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Factsheet for case LU-2020-12/303

Measures for short-time working in cases of force majeure related to the coronavirus

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|--------------|---|
| Country | Luxembourg, applies nationwide |
| Time period | Temporary, started on 19 March 2020 |
| Type | Tripartite agreement |
| Category | Employment protection and retention – Income support for people in employment (e.g. short-time work) |
| Case created | 06 April 2020 (updated 03 May 2020) |

Background information

In view of the scale of the COVID-19 threat and the tangible repercussions on the lives of companies and their employees, the Luxembourg government has decided on a "force majeure / coronavirus" short-time working scheme with an accelerated procedure for all Luxembourg companies impacted by the coronavirus. The procedure has been simplified for all companies impacted by the coronavirus to speed up the treatment process following the Grand-Ducal regulation of 18 March 2020 introducing a series of measures to combat COVID-19.

A company that resorts to short-time working in cases of force majeure commits not to dismiss employees for economic reasons as long as the relevant government decisions remain in force.

(Règlement grand-ducal du 18 mars 2020 portant introduction d'une série de mesures dans le cadre de la lutte contre le COVID-19. Mémorial A 178 du 24 mars 2020 Shorttime Work: Book v.- Employment and Unemployment -Title I - Prevention of dismissals and maintenance of employment
Chapter 1 - Measures to prevent cyclical redundancies (Livre V.- Emploi et Chomage
Titre Premier – Prévention des licenciements et maintien de l'emploi
Chapitre Premier.- Mesures destinées à prévenir les licenciements conjoncturels)

Content of measure

In the event of a drop in activity, short-time working provides for the continued employment of employees through state subsidies by reducing the working time of some or all employees. The aim is to avoid redundancies of employees for cyclical or structural reasons and in the event of force majeure preventing the normal pursuit of economic activities. In the context of the coronavirus crisis, the government decided to speed up the procedure by means of an online application accessible via the website of the public employment service. The measure is limited to 1,022 hours per year per employee.

The application for short-time work must be communicated to the staff representatives and applies to employees on permanent or fixed-term contracts who do not receive any old-age or disability pension, are insured with the Joint Social Security Centre, apprentices, persons benefiting from an employment programme.

The measure does not apply to temporary workers. The employer pays each employee the salary due for every hour worked as well as a compensation to at least 80% of the salary that should be received the inactive hours, but only up to a maximum of 250 % of the social minimum wage. Employers also have to continue to pay social contributions e) and withholding tax on salaries paid for hours worked as well as for inactive hours, with the exception of accident insurance contributions and family benefits.

Use of measure

No information available

Actors, target groups and funding

| Actors | Target groups | Funding |
|--|----------------------------|----------------|
| National government Social partners jointly | Employees All companies | National funds |

Social partners

| | |
|-------------------------|---|
| Role of social partners | Agreed (outcome) |
| Form of involvement | Bi-or tripartite social dialogue bodies |

Measure agreed by the Economic Committee (Comité de conjonture)

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 18 March 2020: Nouvelles mesures simplifiées pour entreprises qui demandent le chômage partiel lié au coronavirus (cdc.gouvernement.lu)