

Eurostat

Labour market policy statistics

Qualitative report

Luxembourg, 2017

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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	Employment support contract	Contrat appui emploi
42	Professionalisation internship	Stage de professionnalisation
43	Employment reintegration contract (CRE)	Contrat de réinsertion-emploi (CRE)
44	Social and employment initiatives	Initiatives sociales en faveur de l'emploi
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	Employment initiation contract	Contrat d'initiation à l'emploi
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
45	Work serving the public interest	Travaux d'utilité publique - TUP
6	Direct job creation	
2	Extraordinary works of general interest	Travaux extraordinaires d'intérêt général
10	Compensated temporary occupation (OTI)	Mise au travail des chômeurs (OTI)
28	Pool of assistants	Pool des assistants
34	Temporary Compensated Appointment	Affectation temporaire indemnisée
46	Employment of insertion favoring the hiring of a long-term job-seeker	Emploi d'insertion favorisant l'embauche d'un demandeur d'emploi de longue durée
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	Préretraite
Mixed	\$\$\$353	

Number of measures: **63**

C - Qualitative information by intervention

Identification

Country Luxembourg 2017 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:

Faciliter l'intégration des demandeurs d'emploi su le marché du travail.

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: 23 January 2019

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:	Not relevant		
Responsible institution(s):	Public employment services		
Area of application:	National		
Implementation:	<i>Year started:</i> 1976	<i>Year Ended:</i>	Ongoing

Identification

Country Luxembourg 2017 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.

[Trainings to acquire or to deepen the skills necessary for a job. In this frame:

- Trainings proposed by ADEM: Adem proposes, under certain conditions, free trainings in sectors that recruit or trainings directed around personal needs.
- Aid to the vocational training: every job seeker, indemnified or not, wanting to do a professional training course can, under certain conditions, benefit from a help to the vocational training expenses partially covered by ADEM.
- Trainings in partnership with the main training institutions, Chamber of Commerce, Chamber of trade, Chamber of the Employees and the national Institute of public administration (INAP). Within the framework of these collaborations, the job-seeker benefits, under certain conditions, from the free access of the registration.]

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

Source: Eurostat LMP database. Date of extraction: 23 January 2019

Responsible institution(s): Public employment services
Area of application: National
Implementation: *Year started:* 1976 *Year Ended:* Ongoing

Identification

Country Luxembourg 2017 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 service providers
Target groups: Registered unemployed (All)
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 2017 Category 2 - Training
Intervention n°/name 39 Employment support contract
Type of action: 2.2 - Workplace training

Description

Aim:

Foster the employability of young jobseekers

Beneficiaries:

Young jobseekers less than 30 years of age and registered with ADEM for at least three months.

Employers that do not have the legal form of a commercial company (State, municipalities, public utility institutions, institutions, associations or groups of non-profit persons) and who wish to provide practical and theoretical training to young jobseekers in order to increase their (re) integration into the labor market.

Action/Instrument:

The employment support contract will be concluded between the Employment Agency (ADEM) and the jobseeker.

The employer will appoint a mentor who will supervise the young person during the duration of the contract. They will jointly draw up a training plan.

Duration of contract: 12 months with a maximum extension of 6 months (40 h / week).

The allowances are calculated on the basis of the social minimum wage (SSM) and are subject to social security and taxes:

- 80% of unskilled SSM for young people under 18 years of age;
- 100% of unskilled SSM for unskilled young people and young people with a certificate of technical and vocational aptitude or a final diploma of technician, technical or secondary high school;
- 130% of SSM unskilled for young holders of a technician's certificate with a bachelor's degree or master's degree.

Financing/Support:

The Luxembourg Employment Fund reimburses for the first 12 months, to employers other than the State:

- 75% of the benefit received by the young jobseeker;
- 100% of employers' expenses.

In the case of an extension, the Employment Fund will reimburse 50% of the compensation for the young jobseeker.

If the young jobseeker is hired on basis of a permanent employment contract after the completion of the Employment support contract, the Employment Fund reimburses the employer for the 12 months following the date of hiring the employer's contribution to the social security scheme..

Eligibility:

Employment-support contract (CAE)

•You have been registered with ADEM for at least 3 months? •You are under 30 years of age? You are eligible to benefit from an Employment support contract (CAE)!

<http://adem.public.lu/en/jeunes/mesures-jeunes/contrats-speciaux/cae/index.html>

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

Source: Eurostat LMP database. Date of extraction: 23 January 2019

Receipt of benefits: None
Planned duration: Maximum: 12 Months, Maximum extended: 18 Years
Responsible institution(s): Central government
Area of application: National
Implementation: *Year started:* 2007 *Year Ended:* Ongoing

Identification

Country Luxembourg 2017 Category 2 - Training
Intervention n°/name 42 Professionalisation internship
Type of action: 2.2 - Workplace training

Description

Aim:

This measure aims at increasing the employability of the most vulnerable populations on the labour market by allowing them to demonstrate their skills and capabilities under real working conditions all while acquiring new competencies.

Completing a professional training internship as a jobseeker

In order to help the most fragile populations to find a job, namely jobseekers of at least 30 years of age, employees with reduced work capacity and disabled employees, the National Employment Agency (ADEM), may offer, under certain conditions, a professional training internship. The aim of this type of internship is to enable jobseekers to demonstrate their skills and abilities to employers.

Beneficiaries:

ADEM may offer such a professional training internship to jobseekers who:

- are at least 30 years or older; or
- are currently in an external redeployment programme, or
- have the disabled worker status.

Employers wishing to offer a jobseeker the opportunity to do an internship must be able to offer a real job prospect at the end of the internship.

Action/Instrument

The National Employment Agency (Agence pour le développement de l'emploi - ADEM) may offer job seekers a professionalisation internship with a potential employer.

The professionalisation internship cannot exceed 6 weeks. It may be extended to 9 weeks for persons who are deemed to be highly qualified and if the position is in line with their qualification

The professionalisation internship enables job seekers to put forward their capacities in a concrete manner while they acquire new competencies. To this end, the employer must appoint a mentor who is responsible for assisting and guiding the trainee throughout the training period.

The professionalisation internship in a company is an unpaid traineeship. The employer does not have to pay an allowance to the trainee. The trainee is entitled to a training allowance of EUR 323 per month (index 775.17) paid by the ADEM. To this end, the employer will send ADEM the trainee's record of attendance each week. Persons with unemployment benefits, a tideover allowance, a professional tideover allowance or income for severely disabled persons continue to receive these benefits or allowances during their training.

At the end of the professionalisation internship the employer informs the National Employment Agency (ADEM) in writing of the job seeker's employment possibilities in the company.

If the trainee is not hired at the end of the training, the employer must provide ADEM with a document listing the competencies acquired during the training as well as the shortcomings identified.

Financing/Support:

If, after the professionalisation internship, the job seeker is offered a permanent employment contract, the employment fund will reimburse the employer 50% of the social minimum wage for unskilled workers during 12 months. For this to happen, the employer has to submit an application for a subsidy after professionalisation internship to ADEM.

If the worker receives a permanent contract on a part-time basis, the reimbursement will be calculated in proportion to the work schedule.

The reimbursement is only due and paid during 12 months after the recruitment provided that:

Source: Eurostat LMP database. Date of extraction: 23 January 2019

- the work contract is still in force at the time of the application;
- and that the duration of the professionalisation internship has been specifically deducted from the duration of a possible trial period.

It should be noted that the reimbursement can be paid out concurrently with other financial aid received but only within the limit of the minimum social wage for unskilled workers.

Eligibility:

Job seekers: Elderly job seekers over 45 years of age, workers with reduced work capacity and disabled workers who are registered with ADEM for at least one month.

Companies: Companies that are in the position to offer a real employment perspective to the jobseeker at the end of the internship

Legal basis:

Code du travail : articles L-524-1 à L-524-11.

Recent changes:

Supplementary information

Breakdown of expenditure:	Transfers to individuals (Periodic cash payments)		
Target groups:	Registered unemployed (Older, Disabled)		
Treatment of unemployment spells:	Continuous/Discontinuous		
Receipt of benefits:	Cash benefits (Source: Current intervention, Unemployment benefit, Other)		
Planned duration:	Maximum: 6 Weeks, Maximum extended: 9 Months		
Responsible institution(s):	Public employment services		
Area of application:	National		
Implementation:	<i>Year started:</i>	2016	<i>Year Ended:</i> Ongoing

Identification

Country Luxembourg 2017 Category 2 - Training

Intervention n°/name 43 Employment reintegration contract (CRE)

Type of action: 2.2 - Workplace training

Description

Aim:

The employment reintegration contract is an employment measure aimed to develop the professional reintegration of the most vulnerable populations (elderly job seekers, workers with reduced work capacity, disabled workers) on the labour market by allowing them to show their capacities in a concrete manner all the while acquiring new competencies.

Beneficiaries:

The contract can be offered to job seekers who are:

- at least 45 years old;
- or currently in an external professional redeployment programme;
- or who have the disabled worker status.

In order to benefit from an employment reintegration contract, job seekers must have been registered with ADEM for at least a month.

Employers who intend to conclude an employment reintegration contract with a job seeker must be in a position to offer a real employment perspective.

Action/Instrument

The National Employment Agency (Agence pour le développement de l'emploi - ADEM) may offer the conclusion of an employment reintegration contract between a job seeker and an employer. The employment reintegration contract is concluded for a duration of 12 months.

Employers who intend to conclude such a contract with a job seeker must contact ADEM's Service employeurs and submit a declaration of vacant position. The employer must appoint a mentor who is responsible for assisting and guiding the job seeker throughout the employment reintegration contract.

Within the first month of the contract's entry into force, the company, the mentor and the job seeker have to draft a training plan which must be sent in copy to ADEM's Employer service.

ADEM pays an allowance to the job seeker every month. The allowance paid is subject to standard social security and tax contributions applicable to salaries and the employer contributions are covered by the Luxembourg Employment Fund (Fonds pour l'emploi).

For the job seeker to receive his allowances in a timely manner, the employer has to send ADEM the job seeker's record of attendance each month. Employers also need to notify ADEM of any change in the job seeker's situation.

Employers must pay ADEM the proportion corresponding to 50 % of the social minimum wage for unskilled workers based on an invoice issued by ADEM. The proportion is reduced to 35 % of the social minimum wage for unskilled workers in the case the job seeker is of the under-represented gender in the sector of activity concerned.

The employer can also pay an optional performance bonus to the job seeker.

At the end of the employment reintegration contract, the employer informs ADEM in writing of the job seeker's employment possibilities within the company.

If the job seeker is hired at the end of the employment reintegration contract, the duration of the contract plus, where applicable, the duration of professionalisation training, must be taken into account for the trial period, if any.

If the job seeker is not hired at the end of the employment reintegration contract, the employer must provide ADEM with a document listing the competencies acquired during the training as well as the shortcomings identified.

Employers who are recruiting staff within 3 months of the end of the job seeker's employment reintegration contract must give priority to the former beneficiary of the employment reintegration contract provided that the required qualifications and profile match.

Source: Eurostat LMP database. Date of extraction: 23 January 2019

Finanacina/Support:

ADEM pays an allowance to the job seeker every month.

The allowance paid is subject to standard social security and tax contributions applicable to salaries and the employer contributions are covered by the Luxembourg Employment Fund (Fonds pour l'emploi). Employers must pay ADEM the proportion corresponding to 50 % of the social minimum wage for unskilled workers based on an invoice issued by ADEM. The proportion is reduced to 35 % of the social minimum wage for unskilled workers in the case the job seeker is of the under-represented gender in the sector of activity concerned.

Where applicable, employers can also request financial aid with respect to the hiring of older unemployed persons and the long-term unemployed

Eligibility:

Job seekers : Elderly job seekers of at least 45 years of age ; workers with reduced work capacity, disabled workers who are registered with ADEM for at least one month.

Employers must be in the position to offer a real job perspective.

Legal basis:

Code du travail : articles L-524-1 à L-524-11.

Recent changes:

Supplementary information

Breakdown of expenditure:	Transfers to individuals (Periodic cash payments)		
Target groups:	Registered unemployed (Older, Disabled)		
Treatment of unemployment spells:	Broken		
Receipt of benefits:	Cash benefits (Source: Current intervention)		
Planned duration:	Maximum: 12 Months		
Responsible institution(s):	Public employment services		
Area of application:	National		
Implementation:	<i>Year started:</i>	2016	<i>Year Ended:</i> Ongoing

Identification

Country Luxembourg 2017 Category 2 - Training

Intervention n°/name 44 Social and employment initiatives

Type of action: 2.2 - Workplace training

Description

Aim:

Activate jobseekers and foster their professional and personal capabilities in order to approach them to the labour market and to facilitate their professional (re-)integration

Beneficiaries:

Jobseekers who are not eligible for unemployment benefits and who are relatively far away from the labour market

Action/Instrument:

These measures are aimed at jobseekers who are not compensated and include all initiatives organised by unions and municipalities (Forum pour l'Emploi a.s.b.l., Pro-Active and other non-profit associations). They help to strengthen the professional and personal capacities of the participants in a wide range of activities while allowing them to get closer to the labor market. Each project is developed with partners who contribute to the cost of the project. These may include municipalities, intermunicipal unions, trade unions, associations, companies or individuals.

Financing/Support:

The special measures are funded by the National Employment Plan (PAN), the European Social Fund as well as by the participating project partners.

Eligibility:

Legal basis:

This measure is part of the new employment policies defined by the 1998 National Action Plan for Employment (PAN), which was legally established in 1999 (Law of 12 February 1999 on the implementation of the Plan of Action National Action for Employment 1998, Memorial A No. 13 of 23.02.1999).

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to service providers

Target groups: Registered unemployed (All)

Treatment of unemployment spells: Broken

Receipt of benefits: None

Planned duration: Typical: 5 Months, Maximum: 18 Months, Maximum extended: 24 Months

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 2016 *Year Ended:* Ongoing

Identification

Country Luxembourg 2017 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.

Financing/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)

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 2017 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)
Other registered jobseekers (Public priorities and Other)
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 2017 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.

Finanacina/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

Reciept 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 2017 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: Variable

Responsible institution(s): Public employment services

Area of application: National

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

Identification

Country Luxembourg 2017 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:

registered jobseekers with residence in Luxembourg for at least 3 months by ADEM, hired for a long-lasting (sustainable) employment notified to ADEM and being located on the Luxembourgish territory.

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 and 25th June 2009

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 2017 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.

Financing/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:

Loi du 24 décembre 1996 portant introduction d'une bonification d'impôt sur le revenu en cas d'embauchage de chômeurs. (Mémorial A, n°95 du 30.12.1996)

Loi du 18 décembre 2015 portant transposition: - de la directive 2014/86/UE du Conseil du 8 juillet 2014 modifiant la directive 2011/96/UE concernant le régime fiscal commun applicable aux sociétés mères et filiales d'Etats membres différents; - de la directive 2015/121/UE du Conseil du 27 janvier 2015 modifiant la directive 2011/96/UE concernant le régime fiscal commun applicable aux sociétés mères et filiales d'Etats membres différents; portant modification: - de la loi modifiée du 4 décembre 1967 concernant l'impôt sur le revenu; - de la loi modifiée du 16 octobre 1934 sur l'évaluation des biens et valeurs; - de la loi modifiée du 1er décembre 1936 concernant l'impôt commercial; - de la loi générale des impôts modifiée du 22 mai 1931 («Abgabenordnung»); - de la loi modifiée du 24 décembre 1996 portant introduction d'une bonification d'impôt sur le revenu en cas d'embauchage de chômeurs. (Mémorial A, n°245 du 24.12.2015)

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 2017 Category 4 - Employment incentives
Intervention n°/name 40 Employment initiation contract
Type of action: 4.1 - Recruitment incentives

Description

Aim:

The objective of the CIE is to ensure that its beneficiary receives practical training during working hours in order to facilitate his integration into the employment market.

Beneficiaries:

Young jobseekers who are less than 30 years old and who are registered for at least three months with ADEM.

Action/Instrument:

The employment initiation contract is not subject to the same provisions as a traditional employment contract. However, the legal and contractual rules relating to night work, overtime, working on public holidays, and also Sunday work remain applicable.

In order to hire a young jobseeker via a CIE, the employer must submit a declaration of vacant position to the ADEM. If jobseekers fitting the profile are available, the ADEM will propose those candidates to the employer.

The employment initiation contract is concluded for a duration of 12 months. However, the director of the ADEM may extend the employment initiation contract for a maximum duration of 6 months upon a justified request by the employer.

The employer must appoint a mentor in the company. The mentor's role is to assist and guide the beneficiary of the CIE throughout the contract period.

Throughout the whole contract period, the employer must pay the beneficiary of the CIE a basic remuneration of:

- 80 % of the social minimum wage for unskilled workers under 18 years of age (i.e. EUR 1,598.87 per month - index on 1 January 2017);
- 100 % of the social minimum wage for unskilled workers over 18 years of age (i.e. EUR 1,998.59 per month - index on 1 January 2017);
- 130 % of the social minimum wage for young people holding an advanced technician's certificate (BTS), a bachelor or a master's degree (i.e. EUR 2,598.16 per month as from 1 January 2017).

Financing/Support:

The Luxembourg Employment Fund reimburses the employer on a monthly basis during the 12 first months of the CIE:

- 50 % of the base salary (65 % if the person employed is of the gender which is underrepresented in the employer's sector of activity and/or in the profession concerned);
- the employer's part of social security contributions.

In the event of an extension of the CIE, the employment fund (Fonds pour l'emploi) reimburses the employer for the duration of the extension:

- 30 % of the base salary;
- the employer's full share of social security contributions.

Eligibility:

The Luxembourg Employment Agency (ADE;) may refuse the conclusion of an employment initiation contract in the event of manifest abuse of the measure by the employer and where adequate supervision of the young beneficiary can not be guaranteed.

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

Source: Eurostat LMP database. Date of extraction: 23 January 2019

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: Maximum: 12 Months, Maximum extended: 18 Years

Responsible institution(s): Central government

Area of application: National

Implementation: *Year started:* 2007 *Year Ended:* Ongoing

Identification

Country Luxembourg 2017 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 2017 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 2017 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 2017 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:* 2002 *Year Ended:* Ongoing

Identification

Country Luxembourg 2017 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.

Professional redeployment (Disability and vocational rehabilitation)

Professional redeployment applies to employees who are incapable of performing their previous job due to health reasons, disability or bodily wear and tear but who are not eligible for the invalidity scheme.

Two cases are possible:

- Internal professional redeployment consists of reintegration within the same company after a period of incapacity for work. The employee may be assigned to another position or work regime.

- When internal professional redeployment is not possible, employees may be entitled to external professional redeployment. The purpose of external redeployment is to facilitate the employee's professional reintegration into the labor market.

Beneficiaries:

Worker with an external or internal placement status (disabled).

An employer who hires a disabled employee may receive a certain part of salary costs, training expenses, costs of adapting workstations and access to work, transport costs as well as the provision of adapted professional equipment and the employer's share of social security contributions.

Action/Instrument:

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

With regard to the partial reimbursement of wages, the level participation by the state will depend in particular on the employee's loss of performance related to a reduction in his or her working capacity.

Financing/Support:

Employment Fund

Eligibility:

The workers needs 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

Source: Eurostat LMP database. Date of extraction: 23 January 2019

Implementation:

Year started: 2004

Year Ended: Ongoing

Identification

Country Luxembourg 2017 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 2017 Category 5 - Supported employment and rehabilitation

Intervention n°/name 45 Work serving the public interest

Type of action: 5.2 - Rehabilitation

Description

Aim:

The purpose of the public works assignment measure (since 1/1/2016) is to enable a job seeker in a redeployment to remain active.

The job seeker can be assigned to work serving the public interest (like the State, Municipal and Municipal Unions, Public Institutions and Foundations).

Beneficiaries:

- Persons in external occupational redeployment (classement professionnel externe - RPE) - new law 2015
- Persons in external occupational redeployment (reclassement externe - RE) - old law 2002

Action/Instrument:

The duration of this assignment shall be at least four months. It should be noted that the job seeker will be in a position to perform the duties of the position. It shall terminate as soon as the job seeker finds a job, or, on the advice of the competent occupational physician, or at the latest when he/she loses his/her status as a person in occupational redeployment.

Financing/Support:

no charge
no expenditure

Eligibility:

The promoter's application for a public utility assignment must contain a precise description of the nature of the work envisaged and provide for the appointment of a supervisor who will assist and supervise the job seeker in external occupational redeployment during the duration of the work. This request for assignment is analyzed by the agents of the Employer Service of the National Employment Agency (ADEM), which then selects potential candidates from registered job seekers. The assignments of the selected candidates are thereafter transmitted to the promoter making their choice. The occupational physician determines whether the selected person can be assigned to the public utility in question. The choice of the promoter and the opinion of the competent occupational physician shall be transmitted to the Mixed Commission. The allocation decision shall be taken by the Minister having the work in his attributions, on a proposal from the Joint Commission.

During the period of assignment to public works, the person remains available for the job market.

Legal basis:

Code du travail Article L. 551-11 ¶

Recent changes:

Supplementary information

Breakdown of expenditure:

Target groups: Registered unemployed (Disabled)

Treatment of unemployment spells: No answer

Receipt of benefits: None

Planned duration: Not specified

Responsible institution(s): Public employment services

Area of application: National

Source: Eurostat LMP database. Date of extraction: 23 January 2019

Implementation:

Year started: 2017

Year Ended: Ongoing

Identification

Country Luxembourg 2017 Category 6 - Direct job creation
Intervention n°/name 2 Extraordinary works of general interest
Type of action: 6 - Direct job creation

Description

Aim:

The Government is authorized to carry out extraordinary works of general interest ensuring the productive occupation of available workforce.

Beneficiaries:

Beneficiaries are workers threatened with redundancies due to structural difficulties of their companies with the aim of maintaining a satisfactory level of employment during a period of general economic recession.

If a company employing less than 150 employees opts for extraordinary work of general interest and is therefore liable to jeopardize its financial situation to such an extent that the subsequent maintenance of employment is called into question, it may apply for a financial aid.

Action/Instrument:

The Government determines, on the advice of the Economic Committee, those sectors experiencing economic difficulties of such gravity as to require their admission to extraordinary work of general interest.

The Government also determines the criteria for such work and adopt a program. Municipalities and other legal persons governed by public law are required, at the request of the competent ministers, to submit to the Government proposals for extraordinary works of general interest meeting the criteria laid down.

Working relationships between the employer and the staff are maintained. The costs are covered by the Luxembourg Employment Fund. However, the local authorities and public bodies involved in the execution of extraordinary works of public interest reimburse the related costs to the State.

The coordination of extraordinary work is under the responsibility of the Luxembourg Employment Agency (Agence pour le développement de l'emploi), which may require the assistance of other public services. The public services normally responsible for such works shall be responsible for supervision by the State.

Financing/Support:

Luxembourg Employment Fund (Fond pour l'emploi)

Eligibility:

Companies in sectors that are experiencing severe economic difficulties, designated by the Gouvernement on the recommendation of the Economic Committee.

Legal basis:

Loi du 26 juillet 1975 autorisant le Gouvernement à prendre des mesures destinées à prévenir des licenciements pour des causes conjoncturelles et à assurer le maintien de l'emploi (Mémorial A n°46 du 31.07.1975).

Code du travail : articles L. 511-16 à L. 511-26.

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

Source: Eurostat LMP database. Date of extraction: 23 January 2019

Receipt of benefits:	None		
Planned duration:	Variable		
Responsible institution(s):	Central government		
Area of application:	National		
Implementation:	<i>Year started:</i> 1977	<i>Year Ended:</i>	Ongoing

Identification

Country Luxembourg 2017 Category 6 - Direct job creation
Intervention n°/name 10 Compensated temporary occupation (OTI)
Type of action: 6 - Direct job creation

Description

Aim:

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

Under certain conditions, a jobseeker receiving unemployment benefits can be assigned to an employer in the public sector (promoter).

Beneficiaries:

This aid is accessible to the State, municipalities, municipal associations, public institutions, and foundations, as well as private companies affected by a plan to maintain employment.

The system concerns:

- Jobseekers receiving an allowance;
- Employees affected by a plan to maintain employment.

Action/Instrument:

An OTI is granted for a maximum of 6 months, including extension.

For a job-seeker over the age of 50, the extension application procedure is different. ADEM's director can extend the OTI for 12 months but the file will be reconsidered two months before the end of this extension. The unemployment benefit plus a supplementary allowance may not exceed the minimum social wage.

Over a twelve-month period, the promoter can only benefit from one OTI for the same position.

Financing/Support:

Finance: Employment fund. Support: Public employment service (ADEM)

The Employment Fund pays unemployment benefit. Therefore, the employer does not pay the employee a salary. The latter continues to receive his full unemployment benefit, plus an additional allowance.

All supplements (night work, overtime, work holidays, ...) are at the responsibility of the promoter and are not considered as sidelines within the meaning of the provisions of Article L. 521-18 of the Labor Code

Eligibility:

Persons on unemployment benefits.

Employees affected by a plan to maintain employment.

Legal basis:

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

Recent changes:

Law 2017 07 20 Amendments of Labour Act :

L-523-1 §2

+ Art 10 Persons occupied under Compensated temporary occupation (OTI) contract before the new law continue to benefit from former regulation

<http://adem.public.lu/en/demandeurs-demploi/aides-financieres-mesures/mesures-emploi/oti/index.html>

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: 12 Months

Responsible institution(s): Public employment services

Area of application: National

Source: Eurostat LMP database. Date of extraction: 23 January 2019

Implementation:

Year started: 1987

Year Ended: Ongoing

Identification

Country Luxembourg 2017 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)
Treatment of unemployment spells: Continuous/Continuous
Receipt of benefits: Cash benefits (Source: Current intervention)
Planned duration: Maximum: 2 Years
Responsible institution(s): Central government
Area of application: National
Implementation: *Year started:* 1995 *Year Ended:* Ongoing

Identification

Country Luxembourg 2017 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:	<i>Year started:</i> 1999 <i>Year Ended:</i> Ongoing

Identification

Country Luxembourg 2017 Category 6 - Direct job creation
Intervention n°/name 46 Employment of insertion favoring the hiring of a long-term job-seeker
Type of action: 6 - Direct job creation

Description

Aim:

The Luxembourg State can, under certain circumstances, grant financial aid for the creation of new integration jobs (under a permanent employment contract) for long-term unemployed jobseekers.

Beneficiaries:

The creation of new integration jobs for long-term unemployed jobseekers, may only be applied for by the following employers:

- Government
- municipalities and communal associations
- public institutions
- societal-impact companies whose share capital is made up entirely (100%) of impact shares
- non-profit associations (asbl)
- foundations

Action/Instrument:

Employers wishing to provide new integration jobs are asked to contact ADEM and fill in the form « Création d'un emploi d'insertion pour chômeur de longue durée » ¶

The reimbursement of salary costs will be made on the basis of quarterly statements to be sent to ADEM by the employer.

Financing/Support:

The financial aid is granted by the Minister on the advice of ADEM and is adjusted according to the age of the person hired. Financial aid for the hiring of long-term unemployed between 30 and 49 years of age is granted to the employer for the first three consecutive years of employment following the conclusion of an open-ended employment contract).

The Employment Fund reimburses the employer for the actual salary costs incurred:

- 100% of salary costs for the first year
- 80% of salary costs for the second year
- 60% of salary costs for the third year.

For hiring unemployed jobseekers who are 50-years and older, the Employment Fund reimburses 100% of the actual salary costs incurred.

The financial aid will be paid until the employee's retirement.

Important

When determining the amount of the reimbursement, the salary costs incurred shall be capped at 150% of the social minimum wage for unskilled employees.

If the employer terminates the employment contract before the end of the sixth year for reasons not inherent to the employee, the employer is obliged to return to the Employment Fund, 75% of reimbursements received.

If one of the parties unilaterally terminates the employment contract during the probationary period, no obligation of reimbursement can be imposed on the employer.

Eligibility:

1. Jobseekers eligible for integration jobs must be - at least 30 years of age - registered with ADEM and unemployed for at least 12 months.
2. The open-ended employment contract must be concluded for a new post and not for an existing vacant post for which a possibility of replacement through the normal recruitment procedure exists.
3. The employer must seek the opinion of the staff delegation on the creation of a new integration job.

Legal basis:

L.541-5 et L.541-6 du Code du Travail ¶

Recent changes:

Supplementary information

Breakdown of expenditure: Transfers to employers (Reimbursements)

Target groups: Registered unemployed (LTU, Older)

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:* 2017 *Year Ended:* Ongoing

Identification

Country Luxembourg 2017 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 2017 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 2017 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:

In order to protect jobs and thus prevent redundancies, the Luxembourg labour law allows businesses, under certain conditions, to resort to various short-time working (chômage partiel) schemes depending on the nature of the difficulties encountered.

The short-time working scheme in the event of structural economic problems is intended to support businesses belonging to a crisis-stricken sector or an economic branch and encountering economic or structural difficulties

Beneficiaries:

This scheme is aimed at businesses belonging to a sector or an economic branch declared to be in crisis by the government. Short-time working schemes can be applied to all employees with their place of work in Luxembourg, whether they are under a permanent employment contract or a fixed-term employment contract.

Short-time working schemes can not be applied to apprentices, to temporary workers or workers having tendered/received their notice.

Action/Instrument:

Businesses have to submit their application for short-time work to the secretariat of the Economic Committee (Comité de conjoncture). The Economic Committee analyses the balance sheet and the financial situation of the business and determines a period of eligibility. It then submits a written opinion to the Government Council (Conseil de Gouvernement) who will decide whether or not to allow short-time work.

The permission to make use of the provisions concerning short-time working can only be granted for a maximum of 1,022 hours per year and per full-time working employee. For persons working on a part-time basis, the limit of 1,022 hours are pro-rated.

Financing/Support:

Finance: Employment Fund

Support: Public employment service

During the short-time working period, the State reimburses the business 80 % of the salaries normally received by the employees during the non-work periods. Reimbursement is limited to 250 % of the social minimum wage. The business still has to pay social security costs and salaries in respect of hours worked.

Eligibility:

To apply for short-time working due to cyclical economic problems, the business must:

- be established in Luxembourg;
- hold, where applicable, a business permit granted by the competent authority;
- belong to a sector declared to be in crisis by the government;
- not be suffering from structural difficulties;
- undertake to not make any employee redundant for economic reasons.

Legal basis:

Labour Act (Code du travail), articles. L.511-3 to 511-15

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: 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 2017 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 2017 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 2017 Category 9 - Early retirement
Intervention n°/name 19 Early retirement
Type of action: 9.1.2 - Partial

Description

Aim:

Beneficiaries:

Action/Instrument:

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:

Supplementary information

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

Target groups: Registered unemployed (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:* 1995 *Year Ended:* Ongoing

D - Reference data

R.1	Registered jobseekers (total)
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30	Registered unemployed
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Sum of Registered unemployed jobseekers R1.1, [out of work, available for work, seeking suitable employment, NOT taking part in a labour market measure] and R1.2 Registered jobseekers in a labour market measure

Abbreviations

Abbreviation, Description