

# News and changes 2017

New legal provisions and regulations which directly concern the citizens entered into force at the end of 2016 or will enter into force in 2017.

Hereafter you can find an overview of the main changes which will have a direct impact on citizens. This list is not exhaustive.

## Parental leave

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Entry into force: 1 December 2016

The new law on parental leave aims to achieve a better work/family life balance. The new parental leave allows parents to choose from different flexible leave schemes which are better suited to their professional situation while they continue to benefit from a replacement income.

Useful links:

[legilux.lu](#) (FR)

[Zukunftskeess - Caisse pour l'avenir des enfants](#) (FR)

[Portail de la réforme de la politique familiale](#) (FR)

[Démarches](#) (FR)

## Social minimum wage

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Entry into force: 1 January 2017

The social minimum wage is increased by 1.4 %.

Useful links:

[Résumé des travaux du Conseil de gouvernement le 14 octobre 2016](#) (FR)

## Personal minimum pension

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Entry into force: 1 January 2017

All pensions including the personal minimum pension are increased by 0.9 %.

Useful links:

[Résumé des travaux du Conseil de gouvernement le 14 octobre 2016 \(FR\)](#)

#### Cost of living allowance

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Entry into force: 1 January 2017

The regulation aims to renew, in 2017, the granting of a cost of living allowance to low income households. The maximum upper limits of the global annual income have been raised following the increase by 1.4 % of the social minimum wage. The amounts of the cost of living allowance remain the same as those already in force in 2016.

Useful links:

[Résumé des travaux du Conseil de gouvernement le 9 décembre 2016 \(FR\)](#)

#### Minimum guaranteed income and income for severely disabled persons

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Entry into force: 1 January 2017

The minimum guaranteed income and income for severely disabled persons will be increased by 1.4 %.

Useful links:

[Résumé des travaux du Conseil de gouvernement le 11 novembre 2016 \(FR\)](#)

#### Long-term care insurance

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The legislative procedure is under way

The reform of the long-term care insurance aims to introduce fixed rate classes in place of a payment for each medical act and to strengthen the control of the services provided, in particular by changing the competencies of the guidance department and by ensuring its autonomy.

[Présentation de la réforme de l'assurance dépendance \(FR\)](#)

#### Chèques-services

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The *chèque-service accueil* (childcare service vouchers - CSA) is the State's contribution to daycare expenses for children. The CSA is not a cash payment to parents unlike the family allowance; it is a contribution in kind, paid by the State directly to the childcare establishment, which must be an approved CSA service provider. Since September 2016, cross-border workers may also benefit from this aid.

CSA service providers must meet certain requirements within the framework of an

accreditation, where the requirements will be completed and strengthened from 2 October 2017, when the transitional phase comes to an end.

Useful links:

[Zukunftskeess - Caisse pour l'avenir des enfants \(FR\)](#)

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## Tax reform

Entry into force: 1 January 2017

The tax reform is part of a large project to modernise the Luxembourg redistribution system. The main measures for natural persons aim to strengthen the households' purchasing power, and apply to the temporary tax for budget balance, tax rates, tax credits, very high income, meal tickets (*chèques-repas*), taxation of family models, cross-border workers, optional individual taxation, access to housing, sustainable individual transport and the fight against fraud. In addition, corporate tax rates will be lowered.

Useful links:

[Portail de la réforme fiscale \(FR\)](#)

[Administration des contributions directes \(FR\)](#)

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## Law on nationality

The legislative procedure is under way

In order to facilitate access to the Luxembourg nationality with a view to equity and social cohesion, the government proposes to reform the basic conditions and procedures for access to the Luxembourg nationality. The bill of law on the Luxembourg nationality was adopted by the Government in council on 11 March 2016.

The law includes the following elements:

- *jus soli* - "birthright citizenship" (first and second generation),
- the naturalisation,
- the option,
- the conditions of good repute.

Useful links:

[Présentation de la réforme de la loi sur la nationalité luxembourgeoise \(FR\)](#)

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## Law on hospitals

The legislative procedure is under way

The new law on hospitals and on hospital planification aims to establish a new hospital plan to improve the cooperation between the different care providers in hospitals, so as to better use the available resources while promoting the quality of care services provided to the patients in hospitals. The law is based on a **national updated health map** with the purpose to establish an updated assessment of health needs on a national level, both in terms of the number of hospitals and available beds and services.

The hospital environment will change fundamentally, e.g. with the creation of **competence networks**. Each network, which can include several hospitals, aims to share its members' know-how and resources in order to promote the quality of their care services and to improve the documentation of treatments.

The increase in **ambulatory surgery** (the patient comes and leaves the same day) is also a substantial element of the plan. Ambulatory surgery does justice to the evolutions in modern medicine, means more comfort for patients who wish to go home the same day and finally allows to free up beds for other patients.

A unique **national hospital ethics committee** for each hospital will be created in order to ensure that the ethical requirements apply in the same manner in every hospital.

Useful links:

[sante.lu](#) (FR)

[Nouvelle loi hospitalière](#) (FR)

Medical acts reimbursed by the National Health Fund (CNS)

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Entry into force: 1 January 2017

**Changes regarding the reimbursement of expenses concerning orthodontic and ophthalmic treatments** by the National Health Fund (CNS) have been implemented. In this context, it has been decided to reimburse the second annual plaque control and anesthesia for dental fillings, and plastic lenses for glasses and contact lenses will benefit from better medical coverage.

Useful links:

[Caisse nationale de la santé](#) (FR)

[Résumé des travaux du Conseil de gouvernement le 9 décembre 2016](#) (FR)

## Working Holiday programme

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Entry into force: 1 January 2017 and April 2017

In September 2016, the Grand Duke signed bilateral agreements with New Zealand and Australia which allow a limited number of young citizens between 18 and 30 years of age from these countries to undertake a stay of one year in the partner country.

The main objective of the exchange programme is to allow these young people and adults to spend their holidays in the host State and to discover another culture. In addition, the young person can undertake remunerated activities or pursue studies. However, the person must have the necessary resources to support himself during the stay. The host State will issue a single visa called "*visa vacances-travail*" (Working Holiday Visa).

The agreement between Luxembourg and Australia enters into force on 1 January 2017; and the one with New Zealand is expected in April 2017.

Useful links:

[workandtravel.lu](http://workandtravel.lu) (FR)

[Visite de travail de Jean Asselborn en Nouvelle-Zélande](#) (FR)

[Visite de travail de Jean Asselborn en Australie](#) (FR)

Housing aid: creation of a physical reception desk

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Entry into force: 1 January 2017

The 'Klimabank an nohaltegt Wunnen' package (climate bank and sustainable housing) is designed to promote the construction of sustainable housing, the sustainable and energy-efficient renovation of residential buildings and to encourage sustainable energies in the housing sector.

It is composed of the following tools:

- the creation of the reduced rate climate loan and the zero rate climate loan aimed at promoting sustainable energy efficiency works and to prevent energy poverty;
- the implementation of a certification system for the durability of new housing developments (LENOZ);
- the reform of the financial aid scheme 'PRIME House' with an emphasis on the construction of sustainable housing and sustainable energy efficiency works.

The *guichet unique des aides relatives au logement* (point of single contact for housing aid) was also created in this context. Hence, from January 2017, citizens can turn to a single point of contact, located at 11 rue de Hollerich, for all applications for socio-economic aid (individual

financial housing aid) or aid for sustainable energy and environmentally friendly solutions (PRIME House aid).

Useful links:

[Portail de l'environnement](#) (FR)

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#### New organisation of the criminal record certificates

Entry into force: 1 February 2017

The reform on the organisation of the criminal records is a full reform of the police records and includes the introduction of 5 types of criminal record certificates which substantially differ from the 2 currently existing ones. Certain information on the criminal records has been restricted in order to be aligned with the legislation in the neighbouring countries so as to avoid unequal treatment between job applicants from Luxembourg and from the neighbouring countries.

As a result, several types of criminal records now exist, each with different information depending on the final use of the record issued. The law foresees that with the explicit consent of the person concerned, an extract from the criminal record can be directly issued to an administration or to a legal person under public law if they are processing an application of said person.

The legal scheme concerning the records with driving prohibitions has also been largely modified as well as the duration during which certain sentences shall remain on the records. Furthermore, a special record "Driving prohibitions" has been introduced. Where the driving license is an absolute prerequisite for a salaried worker's professional activity and where this prerequisite is stated in the employment contract, the potential employer can require that the job candidate must provide the specific "Driving prohibitions" record.

A new record includes all the sentences regarding offences against minors. This record can be requested by any natural or legal person who is seeking to employ a person for a position or a voluntary activity which requires regular contact with minors.

Useful links:

[Présentation de la réforme relative à l'organisation du casier judiciaire](#) (FR)

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#### The reform of communal finances

Entry into force: 1 January 2017

The reform of the communal finances is targeting 2 main objectives. On the one hand, guarantee the financing of the commune through stable and unrestricted income and, on the other, implement new, transparent and fair equalization criteria to smooth out the disparities between the communes. It is aimed at stabilising the income of communes and balancing out the existing disparities in the current system on both a local level, between the communes, and on a regional level with all 4 electoral districts as the basic point of reference. The reform takes into account the objectives of the land-use plan, stimulates the merger process between communes, the creation of jobs and encourages the communes to create social rented housing.

After the law on the creation of a global endowment fund (*Fonds de dotation globale* - FDG) for communes entered into force, some communes may be left with a lower adjusted revenue compared to their previous revenue during the budgetary year 2015. The structural evolution of communal revenue is expected to correct this temporary decrease in revenue at the latest from 2022 onwards. The communes concerned will be granted an "indemnity" for possible losses with respect to their available assets in 2015 in the form of an additional financial contribution from the State budget. The amount of this temporary compensatory measure will be fixed by the budget law each year. The government will monitor the evolution of communal revenues and assess the situation 5 years after the law's entry into force and take appropriate measures where necessary.

Hence, the law innovates by creating a single global endowment fund for communes (*Fonds de dotation globale* - FDG) which encompasses all revenue from the communal business tax (*impôt commercial communal* - ICC) and from the communal financial endowment fund (*Fonds communal de dotation financière* - FCDF), minus the direct participation of a commune to the communal business tax generated on its territory.

With regard to the future distribution of the ICC product at the level of each commune, each commune is entitled to retain a maximum of 35 % of the gross product generated on its territory. The direct involvement tends to encourage the communes to continue to attract companies within their territory. The balance will be allocated to the FDG.

One of the great innovations of the reform on communal finances is the unification of the distribution criteria to communes. The distribution of the FDG's assets will be as follows: each commune will receive a fixed grant between EUR 0 for communes with less than 1,000 residents and EUR 300,000 for communes with more than 3,000 residents. The balance of the fund is then distributed according to the following 5 unified criteria: the adjusted population (82 %); salaried jobs (3 %); the socio-economic index (9-10 %); social housing (0-1 %); the adjusted surface (5 %).

Useful links:

[Réforme des finances communales \(FR\)](#)

## Société à responsabilité limitée simplifiée (simplified limited liability company)

Entry into force: 16 January 2017

The simplified limited liability company (*société à responsabilité limitée simplifiée* - S.à.r.l.-S) or "1 Euro company" is a governmental initiative whose objective is to stimulate entrepreneurship and to facilitate business start ups for entrepreneurs by reducing incorporation costs, a simpler, faster and more effective procedure of establishment, and, above all, a significant reduction of the amounts required for the subscription and full payment of capital as currently provided for by the amended law of 10 August 2015 on commercial companies. The text is essentially aimed at independent entrepreneurs who wish to start up an activity which does not require, by its nature, substantial start-up capital.

The S.à r.l.-S is a variant form of the standard limited liability company (S.à r.l.) ; all the provisions which apply to the S.à r.l. also apply to the S.à r.l.-S, unless an exemption is specifically stated.

Useful links:

[legilux.lu](http://legilux.lu) (FR)

[Le gouvernement adopte le projet de loi ayant pour objet d'instituer la société à responsabilité limitée simplifiée](#) (FR)

## Societal impact company

In progress

On 23 November 2016, the Chamber of Deputies adopted the bill of law on the creation of societal impact companies (*sociétés d'impact sociétal* - SIS). The objective of the law is to establish a legal frame tailored to the needs and specificities of companies with a social or societal purpose. The status of societal impact companies, which goes beyond purely operational advantages, implies the official recognition of the specificities of such companies. This recognition comes with a certain number of obligations in terms of transparency, which include an accreditation procedure by ministerial order and prudential supervision by the minister responsible for the social and solidarity economy.

### **Initiative 6zero1 – the first societal impact company**

6zero1 is a joint initiative by the Ministry of Labour, Employment and the Social and Solidarity Economy, the Grand Duke Henri and the Grand Duchess Maria Teresa Foundation and the ULESS with the goal to foster the development of social companies and to support the creation of societal impact companies (SIS) in Luxembourg.



6zero1 supports all social entrepreneurs who wish to adopt the new legal form of the societal impact company (SIS) by accompanying them in their procedures (training, financing and advice) and by offering them a comfortable, personal and individual workspace.

The support programme (*accélération*) offered by 6zero1 is open to all candidates who wish to start up a societal impact company (SIS) and includes the following parts:

- 6-Network: a programme with conferences and participatory discussions;
- 6-Formation: a training programme focused on the key elements of social companies (e.g. measuring the social impact, project management, communication, financing, website);
- 6-Assistance: personalised assistance during the application for accreditation as a SIS;
- 6-Finance: assistance with the relationship building in the search for financing (philanthropy, microcredits, bank credits);
- 6-Conseil: individual assistance and personalised mentoring.

As a social company, 6zero1 aims to be the first social company in Luxembourg incorporated as an SIS, as soon as the law on societal impact companies enters into force.

Useful links:

[Société d'impact sociétal \(SIS\) \(FR\)](#)

#### National action plan for employment (PAN)

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The legislative procedure is under way

The plan, which started in 1999, is currently being reviewed within the framework of the reform on reference periods, the adjustment of the working hours plan (*plan d'organisation du travail* - POT) and the adjustments with respect to working time.

The first substantial change introduced is the **increase of the reference period** from 1 month to a maximum of 4 months. The decision whether or not a business decides to move to 4 months is taken by the business itself.

The **working hours plan** (POT) is maintained by law. However, each business may decide to complete the plan upon common agreement with the staff delegation or with all staff concerned in the company if there is no staff delegation.

The law has also implemented certain adjustments with respect to **working time**. First, the monthly usual working time cannot be overrun by more than 12,5 %, or even 10 % if directly related to the selected reference period. In the case of a weekly average of 40 hours per month, this will equate to 45 respectively 44 hours during a reference period of 4 months. Each hour worked in excess of the average of 45 hours, respectively 44 hours, during one month, will automatically be compensated in the form of overtime.

These changes will not impact businesses which have a **collective agreement** as the reference period set under such an agreement may exceed 4 months.