

Publication

LAW PROVIDING A TEMPORARY DEROGATION FOR BETTER EMPLOYMENT PROSPECTS

The [law of 24 July 2020 providing for a temporary derogation from articles L. 524-1., L. 524-2., L. 524-5., L. 541-1. and L. 541-2. of the Labour Code](#) was published in the memorial on 24 July 2020. With the pandemic, unemployment in Luxembourg has exploded, resulting in an increase of 33 % in one year so that more than 20,000 jobseekers are currently registered with the Agency for the Development of Employment (ADEM). The law has thus introduced temporary measures to cushion the shock of the economic crisis by offering job seekers of all age groups better employment prospects in the short term.

First of all, ADEM may offer a [professionalisation internship](#) to all jobseekers who have been registered with the employment offices of the ADEM for at least one month, whereas previously the vocational training course could only be offered to jobseekers aged at least 30 or on external redeployment or who were disabled employees within the meaning of articles L. 561-1. and following of the Labour Code.

Subsequently, an [employment reintegration contract](#) (CRE), comprising alternating periods of practical training and theoretical training, may be offered by the ADEM to jobseekers aged 30 or over (before the entry into force of the law in question, the age was set at 45) or undergoing external redeployment within the meaning of articles L. 551-1. and following of the Labour Code or having the status of a disabled employee within the meaning of articles L. 561-1. and following of the Labour Code and registered with ADEM employment offices for at least one month.

Notwithstanding article L. 524-5. of the Labour Code, a share corresponding to 50 % of the minimum social wage for unskilled workers is paid by the promoter to the Employment Fund in the event of the employment of jobseekers aged between at least 30 and less than 45 years. In the event of the employment of jobseekers aged at least 45 years, on external redeployment within the meaning of articles L. 551-1. and following of the Labour Code, having the status of disabled employee within the meaning of articles L. 561-1. and following of the



Labour Code or of the under-represented sex, the company's contribution is reduced to 35 % of the compensation received by the jobseekers.

In addition, the Employment Fund now reimburses employers for the employer's share of social security contributions for unemployed persons hired, whether or not they are compensated, provided that they are at least 30 years of age and have been registered as unemployed jobseekers with one of the ADEM employment offices for at least one month.

The condition of registration with one of the ADEM employment offices, the condition of the declaration of vacancy and the condition of the aforementioned period of registration no longer apply in the event of the hiring of an employee aged 30 years and affected by a job maintenance plan within the meaning of article L. 513-3. of the Labour Code, approved by the Minister of Labour, Employment and the Social and Solidarity Economy, or whose employment contract has been terminated following a declaration of bankruptcy or judicial liquidation.

For unemployed persons aged between 30 and 45, the reimbursement of employers' social security contributions may not exceed one year.

The law is applicable from 24 July 2020 until 31 December 2021 inclusive.

You will find [here](#) the report of the Labour, Employment and Social Security Commission as well as the text published in the memorial.

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