same obligations that generally apply to seek work.

Registered unemployed are allowed to work? YES

- RU must be "out of work" but accessory activities are authorised. UBR can indeed work in such activities if their income doesn't exceed 10% of the reference income, otherwise the exceeding amount will be deducted from the UB. UBR can also work in socially useful jobs for which they are entitled to a complementary allowance of 148.74 EUR.

RU have to be immediately available for work? YES

Restrictions on the type of work sought (full/part-time, permanent/temporary, etc.)? YES

- Must be seeking suitable employment of at least 20 hours per week.

Notes:

- Data refer to RU residing in Luxembourg, seeking work of at least 20 hours per week through the Labour Administration Offices and immediately available for such work.

RU and UBR - Are all UBR counted as RU? YES

- It is obligatory to register as unemployed in order to claim UB.

RU and UBR - Do all RU receive benefits? NO

- UB is payable to persons who worked at least 26 weeks (at least 20h/week) during the 12 months preceding their registration.

Treatment of periods of activation during unemployment. Is the unemployment spell:

Broken:

- Always. Participants in active measures are not counted as RU.

Abbreviations

Abbreviation, Description