

COUNTRY NOTE

Database on Social Expenditure (www.oecd.org/social/expenditure.htm)

OECD - Social Policy Division - Directorate of Employment, Labour and Social Affairs

LUXEMBOURG

Monetary unit

Social spending is expressed in millions of Euros (EUR).

General notes

The system of social protection in Luxembourg has been divided into five different branches, operated by approximately 20 institutions that are financially autonomous and managed by the social partners, as supervised by the General Inspectorate for Social Security.

The individual country notes of the OECD Benefits and Wages (www.oecd.org/social/benefits-and-wages.htm) provide a comprehensive description of characteristics of social programmes (e.g. conditions for receipt, calculation of payment rates, tax treatment of social support, benefit duration, etc.) for the working-age population, including: unemployment insurance and assistance, social assistance, employment-conditional benefits, housing benefits, family benefits, childcare support, and support for sole parent households.

Break in series:

Data for 1990 onwards are based on the new ESSPROS methodology format. Coherent spending series for 1980 onwards at the individual programme level were obtained on basis of information for a few years in the early 1990s for which both historical spending series and information based on the new ESSPROS format were available. For certain programmes and aggregate categories, breaks in series (between 1989 and 1990) were inevitable. In general, programmes from the old ESSPROS format which could not be matched with a figure from the new ESSPROS format were set to “missing” from 1990 onwards; similarly, figures from the new ESSPROS format which could not be matched to a programme from the old methodology were set to “missing” for the period 1980-89.

Public data prior to 2001 include some private spending as private spending can only be distinguished from 2001 onwards. So from 2001 onwards, total spending figures of:

- Private wage replacement due to sickness (ESSPROS scheme 26) are classified under Mandatory private
- Mutuelles (ESSPROS scheme 9) and Subsidised private assistance (ESSPROS scheme 15) are classified under Voluntary private.

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Secretariat estimates

Sources

1980-1989

EUROSTAT (1995), *Social Protection Expenditure and Receipts 1980-1993*, Luxembourg.

EUROSTAT (1996), *Digest of Statistics on Social Protection in Europe – Old Age and Survivors: an update*, Luxembourg.

1990 onwards

Data provided by EUROSTAT (ESSPROS database), except for:

1980 onwards 4. Health: OECD Health Statistics (www.oecd.org/health/healthdata)

1980 onwards 6. ALMP: OECD Labour Market Policy database.

(See Table “Passage from ESSPROS to SOCX” next page).

Background information

European Social Statistics, Social Protection, ESSPROS qualitative information

<http://ec.europa.eu/eurostat/web/social-protection/data/qualitative-information>

General report from Social Security Department (<http://www.mss.etat.lu/publications.htm>)

MISSOC, Mutual information system on social protection in the Member states of the European Union and of the European Economic Area

(<http://ec.europa.eu/social/main.jsp?catId=815&langId=en>)

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Passage from Esspros to SOCX (public / mandatory-voluntary private)
Luxembourg, in millions of Euro

ESSPROS/SOCX	Code	1990	1995	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
(1)	ESSPROS Social protection benefits	1100000	1 888	3 023	4 129	6 441	6 787	7 108	7 842	8 493	8 899	9 247	9 850	10 564	11 025	11 327	11 471	12 233
- (2)	- ESSPROS Disability Economic integration of the handicapped	1121114	1	5	6	20	26	27	29	33	34	41	45	48	52	51	52	54
		1121122	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		1122114	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		1122122	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- (3)	- ESSPROS Sickness Benefits in kind	1111200	415	656	905	1 397	1 446	1 551	1 645	1 752	1 827	1 876	1 985	2 147	2 228	2 200	2 216	2 405
		1112200	3	6	6	0	0	0	0	0	0	0	0	0	0	0	0	0
- (4)	- ESSPROS Unemployment Cash - Vocational training allowance	1161114	0	0	0	0	0	0	0	0	:	0	0	0	0	0	0	0
		1161121	0	0	0	22	17	19	18	26	23	21	25	31	24	21	21	21
		1162114	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		1162121	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		1161200	4	18	57	8	9	9	10	10	10	3	3	3	4	4	5	5
		1162200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+	(5) SOCX/ Health HEALTH Public benefits in kind, excluding long-term care overlap estim	442.10.4.0.0.0	523	777	1 116	1 795	1 878	1 951	2 177	2 327	2 399	2 194	2 041	2 136	2 261	2 301	2 383	2 508
+	(6) SOCX/ EDU-EAG FAMILY Services Child care (pre-primary education)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
+	(7) SOCX/ ALMP ACTIVE LABOUR MARKET PROGRAMMES	442.10.6.0.0.0	21	21	44	149	161	171	173	185	219	258	276	291	319	343	432	450
-	(8) = SOCX MANDATORY PRIVATE SOCIAL EXPENDITURE	442.20.90.0.0.0	a	a	a	74	89	103	117	295	325	351	374	405	408	438	458	486
	Paid sick leave	442.20.3.1.4.1	m	m	m	74	89	103	117	295	325	351	374	405	408	438	458	486
-	(9) = SOCX VOLUNTARY PRIVATE SOCIAL EXPENDITURE	442.30.90.0.0.0	8	12	51	91	93	135	73	120	139	159	195	111	112	118	125	121
	Funeral expenses: all insured persons	442.30.2.2.1.1	m	m	m	1	1	1	1	2	2	1	2	2	2	1	2	1
	Other benefits in kind	442.30.5.2.3.1	m	m	m	6	4	6	6	a	a	a	a	a	a	a	a	a
+	(10) SOCX/ Health HEALTH Voluntary private insurance, benefits in kind	442.30.4.0.0.0	8	12	51	84	87	127	65	118	137	157	193	109	110	117	123	120
=	(11) SOCX PUBLIC SOCIAL EXPENDITURE	442.10.90.0.0.0	2 009	3 137	4 316	6 857	7 234	7 514	8 364	8 888	9 297	9 146	9 734	10 354	10 888	11 257	11 533	12 218

Notes:

- (1) "ESSPROS / Social protection benefits" are Total ESSPROS expenditures (1000000) less Administration costs (1200000) and other expenditure (1400000, property income and other).
- (2) The ESSPROS data within "Disability / Economic integration of the handicapped" are not included in SOCX database to avoid double counting with SOCX "Active Labour Market Programmes / Measures for the disabled".
- (3) The ESSPROS data within "Sickness / Benefits in kind" are not included in SOCX database to avoid double counting with SOCX "Health / Benefits in kind".
- (4) The ESSPROS data within "Unemployment / Cash Vocational training allowance" "Unemployment / Benefits in kind" are not included in SOCX database to avoid any double counting with SOCX "Active Labour Market Programmes".
- (5) SOCX Health benefits in kind are from "OECD Health Data (www.oecd.org/health/healthdata)".
- (6) SOCX includes public spending on pre-primary education from OECD education database, unless such data are already included in "5.2.1. Day care services".
- (7) SOCX Active Labour Market Programmes are from "OECD database on labour market programmes".
- (8) Spending on some programmes recorded under the schemes below are categorised as Mandatory private in SOCX.
- (9) Spending on some programmes recorded under the schemes below are categorised as Voluntary private in SOCX. (9) Includes (10).
- (10) SOCX Private insurance Health benefits in kind are from "OECD Health Data (www.oecd.org/health/healthdata)".
- (11) = (1) - (2) - (3) - (4) + (5) + (6) + (7) - (8) - (9) + (10)

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Code	Title of the programme	Description of the programme and attached notes
1. OLD AGE		
442.10.1.1.1.2	Employees, self-employed and farmers	The data for early retirement pensions of "Employees, self-employed and farmers" are included in "Old age pension". Supplements to certain professional groups (miners, metal trade workers, drivers and technical employees of mines) are included in the "Old age allowance (contributory schemes)". Data until 1989.
442.10.1.1.1.5	Old-age pension	Since 1990 data have been aggregated including Pension scheme (Assurance pension), and Special pension scheme – central and local government and social security fund.
442.10.1.1.2.1	Early retirement pension	The data for early retirement pensions of "Civil servants, social security staff and local government personnel" and supplementary elements are included.
442.10.1.1.3.1	Refund of contributions	If, at age 65, the insured does not fulfill the necessary condition of 120 months of insurance to obtain an old age pension the contributions paid (except the portion paid by the State) are reimbursed. Data until 1989.
2. SURVIVORS		
442.10.2.1.1.1	Widower's pension	From 1987, legislation introduced equal rights for widows and widowers., The entitled persons are the following: spouse married to the deceased, divorced spouse if not remarried, children who are legitimate, adopted or natural, as well as orphans having lost both parents on condition that the insured party paid for their maintenance and education during the 10 years prior to his decease, persons treated as widows/widowers: parents and direct relatives, collaterals up to second degree and dependant adopted children. Various conditions have to be met. Data until 1989.
442.10.2.1.1.8	Survivor's pension	Since 1990 data have been aggregated including Pension scheme (Assurance pension), and Special pension scheme – central and local government and social security fund.
3. INCAPACITY RELATED BENEFITS (Disability, Occupational injury and disease, Sickness)		
442.10.3.1.1.1	General scheme for employees, self-employed and farmers	The minimum period of affiliation for entitlement is equal to 12 months of insurance in the three years prior to invalidity. The three-year period is extended if it overlaps with additional reduced periods of eligibility. No qualifying period is required if invalidity is caused by an injury of any kind or occupational disease which occurred during affiliation. At age 65 it is replaced by the old age pension. Data until 1989.
442.10.3.1.1.3	Victims of war	Invalidity pension is converted into old age pension when the beneficiary reaches the prescribed age. For "Victims of war", however, the pension has indefinite duration and the data should be included under "Old age pension". Data until 1989.
442.10.3.1.1.7	Disability pension	Since 1990 all schemes have been aggregated.
442.10.3.1.2.1	Occupational accident and disease	It includes supplements to permanent incapacity pension. Accidents occurring during travel between home and work are covered. Data until 1989.
442.10.3.1.4.1	Private sector employees: sickness allowance in cash: manual workers (social security)	In case of sickness, workers in the private sector continue to receive pay from the employer for the month in which the illness occurs and for the following three months. Benefits are payable for a maximum of 52 weeks. Payment ends if an invalidity pension is granted. Data until 1989.
442.10.3.1.4.4	Paid sick leave	Since 1990 all schemes have been aggregated.
442.10.3.1.5.1	Severely handicapped persons: permanent attendance allowance	It includes expenditure belonging to "Old age cash benefits".

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(FNS)		
442.10.3.1.5.2	Victims of war: differential supplement	Data are included in "Old age cash benefits" and "Survivors".
4. HEALTH		
442.10.4.2.0.0	Public expenditure on health	See <i>OECD Health Statistics</i> .
5. FAMILY		
442.10.5.1.1.1	Family allowance	The figures for 1988 include data for "Education allowance" which was introduced on 1/8/1988. From 1989, separate data are shown. An additional allowance is given to children aged fewer than 18 with an insufficiency or permanent reduction of at least 50% of physical or mental ability by comparison with that of a child of the same age.
442.10.5.1.1.3	Education allowance	See 5.1.1.1.
442.10.5.1.2.3	Birth grant: pre-natal allowance	A birth grant is available to women resident in Luxembourg on condition that both mother and child have the required medical examinations. Data until 1989. Now under item 442.10.5.1.2.7.
442.10.5.1.2.4	Birth grant: maternity allowance	Only if wage is discontinued. The maternity allowance is granted for eight weeks before presumed date of confinement and eight weeks after effective date of confinement; the allowance may be paid for additional weeks for nursing mothers and in the case of premature birth or multiple births. It is equal to 100 per cent of the salary the insured would have received during maternity leave. Data until 1989. Now under item 442.10.5.1.2.7.
442.10.5.1.2.5	Income maintenance in the event of childbirth	Divided between : <ol style="list-style-type: none"> 1) Maternity leave: periodic payment of replacement revenue (100% of salary) to the mother over an 8 week period preceding the birth and an 8 week period following the birth. 2) Special maternity leave: periodic payment of replacement revenue (100% of salary) over the entire pregnancy period in the case of a significant risk to the mother's health and of her child during pregnancy.
442.10.5.1.2.6	Parental leave benefit	Periodic replacement revenue (1.5 times the legal minimum income from work) for both working parents over a 6 month period in case of a full time leave from work (12 month in case of part-time leave). To benefit from full-time parental leave, a parent must devote herself or himself primarily to the upbringing of a child and refrain from any occupational activity for the duration of the parental leave. In the case of part-time parental leave, beneficiaries may not engage in occupational activity for more than half of the normal monthly hours applicable at their working place.
442.10.5.2.1.1	Family support centers	Data under "Family support centers" include data for holiday centers.
6. ACTIVE LABOUR MARKET PROGRAMMES		
See OECD Labour Market Policy database.		
7. UNEMPLOYMENT		
Divided between :		
442.10.7.1.1.1	Full unemployment benefits	<ol style="list-style-type: none"> 1) The maximum period of unemployment benefit is set at 365 calendar days within a reference period of 24 months. The period for which a person is eligible for unemployment benefit may, however, be extended to a maximum of two years, provided he or she has been a member of the pension scheme on a compulsory basis for at least 30 years. The amount of the complete unemployment benefit is 80% of the gross salary (85% if a child at charge). Protection against unemployment

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		<p>also applies to the young people who, at the end of their vocational training, are without employment. The allowance is fixed at 70% of the minimum social income.</p> <p>2) Temporary unemployment due to bad weather conditions, technical incidents or transitory unfavourable economic situation of the corporation: in the event of involuntary unemployment caused by bad weather, persons employed and apprentices have a right to the granting of a compensatory allowance. In the event of partial or total operation interruption of corporation, a replacement revenue is provided.</p> <p>3) Reduced employment due to economical reasons: the object of the provisions is to prevent dismissals for causes of the economic situation and to maintain a satisfactory level of employment in economic period of recession.</p>
9.	OTHER SOCIAL POLICY AREAS	
442.10.9.1.1.2	Guaranteed minimum income	<p>A subjective and non-discretionary right. Persons must be resident in Luxembourg and have resided in the country for at least five years during the last twenty (since 2001 this condition of residence applies only to non-EU nationals). They must also be aged at least 25, available for work and accept appropriate employment assigned by the labour authorities or accept attendance at courses, training periods or other measures of preparation, initiation and guidance in working life, temporary assignment to public utility employment with the State authorities, public authorities or other non-profit bodies. Exceptions: sick, disabled and elderly persons, persons who are looking after a child or an invalid.</p>