

Increase of the minimum wage



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On 25 June 2019, the draft law n° 7416 amending Article L. 222-9 of the Labour Code and increasing the minimum social wage by 0.9%, was approved by the Chamber of Deputies.

The soon-to-be published new legal provisions entail that the minimum wage for unskilled workers will rise from 2,071.10 EUR gross (index 814.40) to 2,089.75 EUR gross (index 814.40). This 0.9% increase will apply retroactively to 1 January 2019.

Together with the previous 1.1% increase of the minimum wage as well as the minimum wage tax-credit system as adopted under the 2019 budgetary law, this new measure represents the last step towards achieving the 100 EUR net minimum wage increase with effect from 1 January 2019.

Employers will bear about one third of the costs of such measures, while the remaining two thirds will be compensated by the Luxembourg state through the predicted minimum wage tax-credit system.

As the minimum wage tax-credit and the 0.9% increase in the minimum social wage both apply retroactively to 1 January 2019, nearly 60,000 employees in Luxembourg will receive an additional net amount of around 600 EUR with their July 2019 salary.

On the same day, the Chamber of Deputies also voted to increase the social inclusion income (REVIS) and the allowance for severely disabled employees (RPGH).