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Luxembourg: Working time flexibility

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Luxembourg

Phase:

Management

Type:

Working time flexibility

Last modified: 10 December, 2021

Native name: **Chômage partiel**

English name: **Short-time work**

Article

L. 511-1 to L. 511-15, L. 166-2, L. 513-3, L. 631.2

Description

Short time working arrangements

The legislation provides four short-time working arrangements to help companies facing economic difficulties.

Short-time working due to economic dependence

The short-time working scheme due to economic dependence (*Chômage partiel pour lien de dépendance économiques*) aims at businesses facing economic difficulties following the loss of one or more of their main customers or due to difficulties encountered by their customers. It can be applied to businesses which primarily work for another business whose amount of orders has dropped significantly or who have cancelled the existing contract; work for one or more other businesses (e.g. through subcontracting) which are in turn required to resort to short-time working in Luxembourg.

Short-time working due to cyclical economic problems

The short-time working scheme in the event of cyclical economic problems (*Chômage partiel pour problèmes économiques conjoncturels*) is intended to support businesses within crisis-stricken sectors and encountering economic difficulties. This scheme is aimed at businesses belonging to a sector declared to be in crisis by the government on the basis of analysis provided by the Tripartite Economic Committee (*Comité de conjoncture*). To avoid exposing Luxembourg's businesses to a loss of confidence of their suppliers and creditors, the list of sectors in crisis (determined by its NACE code) is not published.

Short-time working due to structural economic problems

The scheme for short-time working due to structural economic problems (*Chômage partiel pour problèmes économiques structurels*) is intended to support business encountering structural difficulties. Before applying for this scheme, the employer must consult the secretariat of the Tripartite Economic Committee (*Comité de conjoncture*) to check that the problems encountered are recognised as being of structural economic nature. The employer must also draw a restructuring plan at the request of the secretariat.

Short-time working in the event of force majeure

The short-time working scheme in the event of force majeure (*Chômage partiel en cas de force majeure*) can be applied in exceptional circumstances to businesses which encounter economic difficulties following the occurrence of an event beyond their control and which prevents the continuation of their normal economic activity.

Main rules

In any cases, businesses that make use of short-time working commit not to lay off employees for economic reasons.

The employer has to submit his/her application for short-time working to the secretariat of the Economic Committee (*Comité de conjoncture*). The form must be duly signed by the employer and by the staff delegation. By signing the form, the staff delegation acknowledges that the employer has received the delegation and informed them about the application for short-time working. If the company employs fewer than 15 employees or does not

have a staff delegation, each employee concerned must sign the form individually. The employer also has to inform and consult the trade unions until the next work place elections in the case of businesses bound by a collective agreement.

Since a reform adopted on 23 December 2016 ([Loi du 23 décembre 2016 portant modification des articles L.511-5, L.511-7, L.511- 12 and L.631-2 du Code du travail](#)), the permission to utilise the provisions concerning short-time working can be granted for a maximum of 12 months instead of 6 months, to give more flexibility to companies to overcome their economical difficulties. Short-time working can only be granted for a maximum of 1,022 hours per year and per full-time employee. For persons working on a part-time basis, the limit of 1,022 hours are pro-rated. This provision abolished, since 2017, the former rule that within a single month, the employer could not reduce the hours worked by an employee on short-time working by more than 50 % of working hours.

During the period of short-time working, the employer pays each employee the salary due for every hour worked and a compensatory allowance corresponding to:

- at least 80 % of the normal salary for inactive hours;
- at least 90 % of the normal salary if the worker has participated in continuous vocational training during inactive hours.

Employers also have to continue to pay the following to the competent public administrations: social contributions and withholding tax on salaries paid for hours worked; social contributions and withholding tax on the compensatory allowance paid for inactive hours, with the exception of the following employer's contributions: accident insurance contributions and contributions for family benefits.

Short-time working schemes can be applied to all employees with their workplace in Luxembourg, whether they are under a permanent employment contract or a fixed-term employment contract. Agency workers, interns and apprentices cannot benefit from this schemes. The amount of time off work under short-time working arrangements may not exceed 50% of the normal monthly hours worked

Working time accounts

Working time accounts allow workers to save up time in order to complete personal projects. After they were successfully introduced in the public sector in 2018, the national parliament voted on a bill to implement them – on a voluntary basis - in the private sector on 12 March 2019. The law stipulates that employees must have had a work contract for at least two years in order to be eligible for a working time account. Such accounts are limited to 1,800 hours, and additional holidays, late hours or up to five regular holiday days can be used to supply them. Fixed one month in advance, accounts have to be requested in writing and the employer must grant the request as long as there will be no negative impact on work-related matters. Working time accounts can be created through collective agreements or by inter-branch social dialogue agreements to be sent to the Minister of Labour and Employment.

Comments

As of July 2021, the Conjoncture Committee (Comité de conjoncture) has approved 1424 out of 1426 demands for short-time working. A total of 13,201 employees benefited from the short-time working measures, out of 17,144 persons employed by those companies.

Cost covered by

Employer
National government

Involved actors other than national government

Employer organisation
Trade union
Works council
Other








Involvement others

Conjuncture Committee (Comité de Conjoncture), a tripartite body consisting of members representing the government (the Ministry of Economy, the Ministry of Labour, Employment and the Social and Solidarity Economy and the Ministry of Finance), representatives of employers' organisations and trade unions.


Thresholds

No, applicable in all circumstances

Sources

-  [Labour Code](#)
-  [Loi du 23 décembre 2016 portant modification des articles L.511-5, L.511-7, L.511- 12 et L.631-2 du Code du travail](#)
-  [Conjuncture Committee](#)
-  [Guichet.lu \(governmental website\) - Short-time working and temporary layoffs \(English\)](#)
-  [Guichet.lu \(governmental website\) - Sauvegarde de l'emploi \(French\)](#)
-  [Eurofound \(2009\), Tackling the recession: Employment-related public initiatives in the EU Member States and Norway, Dublin.](#)
-  [Eurofound \(2010\), ERM report 2010: Extending flexicurity – The potential of short-time working schemes, Publications Office of](#)

the European Union, Luxembourg.

 ERM database on restructuring support instruments - partial unemployment

 OGBL's proposals in terms of working time

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