

Luxembourg

Exchange rate: US\$1.00 = 0.73 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1911 (wage earners) and 1931 (salaried employees).

Current laws: 1987 (unified pension insurance), 1989 (pension scheme), 1998 (special schemes), 2000 (pension scheme).

Type of program: Social insurance system.

Coverage

All economically active persons in the private sector, including self-employed persons; and public-sector workers who entered the labor force after December 31, 1998.

Special systems for railway employees and for public-sector employees who entered the labor force before January 1, 1999.

Source of Funds

Insured person: 8% of covered earnings.

The minimum monthly earnings used to calculate contributions are the legal social minimum wage.

The maximum monthly earnings used to calculate contributions are five times the legal social minimum wage.

The legal monthly social minimum wage is €1,921.03.

Self-employed person: 16% of covered income.

The minimum monthly earnings used to calculate contributions are the legal social minimum wage.

The maximum monthly earnings used to calculate contributions are five times the legal social minimum wage.

The legal monthly social minimum wage is €1,921.03.

Employer: 8% of covered payroll.

The minimum monthly earnings used to calculate contributions are the legal social minimum wage.

The maximum monthly earnings used to calculate contributions are five times the legal social minimum wage.

The legal monthly social minimum wage is €1,921.03.

Government: 8% of covered earnings.

The minimum monthly earnings used to calculate contributions are the legal social minimum wage.

The maximum monthly earnings used to calculate contributions are five times the legal social minimum wage.

The legal monthly social minimum wage is €1,921.03.

Qualifying Conditions

Old-age pension: Age 65 with at least 120 months of coverage; age 60 with at least 480 months of paid or credited contributions, including at least 120 months of paid contributions; age 57 with at least 480 months of paid contributions.

Employment must cease.

A minimum pension is paid with at least 20 years of coverage.

Disability pension: Must be younger than age 65 and unable to work in his or her usual occupation or any other similar occupation. The insured must have at least 12 months of coverage in the three years before the disability began. There is no minimum qualifying period for a disability that is the result of an accident.

Survivor pension: The deceased had at least 12 months of coverage in the three years before death or was a pensioner at the time of death.

Eligible survivors include the deceased's spouse or declared partner (also a divorced spouse or separated partner if not remarried before the insured's death) if the date of marriage or the legal declaration of partnership was at least one year before the date the deceased retired (if a pensioner) or the date of death (if in insured employment) and the insured did not receive an old-age or disability pension at the time of marriage. These conditions are waived if the death resulted from an accident, if the spouse or partner had children with the deceased, if the marriage or partnership lasted at least 10 years, or if the marriage or partnership exceeded a year and the age gap between the two spouses or partners was less than 15 years.

Other eligible survivors include orphans younger than age 18 (age 27 if a student or in vocational training) and, if there is no surviving spouse, the deceased's dependent parent or close relative older than age 40 who lived with the deceased for at least five years before the death.

Old-Age Benefits

Old-age pension: A flat-rate component of €446.84 a month is paid if the insured has at least 40 years of coverage (reduced by 2.5% for each year of coverage less than 40) plus an annual increment of 1.84% of adjusted lifetime covered earnings.

The minimum monthly pension varies from €851.55 with 20 years of coverage to €1,703.10 with 40 years of coverage.

The maximum monthly pension is €7,884.73.

Old-age pensions are payable abroad.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living and periodically according to changes in wages.

Permanent Disability Benefits

Disability pension: A flat-rate component of €446.84 a month is paid if the insured has at least 40 years of coverage (reduced by 2.5% for each year of coverage less than 40) plus an annual increment of 1.84% of adjusted lifetime covered earnings.

If the disability began before age 55, an additional annual increment is paid for the period from the date the disability began to age 55. The additional increment is based on 1.84% of the insured's average earnings from age 25 to the date the disability began plus a flat-rate increment of 2.5% of €446.84 for each remaining year from the date the disability began to age 65.

The minimum monthly disability pension with 40 years of coverage is €1,703.10.

Disability pensions are payable abroad.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living and periodically according to changes in wages.

Survivor Benefits

Spouse's pension: 100% of the flat-rate component for an old-age pension plus 75% of the deceased's annual increment of adjusted lifetime earnings is paid. The spouse's pension for an eligible divorced spouse or separated partner is calculated according to the length of the coverage period accrued during the marriage or partnership.

The spouse's pension is reduced if the total income including other pension income exceeds a given amount.

Orphan's pension: 33% of the flat-rate component for an old-age pension plus 25% of the deceased's annual increment of adjusted lifetime earnings is paid. Full orphans receive a double pension.

All survivor benefits combined must not exceed 100% of the deceased's pension.

Survivor pensions are payable abroad.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living and periodically according to changes in wages.

Administrative Organization

Ministry of Social Security (<http://www.mss.public.lu>) provides general supervision.

National Pension Insurance Fund (<http://www.cnap.lu>) administers the private-sector program.

Public Employees Administration administers the program for civil servants.

Sickness and Maternity

Regulatory Framework

First law: 1901.

Current law: 1992 (sickness insurance and health sector), 2008 (single fund), and 2010 (health care system).

Type of program: Social insurance system.

Coverage

All public- and private-sector employees and social security beneficiaries. Self-employed persons, artists, and farmers are covered for medical and attendance benefits only.

Voluntary coverage for those without compulsory coverage.

Special systems for self-employed persons, artists, and farmers (cash benefits).

Source of Funds

Insured person

Cash benefits: 0.5% of covered earnings.

Medical benefits: 2.8% of covered earnings; pensioners contribute 2.8% of the pension.

The minimum monthly earnings used to calculate contributions are the legal social minimum wage.

The maximum monthly earnings used to calculate contributions are five times the legal social minimum wage.

The legal monthly social minimum wage is €1,921.03.

Attendance benefits: 1.4% of gross income.

Self-employed person

Cash benefits: 0.5% of covered income.

Medical benefits: 5.6% of covered income.

The minimum monthly earnings used to calculate contributions are the legal social minimum wage.

The maximum monthly earnings used to calculate contributions are five times the legal social minimum wage.

The legal monthly social minimum wage is €1,921.03.

Attendance benefits: 1.4% of gross income.

Employer

Cash benefits: None.

Medical benefits: 2.8% of covered payroll.

Attendance benefits: None.

The minimum monthly earnings used to calculate contributions are the legal social minimum wage.

The maximum monthly earnings used to calculate contributions are five times the legal social minimum wage.

The legal monthly social minimum wage is €1,921.03.

Government

Cash benefits: A subsidy of 29.5% of contributions.

Medical benefits: A subsidy of 37% of contributions.

Attendance benefits: 45% of the cost of long-term care.

Qualifying Conditions**Cash sickness, medical, and attendance benefits:**

Membership in a sickness fund. For attendance benefits, the insured requires the constant attendance of others to perform daily functions.

Cash maternity benefits and adoption leave: Membership in a fund for at least six months in the year before the year of the expected date of childbirth or adoption leave.

Sickness and Maternity Benefits

Sickness benefit: 100% of the insured's average daily covered earnings is paid from the first day of incapacity for up to 77 days in a 104-week period.

Average daily covered earnings are based on earnings in the last three calendar months before the sick leave began.

The minimum benefit is the legal social minimum wage.

The legal monthly social minimum wage is €1,921.03.

Attendance benefits: €66.43 an hour is paid for care provided at home by a professional, €25 for care provided at home by a relative or friend, and €48.86 an hour for care provided in an institution.

Maternity benefit: 100% of the insured's average daily covered earnings is paid for eight weeks before and eight weeks after the expected date of childbirth (12 weeks after for a premature birth, multiple births, or if the mother is breastfeeding her child).

Average daily covered earnings are based on earnings in the last three calendar months before the start of maternity leave.

The minimum benefit is the legal social minimum wage.

The legal monthly social minimum wage is €1,921.03.

Maternity allowance: A lump sum of €3,104.32 is paid for a 16-week maternity leave period to persons who have no loss of income while on maternity leave.

Adoption leave: 100% of the insured's average daily covered earnings is paid for eight weeks (12 weeks if more than one child is adopted at the same time).

The minimum benefit is legal monthly social minimum wage of €1,921.03.

Workers' Medical Benefits

Doctors and hospitals provide services under collective agreements according to an established schedule of fees. (The insured may choose the service provider.) Medical

benefits include general and specialist care, hospitalization, laboratory services, maternity care, dental care, appliances, medicine, transportation, and rehabilitation services.

Cost sharing: In general, insurance covers most of the cost of medical benefits. The insured pays 20% for a doctor's visit, 10% for other outpatient services, 5% for dental care fees that exceed €60 a year, €20.93 a day for hospitalization, and either 20% or 60% of the cost of medicine.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

Ministry of Social Security (<http://www.mss.public.lu>) provides general supervision.

National Health Fund (<http://www.cns.lu>), with the insurance funds, administers benefits.

Work Injury**Regulatory Framework**

First law: 1902.

Current law: 2010 (social security).

Type of program: Social insurance system.

Coverage

Employed persons, self-employed persons, household workers, maritime workers, civil servants, apprentices, students, and military personnel.

Source of Funds

Insured person: None.

Self-employed person: 1.15% of covered income.

The minimum monthly earnings used to calculate contributions are the legal social minimum wage.

The maximum monthly earnings used to calculate contributions are five times the legal social minimum wage.

The legal monthly social minimum wage is €1,921.03.

Employer: 1.15% of covered payroll.

The minimum monthly earnings used to calculate contributions are the legal social minimum wage.

The maximum monthly earnings used to calculate contributions are five times the legal social minimum wage.

The legal monthly social minimum wage is €1,921.03.

Government: 50% of the cost of administration.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered. The insured must be totally disabled and incapable of any work to receive the full permanent disability pension.

Temporary Disability Benefits

100% of the insured's covered earnings is paid from the 14th week of total incapacity for up to a total of 52 weeks within a 104-week period (employers pay 100% of the salary for the first 13 weeks).

Permanent Disability Benefits

Permanent disability benefit: If assessed as totally disabled and incapable of any work, 100% of the insured's average monthly covered earnings in the 12 months before the accident occurred or the occupational disease began is paid up to age 65.

The minimum pension is equal to the legal monthly social minimum wage

The maximum pension is five times the legal monthly social minimum wage.

The legal monthly social minimum wage is €1,921.03.

Partial disability: A lump sum is paid for an assessed disability of less than 20%.

An insured person assessed with at least a 10% disability who returns to work receives a partial pension up to age 65. The benefit is the difference (at least 10%) between current earnings and earnings in the 12 months before the accident occurred or the occupational disease began.

If work incapacity is less than 10%, the insured only receives compensation for physiological harm, physical pain or disfigurement.

Workers' Medical Benefits

All necessary care, including medical treatment and surgery, hospitalization, medicine, appliances, and rehabilitation.

Survivor Benefits

Spouse's pension: 1.85% of the deceased's annual income times 10 is paid if the deceased was younger than age 55; 75% of the old-age pension the deceased received or was entitled to receive if aged 55 or older.

Orphans pension: 25% of the survivor grant is paid to children aged 18 or younger (27 if disabled or a student).

Survivor grant: A lump-sum of €26,923.40 is paid for a spouse or declared partner and each child; €16,151.09 for each of the deceased's surviving parents; €10,764.93 for other persons who lived with the deceased for at least three years before the date of death.

The maximum combined survivor pension is 100% of the old-age pension the deceased received or was entitled to receive.

Administrative Organization

Ministry of Social Security (<http://www.mss.public.lu>) provides general supervision.

Accident Insurance Association (<http://www.aaa.lu>) administers the program for workers in industry, agriculture, and forestry.

Unemployment

Regulatory Framework

First law: 1921.

Current law: 2006 (labor code).

Type of program: Social insurance system.

Coverage

Employed persons, certain self-employed persons, recent school graduates, and persons aged 16 to 28 who have completed vocational training.

Source of Funds

Insured person: Paid as a special solidarity tax.

Self-employed person: Paid as a special solidarity tax.

Employer: None.

Government: Central government pays an amount set annually by the budget law; and the proceeds from an earmarked tax on certain products. Local governments contribute 4% of their revenues.

Qualifying Conditions

Unemployment benefits: Must have at least 26 weeks of work in the last 12 months; self-employed, at least two years; recent graduates, 26 weeks of registered unemployment. Must register at the employment office, be capable of work, and prepared to accept appropriate employment. Must not receive an old-age, disability, or work injury pension. Unemployment is not due to voluntary leaving or the refusal of a suitable job offer.

Unemployment Benefits

80% of the insured's average earnings (85% with a dependent child), up to 2.5 times the legal social minimum wage is paid. The maximum benefit is reduced to twice the legal social minimum wage after 182 days; 1.5 times the legal social minimum wage after 365 days.

Young unemployed persons receive 70% of the legal social minimum wage; recently self-employed persons, 80%.

Benefits are paid for up to 365 days in a 24-month period; may be extended for six, nine, or 12 months for older unemployed persons; additional extensions are available for hard-to-place unemployed persons.

The legal monthly social minimum wage is €1,921.03.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living.

Administrative Organization

Ministry of Labor and Employment (<http://www.mte.public.lu>) provides general supervision.

Employment Agency (<http://www.adem.public.lu>), through its local offices, administers the program and pays benefits.

Family Allowances

Regulatory Framework

First laws: 1947 (employed persons) and 1959 (self-employed persons).

Current laws: 1977 (birth allowance), 1980 (maternity allowance), 1985 (family allowance), 1986 (beginning of school year allowance), 1988 (education allowance), and 1999 (parental leave).

Type of program: Universal system.

Coverage

All legal residents of Luxembourg.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Family allowance: The child must be younger than age 18 (age 27 if a student in secondary education, secondary technical education, or if disabled).

Supplementary allowance: Paid if the child has a serious disability.

Birth allowance: The mother must undergo prescribed medical examinations.

Beginning of school year allowance: Paid to families with one or more children aged 6 to 18 (age 27 if a student in secondary education, secondary technical education or if disabled) who are eligible for family allowances.

Child-raising allowance: Paid to families receiving family allowances for one or more children younger than age 2.

One parent must raise the children full time or the household income must be no more than three, four, or five times the legal social minimum wage (after deducting social security contributions) according to whether there are one, two, or three children, respectively. Persons who spend more than half of normal working time raising children are eligible for 50% of the allowance with no income test.

The legal monthly social minimum wage is €1,921.03.

Parental leave allowance: Paid to a parent receiving family allowances for a child younger than age 5. Must have been living and working in Luxembourg at the time of the child's birth. The parent must allocate more than half of normal working time to raising the child, must have been employed by the same employer (or insured, for a self-employed person) during the 12 months immediately before the parental leave period, and must be covered by health insurance.

Family Allowance Benefits

Family allowances: €185.60 a month is paid for one child, €440.72 for two, €802.74 for three, €1,164.48 for four, or €1,526.40 for five. An additional €16.17 a month is paid for each child aged 6 to 11 and €48.52 for ages 12 or older.

Supplementary allowance: €185.60 a month is paid.

Birth allowances: €1,740.09 is paid in three equal parts as a prenatal allowance, birth grant, and postpartum allowance.

Beginning of school year allowance: €113.15 is paid for one child older than age 6 (€161.67 if older than age 12), €194.02 a child for two children older than age 6 (€242.47 a child if both are older than age 12), and €274.82 a child for three or more children older than age 6 (€323.34 a child if all are older than age 12).

Child-raising allowance: €485.01 a month is paid.

Parental leave allowance: €1,778.31 a month is paid for up to six months; €889.15 is paid for part-time parental leave.

Benefit adjustment: All allowances are adjusted according to changes in the cost of living.

Administrative Organization

Ministry of Family and Integration (<http://www.mfi.public.lu>) provides general supervision.

National Family Allowance Fund (<http://www.cnpf.lu>) administers allowances.