# Luxembourg<sup>1</sup>

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### April 2019

For comparisons with other countries in this review on leave provision and early childhood education and care services, please see the <u>cross-</u> <u>country tables</u> at the front of the review (also available individually on the Leave Network website). To contact authors of country notes, see the <u>members page</u> on the Leave Network website.

# 1. Current leave and other employment-related policies to support parents

### a. Maternity leave (*congé de maternité*) (responsibility of the Ministry of Social Security and the Ministry of Labour)

#### Length of leave

• 20 weeks: eight weeks before the birth and 12 weeks after. It is obligatory to take this leave.

#### Payment and funding

- 100 per cent of earnings up to a ceiling of €10,355.50 per month, equal to five times the minimum social wage in Luxembourg.
- The Maternity leave scheme is fully integrated into the National Health Fund and is funded in the same way as all sickness benefits, with funding shared between employers (30 per cent), employees (30 per cent), and the state (40 per cent). More specifically, Maternity leave payments are funded from contributions intended to cover benefits for sick leave. The state contributed 40 per cent of the cost of these benefits; the non-state contributions (amounting to 60 per cent of the cost) were 0.5 per cent of

<sup>&</sup>lt;sup>1</sup> Please cite as: Zhelyazkova, N., Loutsch, M., Berger, F. and Valentova, M. (2018) 'Luxembourg country note,' in Koslowski, A., Blum, S., Dobrotić, I., Macht, A., and Moss, P. (eds.) *International Review of Leave Policies and Research 2019*. Available at: http://www.leavenetwork.org/lp\_and\_r\_reports/.

earnings, equally divided between employers and employees (i.e. 0.25 per cent of earnings each), although the proportion going towards maternity pay cannot be differentiated.

• Pension contributions are made during Maternity leave.

#### Flexibility in use

• None.

#### Eligibility

- In order to be granted maternity benefits during Maternity leave, the employee or self-employed worker must have been affiliated with the mandatory sickness and maternity insurance fund for at least six months during the 12 months prior to the Maternity leave.
- No difference is made between workers on long-term or short-term contracts.
- Unemployed people are not eligible.

Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; single parent); or delegation of leave to person other than the parents

• If the birth takes place before the expected delivery date, the part of the pre-natal period not taken is added to the post-natal period. If the birth takes place after the expected delivery date, the postnatal period is still 12 weeks.

#### **b.** Paternity leave

• Employees are entitled to Paternity leave expressed in the law by 'leave due to extraordinary circumstances' (*congé extraordinaire*), which gives them the right to take ten working days off in the case of the birth or adoption of a child. The first two days of leave are paid by the employer and cover 100 per cent of earnings; from the third day onwards, the leave is reimbursed to the employer by the state with a limit equal to five time the social minimum wage (€10,355.50 per month).

### c. Parental leave (*congé parental*) (responsibility of the Ministry of Family Affairs and Integration)

#### Length of leave

• Parental leave is an individual entitlement and each parent can take between four and 20 months, depending on their employment hours and the leave option they choose; see 'Flexibility in use' below for more detail.

#### Payment and funding

- The benefit paid during Parental leave (replacement wage) is calculated on the basis of income and hours worked on average during the 12-month period preceding the start of the leave and the leave option chosen, e.g. full-time workers taking the full-time leave option (six months or four months) receive between €2,071.10 per month (the minimum social wage) and €3,451.83 (the minimum social wage increased by two-thirds).
- More detailed information on the level of compensation for the range of different leave options is available at: https://cae.public.lu/fr/conge-parental.html.
- Funded from general taxation.
- As with other income, replacement income is subject to the applicable social and wage taxation, and so pension contributions will accrue during the leave period.

#### Flexibility in use

• Parents may choose between different length and payment options, depending on their employment situation:

Parents working 40 hours per week:

- Full-time leave of four or six months
- Part-time leave of eight or 12 months
- $\circ$  Fractioned leave: four months within a maximum period of 20 months
- Fractioned leave: one day per week for up to 20 months

Parents working 20 hours or more per week:

• Full-time leave of four or six months

• Part-time leave of eight or 12 months

Parents working ten hours per week or on apprenticeship contracts:

 $_{\odot}$  Full-time leave of four or six months

• Both parents can take leave at the same time.

#### *Eligibility (e.g. related to employment or family circumstances)*

• Parents must be affiliated to the Luxembourg social security system at the time of the arrival of a biological or adopted child, and must have been employed without interruption for at least 12 continuous months immediately preceding the beginning of the Parental leave. The same conditions apply for self-employed

workers, who also belong to the Luxembourg social security system.

- Parents must be working for a minimum of ten hours per week.
- In the case of a change of employer during the 12-month period preceding or during Parental leave, the leave may be granted subject to the agreement of the new employer.
- For parents on permanent contracts with a probationary period, the right to Parental leave cannot take effect and the leave may be requested only after the end of the probationary period.
- Parents whose spouse does not work can take leave, but it must start within three weeks of the birth/adoption of the child.
- Same-sex parents are eligible.
- Workers on short-term contracts are eligible, provided that the end of the short-term contract is subsequent to the end of the Parental leave.
- Unemployed parents are not eligible.

Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; single parent); or delegation of leave to person other than the parents

• None.

#### d. Childcare leave or career breaks

• No statutory entitlement.

#### e. Other employment-related measures

#### Adoption leave and pay

- Adoption leave (congé d'accueil) is for 12 weeks, paid at 100 per cent of earnings up to a limit (€10,355.50 per month as of 1 January 2019) equal to five times the minimum social wage in Luxembourg, and is available to all working persons who have belonged to a social security scheme at least for the six months preceding the commencement of the leave. This leave applies for adopting a child who has not yet turned twelve years old. In the case of adoption by both spouses, only one has the right to take this leave.
- Eligibility and funding for adoption leave is the same as for Maternity leave.
- Except if the adoptive parent receives the adoption leave described above, the adoptive parent's benefits (or adoptive parents' benefits) form a ten-day leave if they are adopting a child under 16 years of age. Payment rules are the same as for Paternity leave.

#### *Time off for the care of dependants*

- In the case of the sickness of a child, employees with dependent children younger than 18 years of age may take working days of leave per child (*congé pour raisons familiales*). The duration of this leave depends on the age of the child:
  - 12 days per child if the child is under four years old;
  - 18 days per child if the child is aged from four years old to fewer than thirteen years old;
  - 5 days per child if the child is aged from 13 years old to fewer than 18 years old and the child is in hospital.
- The age limit of 18 years does not apply to disabled children.
- Leave may be extended under certain circumstances: for example, in the case of a disabled child, the duration is doubled per age range; and for a very serious and exceptional illness defined by law (such as cancer in its terminal state), up to 52 weeks in a reference period of 104 weeks. The leave is paid and funded by the National Health Fund (*La Caisse nationale de santé*).
- Employees on short-term contracts are eligible for this leave.
- Self-employed and unemployed people are not eligible for this leave.
- A dependent child means a child born in or out of wedlock and adopted children.
- Same sex parents are eligible for this leave.

#### Flexible working

• None.

#### Specific provision for (breast)feeding

• Upon return to work after Maternity leave, breastfeeding mothers are entitled to breastfeeding breaks: either two breaks of 45 minutes or one break of 90 minutes. These breaks do not lead to any loss of pay.

### 2. Relationship between leave policy and early childhood education and care policy

With the duration of post-natal Maternity leave increased to 12 weeks in 2017, the total duration of well-paid (full-time equivalent) leave has increased to 14.7 months, provided that both parents in the same family use their right to full-time Parental leave. The period could be longer if they opt for a part-time Parental leave arrangement. Formal and free entitlement to ECEC begins at three years of age, while enrolment is compulsory at four years of age. Other ECEC provision has developed significantly in the last 15 years, including registered childminders, with an important increase in places in centre-bases services (both subsidised and private). Public funding for parents using these ECEC services depends on family income, the number of siblings, and the number of hours children attend.

Since 2016, Luxembourg has introduced a multilingualism education programme in ECEC services, which gives the right to all children aged from one to four years to attend 20 hours per week, free of charge (children attending childminders and a full-time early education school (*éducation précoce*) are excluded); if children attend a part-time early education school, they have ten hours free of charge.

Levels of attendance at formal services for children under three years of age are well above the average both for the countries included in this review and OECD countries; but above the average for children over the age of three years. For actual attendance levels, see 'relationship between leave and ECEC entitlements' on <u>cross-country comparisons</u> page.

# **3. Changes in policy since April 2018** (including proposals currently under discussion)

None.

### 4. Uptake of leave

#### a. Maternity leave

As Maternity leave is obligatory, all employed women should take up the whole period of leave.

#### b. Paternity leave

No statutory entitlement. There are no data for how many fathers take the special leave.

#### c. Parental leave

Luxembourg (the Inspection générale de la sécurité sociale) is currently developing a national methodology to estimate the uptake of Parental leave for all types and sizes of families. The first challenge is to identify eligible parents because administrative data do not explicitly contain such information. The second challenge is to attribute the correct Parental leave to the correct child because administrative data concerning Parental leave benefit do not contain the information about the child who is the imputus of the Parental leave (this is also the case for administrative data concerning the 'new Parental leave' that has existed since the 1 December 2016). According to the data and the fact that an important share of Parental leave periods are exported (there is a high share of cross-border workers who are entitled to Parental leave), the uptake of Parental leave will be estimated from cohorts of parents of new-born children. This will be irrespective of the date that the Parental leave began (from birth to five years of age for the 'old Parental leave' and from birth to six years of age for the 'new Parental leave'). The uptake of Parental leave will be categorised according to the age of the child when Parental leave begins and other characteristics (e.g., gender and income levels).

Currently, there is only limited information on the proportion of eligible parents using Parental leave. The first available source of uptake rates is the evaluation of Parental leave in Luxembourg completed by KPMG in November 2002.<sup>2</sup> In December 2013, a report for the Luxembourg Ministry of Family and Integration was completed by the Luxembourg Institute for Socio-Economic Research.<sup>3</sup>

The most recent data come from the annual report of the Luxembourg Ministry of Family and Integration, providing a complete overview of the use of Parental leave, 1999 to  $2016^4$  – although for 2016, the numbers reflect only the use of the previous system, which has since been superseded. The report provides information on number of users of leave and shows a number of trends. The total number of users of Parental leave has increased markedly over the last 15 years. At the end of 1999, only 1,433 parents were on Parental leave, compared to 4,595 at the end of 2015. In particular, the number of men using leave has increased dramatically: from only 90 at the end of 1999 to 1,106 at the end of 2015. The increased participation of men in terms of Parental leave is also evident in the increasing share of male users (calculated as the percentage of all leave users who are male); rising from 6.3 per cent at the end of 1999 to 24.1 per cent in 2015. Nevertheless, women remain the majority of leave users, averaging 79 per cent of all leaves taken over the period 1999-2015.

<sup>&</sup>lt;sup>2</sup> KPMG Assurance Advisory Luxembourg (2002) Etude d'évaluation de l'impact du congé parental au Grand-Duché de Luxembourg [Evaluation study of the impact of Parental leave in the Grand Duchy of Luxembourg]. Available at: http://www.gouvernement.lu/salle\_presse/actualite/2002/12/23biltgen/dossie r.pdf

<sup>&</sup>lt;sup>3</sup> Valentova, M., Bia, M. (2013) Le congé parental chez les parents d'enfant unique. Analyse du recours au congé parental par les mères et les pères d'enfant unique, et de son impact sur l'engagement des mères sur le marché du travail. Rapport rédige pour le compte du ministère de la Famille at de l'Intégration. [Parental leave use by parents of one child] Liser, Luxembourg. <sup>4</sup>Ministry of Family and Integration (2016) Rapport d'Activité 2016. Available at:http://www.mfi.public.lu/publications/01\_rapports-

activite/rapp\_act\_2016.pdf

Throughout the period 1999-2015, women were more likely than men to be using the first leave period available for the child, immediately after Maternity leave, while fathers were more likely to be using the second leave (each parent has a six-month period of leave). On average, for the period 1999-2015, 76.2 per cent of men using leave did so in the second leave period, while women more often used the first leave period. Throughout that period, the uptake of second leave periods increased, as both parents in more families took their entitlement. In 1999, 1,383 parents took the first period of leave, compared with only 50 second period leave-takers. By 2015, the total of first period leavetakers had risen to 3,417, whilst second periods leave-takers stood at 1,178. Put differently, the number of men taking the second period of leave had shot up from 30 to 957.

There is also a marked gender difference in whether leave is taken fulltime or part-time. Between 1999 and 2015, women taking leave were far more likely to use it full-time (76.2 per cent on average), compared to men (40.2 per cent on average). The general trend for both genders has been an increase in the percentage of part-time users and a decrease in the percentage of full-time users.

After the reform of December 2016, the number of beneficiaries rose rapidly, showing an increase of 74.8 per cent in one year: from 4,720 beneficiaries in December 2016 to 8,251 beneficiaries in December 2017. The new Parental leave benefit is more flexible and the earnings-related Parental benefit is much more attractive than the old flat-rate payment. This mostly attracts fathers, whose share rose to 45 per cent of 2017 beneficiaries, compared to 25 per cent in 2016. They now opt for the full-time leave as much as for the part-time leave. They also favour the new fractioned leave.

#### d. Other employment-related measures

There is no information available.