

MEMENTO



SOCIAL SECURITY PARAMETERS ON 01.01.2021

The social minimum wage has been increased, as of 1 January 2021, from €256.60 to €263.78 (index 100) by a law of 15 December 2020. The index applicable to salaries remains set at 834.76.

I. Social minimum wage

A. Non-qualified wage-earners

The social minimum wage for non-qualified wage-earners amounts to €263.78 per month at cost of living index 100, i.e. **€2,201.93** per month at cost of living index 834.76. It is reduced for employees under 18 years.

Age	%	Monthly gross amount	Hourly gross amount
18 years on	100%	€2,201.93	€12.7279
17 to 18 years	80%	€1,761.54	€10.1823
15 to 17 years	75%	€1,651.45	€9.5459

B. Qualified wage-earners

The social minimum wage for qualified wage-earners amounts to €316.54 per month at cost of living index 100, i.e. **€2,642.32** per month at cost of living index 834.76.

C. Students occupied during school holidays

The minimum remuneration of students occupied during the school holidays amounts to 80% of the social minimum salary. It is applicable to students under the age of 27.

Age	%	Monthly gross amount	Hourly gross amount
18 years on	80% of €2,201.93	€1,761.54	€10.1823
17 to 18 years	80% of €1,761.54	€1,409.24	€8.1459
15 to 17 years	75% of €1,761.54	€1,321.16	€7.6368

MEMENTO



II. Social security

A. Ceiling applicable as of 1 January 2021

Social minimum wage for non-qualified wage-earners	Wage index 01.01.2021	Multiplier	Income ceiling for social security contributions
€2,201.93	834.76	5	€11,009.65

B. Social security contribution rates for 2021

Coverage	Ceiling		Contribution rate	
	Per year	Per month	Employee's part	Employer's part
Health Insurance-Rate Caisse Nationale de Santé (1)	€132,115.80	€11,009.65	2.80% / 3.05%	2.80% / 3.05%
Health Insurance- Rate Mutual Insurance (2)	€132,115.80	€11,009.65	/	0.53% to 2.88%
Pension insurance (3)	€132,115.80	€11,009.65	8.00%	8.00%
Care Insurance (4)	/	/	1.40%	/
Health at work Insurance (5)	€132,115.80	€11,009.65	/	0.11%
Accident Insurance (6)	€132,115.80	€11,009.65	/	0.75%
Total			12.20% to 12.45%	12,19% to 14,79%

(1) Rate of 3.05% applicable to base salary and to monthly supplements in cash. Rate of 2.80% applicable to benefits in kind and to bonuses.

(2) The contribution rate depends on the average rate of absenteeism in the company.

Rate of absenteeism	0% to < 0.65%	≥0.65% to <1.60%	≥1.60% to <2,50%	≥2.50%
Contribution rate	0.53%	1.05%	1.50%	2.88%

MEMENTO



- (3) In case an old age pension pensioner is employed after the age of 65, full contributions are due. However, upon request, the contributions paid by the insured person are reimbursed to him per calendar year.
- (4) No ceiling applies to the care insurance contribution. Nevertheless, the assessable basis is reduced by an abatement equal to $\frac{1}{4}$ of the social minimum wage, i.e. €550.48 at cost of living index 834.76.
- (5) For employers affiliated to the Multisector service for health at work.
- (6) The accident insurance contribution rate is multiplied for each insured person by a bonus-malus factor which is calculated on the basis of the contributor's work-related accident allowances.

III. Family allowances

The below table summarises the family allowances applicable as of 1 August 2016, following to the law of 23 July 2016 which reformed the family allowances.

The new system applies to children born as from 1 August 2016 and having their actual permanent residence or legal domicile in Luxembourg, or who have one parent who began to work in Luxembourg as from 1 August 2016. Households with at least two children on 1 August 2016 remain subject to the old system of family allowances. Households having one child at this date transit to the new system.

MEMENTO



	€	Periodicity of the payments
Family allowance for:		
-new system (child bonus included)	€ 265.00	} Monthly
- old system		
1 child	€ 265.00	
2 children	€ 594.48	
3 children	€ 1,033.38	
4 children	€ 1,472.08	
5 children	€ 1,910.80	
Increase due to age (per child):		
6-11 years	€ 20.00	} Monthly
12 years and above	€ 50.00	
Special additional allowance (disabled child)	€ 200.00	
School year allowance per child:		
- child aged 6-11 years	€ 115.00	
- child aged as from 12 years and more	€ 235.00	
Childbirth allowance (amount per instalment)	€ 580.03	
Parental leave :		
- new system (Full-time parental leave for a full-time employment contract)		} Monthly
Minimum	€ 2,201.93	
Maximum	€ 3,669.93	

MEMENTO

INTERESTED?

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