

Luxembourg¹

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

- Twenty (20) weeks: eight weeks before the birth and twelve weeks after. It is obligatory to take this leave.

Payment and funding

- One hundred (100) per cent of earnings up to a ceiling of €9,992.95 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 made specifically 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 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 social contributions are made during Maternity leave

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Flexibility in use

- None.

Eligibility

- All insured persons, including self-employed who have belonged to the national social security scheme as an employee or a self-employed for at least six months during the year preceding the commencement of leave.
- No difference is made between workers on long-term or short-term contracts.
- Unemployed persons are not eligible to Maternity leave.

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

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

b. Paternity leave

- There is no statutory entitlement.
- Employees are entitled to 'leave due to extraordinary circumstances' (*congé extraordinaire*), which gives them the right to take ten working days off in the case of birth or adoption of a child. The two first days of leave are paid by the employer and covers 100 per cent of earnings; from the third day on, the leave is reimbursed to the employer by the State with a limit equal to five times the social minimum wage (€9,992.95 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' for more detail.

Payment and funding

- The benefit paid during Parental leave 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 receive between €1922.96 per month (the minimum social wage) for six months leave and €3204.93 (the minimum social wage increased by two-thirds) for four months leave.
- More detailed information on the level of compensation for the different leave options is available at: <http://www.reforme-famille.public.lu/fr/conge-parental/revenu.html>
- Funded from general taxation.

- As with other income, replacement income is subject to the applicable social and wage taxation and so pension social 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
- Half-time leave of eight or 12 months
- 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
- Half-time leave of eight or 12 months

Parents working ten hours per week or on apprenticeship contracts:

- Full-time leave of four or six months

- 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 birth or of the reception of an adopted child and 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 Parental leave 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 contract are eligible provided that the end of the short-term contract is subsequent or concomitant to the end of the parental leave
- Unemployed are not eligible to parental leave

Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone 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 twelve weeks, paid at 100 per cent of earnings up to a ceiling (€9,992.95 per month as of 1 January 2018) equal to five times the minimum social wage in Luxembourg and available to all working persons in Luxembourg 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 not yet twelve years old. In 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 benefits from the adoption leave described above, the adoptive parent(s) benefit(s) from a ten day leave in case of receipt of a child less than 16 years old for adoption. Payment rules are the same as for Paternity leave.

Time off for the care of dependants

- In the case of sickness of a child, employees with dependent children younger than 18 years 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 aged from 0 years to less than 4 years old
 - 18 days per child if the child is aged from 4 years to less than 13 years old
 - Five days per child if the child is aged from 13 years to less than 18 years old and the child is in hospital
- The age limit of 18 years old 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 contract are eligible to this leave.
- Self-employed and unemployed are not eligible to this leave.
- A dependent child means child born in or out wedlock and adopted children.
- Same sex parents are eligible to this leave.

Flexible working

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

Specific provision for (breast-)feeding

- See above (flexible working).

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

With the increased duration of postnatal Maternity leave in 2017 to 12 weeks, 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, while enrolment is compulsory at four years. Other ECEC provision has developed significantly in the last 15 years, including registered childminders, with an important increase in places in centre-based services (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 one to four-years-old to attend 20 hours per week free of charge (children attending childminders and a full-time early education school (*education précoce*) are excluded); if children attend a part-time early education school, they have 10 hours free of charge.

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

3. Changes in policy since April 2017 (including proposals currently under discussion)

The Law of 15 December 2017 amending the Labour Code and the modified law of the 31 July 2006 introducing a Labour Code and repealing the modified law of the 12 February 1999 creating a Parental leave and a leave for family reasons produces the changes in policy since April 2017. This law came into force on 1 January 2018. The changes include: an increase in post-natal Maternity leave and adoption leave, from eight to 12 weeks; an increase in Paternity leave, from two to ten days; and an increase in care leave, from two days per year per parent to the situation described above in the section *Time off for the care of dependants*.

4. Take-up 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 take-up of Parental leave for all types of families (1 to n children). The first challenge is to identify eligible parents because administrative data do not contain directly 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 trigger of the Parental leave (this is also the case for administrative data concerning the “new parental leave” that exists since the 1 December 2016). According to the data and the fact that an important share of Parental leaves are exported (high share of cross-border workers who are entitled to the Parental leave), the take-up of Parental leave will be estimated on cohorts of parents of new-born children. This will be irrespective of the date of benefiting from the parental leave (0 to the 5 years of the child for the “old version of the parental leave” and 0 to the 6 years of the child for the “new version of the parental leave”). The take-up of Parental leaves will be categorised according to the age of the child when Parental leave begins (0, 1, 2... years) and other characteristics (gender, income, rank of the child...).

Presently, there is only limited information on the proportion of eligible parents using Parental leave. The first available source of take-up rates is the evaluation of Parental leave in Luxembourg completed by KPMG in November 2002². In December 2013 a report for the Luxembourg Ministry of Family and Integration was completed by the Luxembourg Institute for Socio-Economic Research³.

The most recent data come from the annual report of the Luxembourg Ministry of Family and Integration and provides a complete overview of the use of Parental leave covering 1999 to 2016⁴, although for 2016 the numbers reflect only the use of the previous system, since 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 fifteen 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 Parental leave is also evident in the increasing share of male users (calculated as the percentage of all leave users who are

² 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/dossier.pdf

³ 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 rédigé pour le compte du ministère de la Famille et de l'Intégration.* [Parental leave use by parents of one child] Liser, Luxembourg.

⁴ 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

male) 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.

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 leave takers has risen to 3417, whilst second periods leave takers now 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 full-time or part-time. Between 1999 and 2015, women taking leave were 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.

d. Other employment-related measures

There is no information available.

5. Research and publications on leave and other employment-related policies since April 2016

Please be aware that this is not intended to be a comprehensive list of all publications or research in this area for this country. If you are aware of a publication or research that could be listed in this section, please contact the country note author(s) so that they can include it for the following year

a. General overview

Nothing reported.

b. Selected recent publications

Zhelyazkova, N. and Ritschard, G. (2017) 'Parental leave within the broader employment trajectory: What can we learn from administrative records?' *Equality, Diversity and Inclusion*, Vol.36, No.7: 607-627. Available at: <http://doi.org/10.1108/EDI-05-2017-0109>

The purpose of this paper is to present an analysis of Parental leave use and long-term employment trajectories of parents in Luxembourg based on anonymous administrative records. This is the first systematic analysis of Parental leave take-up rates and return rates for Luxembourg using a large and reliable data set. The authors use highly detailed administrative data to calculate take-up and return rates for parental leave for both men and women working in Luxembourg. To gain deeper insights into the employment trajectories of parents, the authors deploy the visualisation tools of the TraMineR package, which allow the authors to trace developments over time. The authors estimate take-up rates for parental leave at 72 per cent for mothers and 13 per cent for fathers. The

return rates for mothers are 88.4, 99.4 and 70.8 per cent depending on whether they took full-time, part-time or no parental leave. In contrast, over 95 per cent of fathers remain employed following parental leave. The trajectory analysis reveals that the event of birth is a clear turning point for the majority of the female trajectories, but not for the male ones.

Valentova M. (forthcoming 2018) 'The impact of parental leave policy on the intensity of labour-market participation of mothers. Do the number of children and pre-birth work engagement matter?' *Journal of European Social Policy*. Available at: <https://doi.org/10.1177/0958928718776826>.

In this paper, we examine the impact of the introduction of parental leave policy in 1999 on the labour-market engagement of mothers with one and two children in Luxembourg who had been working 20 or more hours per week before childbirth. Labour-market engagement is measured by the number of hours worked monthly, one, two and three years following the birth of the last child. Analyses are conducted using longitudinal social security records data from 1995 to 2002. The difference-in-differences (DiD) method is used to establish a causal relationship between the introduction of the policy and its outcomes. The results of the analyses reveal that among mothers with one child, the introduction of the policy had a significant and positive impact on the working hours during the first three years after childbirth. Among mothers with two children, the impact of the policy was significant for one year after childbirth. Heterogeneity effect analysis shows that single-child mothers who worked part-time before childbirth were substantially more responsive to the policy than their full-time working counterparts.

c. Ongoing research

Evaluation of Parental Leave in Luxembourg: Focus on couples' strategies and the role of workplace characteristics (2017-2020). Marie Valentova, LISER, Luxembourg. FNR Core Project.

Given the increasing economic need for dual-earner couples, balancing the demands of family and work has become one of the most pressing issues for families with young children. Parental leave is one of the most important policies that aims to tackle this problem by facilitating employment for mothers and supporting the involvement of fathers in childcare. Evaluation of existing Parental leave policies helps to understand to what extent these objectives are met and how different segments of the eligible population respond to the policy. In the existing literature on Parental leave assessment, several gaps can be identified that leave room for innovative research. For example, there are only very few studies that analyse a couple's parental leave strategies. The role of employers' characteristics in the leave-taking strategies of individuals as well as couples also remains under researched. As regards the evaluation of the effect of Parental leave on labour market outcomes, the empirical evidence on the effect of Parental leave on the intensity of labour market participation and post-birth wages among fathers and mothers is limited, and there is little analysis of the heterogeneity of the policy responses across various subgroups of mothers and fathers.

This project aims at filling these gaps by addressing the following three research questions. First, how are the employer-level characteristics associated with joint couples' leave-taking strategies? Second, how has the introduction of Parental leave in Luxembourg affected the number of hours worked by mothers and fathers over five years following the birth of a child and was there heterogeneity

in this effect across different subgroups of mothers and fathers depending on their workplace characteristics? Lastly, what was the effect of Parental leave-taking on mothers' and fathers' wages after the birth of a child, taking into account any workplace characteristics? We use the case study of Luxembourg because its Parental leave scheme has particular features that are relevant to tackling the aforementioned research objectives. Additionally, Luxembourg provides a unique longitudinal social security database containing individual-, couple and company-level information, which allows us to analyse these issues and establish causal effects. Contact: Marie Valentova at Marie.Valentova@liser.lu

Evaluation of the Parental leave reform in 2016. Focus on intermediate outcomes (2018-2020). Marie Valentova, LISER, Luxembourg. Funded by the Luxembourg Ministry of Family and Integration.

The aim of the study is to evaluate the intermediate outcomes of the parental leave reform of 1 December 2016 in terms of parental leave policy usage and take-up. The research is focused on the following questions:

- Did the general usage and take-up of parental leave among mothers and fathers increase immediately after the introduction of the policy reform?
- What is the over-time evolution of the parental leave usage and take up in terms of parental leave form (i.e. full-time, part-time)?
- What is the difference in the usage and take-up of parental leave policy before and after the policy reform of 2016 across different socio-economic subgroups of parents (mainly with respect to income, employers' characteristics, siblings' composition etc.?)

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