

Dear Client,

We hereby set out for you in an annex **the changes which will be valid from 1 January 2018**, subject to the legislation in force, namely:

- [Information on the tax card for the year 2018](#)
- [Leave for personal reasons \(special leave\)](#)
- [New contribution rates regarding the Employers' Mutual Insurance \(\*Mutualité des Employeurs\*\)](#)
- [New contribution rates regarding the Accident Insurance Association \(\*Assurance Accident\*\)](#)

At the same time, you will find reminders concerning the following subjects:

- [The rules on working time pursuant to the Law of 14 March 2017](#)
- [The taxation of German and Belgian non-residents in the context of double taxation agreements](#)
- [Applications for a certificate in the event of work abroad \(A1\)](#)

We would also remind you that all this information is available on our website [www.ficel.lu](http://www.ficel.lu). We would advise you also to consult the site regularly in order to keep up to date with any changes or new laws that become applicable.

We remain at your disposal for any further information and remain,

Yours faithfully

Fiduciaire Centrale du Luxembourg  
Salaires et Social SA

## Information on the tax cards for the year 2018

As from 1 January 2018, **the tax treatment of married non-resident taxpayers** has been changed. They will be assigned, in the absence of a joint choice on their part, to tax class 1 and they will be taxed only on their income of Luxembourg origin. To that end, they received during October 2017 a letter from the tax authorities (*Administration des Contributions*) informing them about the 2018 reform and offering them a rate based on their last known income.

In the event of application of a rate, the tax card will no longer contain any tax class but an identical rate for each card for the household. The various deductions (FD,DS,CE,AC etc.) will no longer appear on the cards, on the basis that the rate calculated takes account of those deductions. It is to be noted that on the pay slip there will be a reference to class 0 and to the appropriate rate.

The rate is a predicted rate and it will be regularised by way of taxation by assessment, following the compulsory filing of a tax return for the year 2018 (form 100) in Luxembourg.

**With a view to this change, we would like to inform you that until receipt of the 2018 tax card we shall proceed to calculate the 2018 wages on the basis of the card for the year 2017.**

**In the event of disagreement and with a view to application of class 1 and/or, if appropriate, of the rate applied for by the employee, we should be grateful if you would fill in the form below and return it to us, preferably by email, as soon as possible.**

**After receipt of the 2018 card, the appropriate rectifications will be made by us.**

Please tick the appropriate box, sign and date this document and send it to us as soon as possible by email so that your choice can be respected.

☐ Option 1: Application of class 1

☐ Option 2: Application of the rate requested by the employees (**kindly send us proof of the application indicating the rate requested by the employees in question**)

Name of the undertaking: ...

Name of the signatory: ...

Date: ....., this .../.../...

Signature and stamp:.....

**NB. For unmarried resident and non-resident taxpayers, there will be no changes compared with previous years. The same will apply to married residents who have not requested any change. The 2017 tax cards will remain applicable until a modification is requested.**

**Practical note:** Kindly send us only a copy of the new tax cards and keep the originals in your files for 10 years.

<b>Leave for personal reasons (special leave)</b>
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A Law of 15 December 2017 has recently made important changes affecting certain types of leave for personal reasons (special leave), leave for family reasons and post-natal maternity leave:

- Extension from 2 to 10 days of the leave granted to the father by reason of the **birth of a child or welcoming into the family of a** of less than 16 years old **child** with a view to adoption
  - Increase from 3 to 5 days of the special leave in the event of the **death of a minor child**
  - Discontinuance of special leave for **enlisting for military service**
  - Decrease of one-half of the length of special leave for **marriage/partnership**:  
marriage: from 6 days to 3 days  
marriage of a child: from 2 days to 1 day  
declaration of partnership: from 6 days to 1 day  
declaration of child's partnership: 2 days to 0 days
  - Two days of special leave for **house-moving** are granted over a period of three years employment with the same employer, except in the case of removals for professional reasons
  - Leave for **family reasons**:
    - The leave may be subdivided
    - Increase of the age limit of a child of less than 15 years to less than 18 years
    - The duration of the leave will depend on the child's ageFirst age bracket: 12 days per child for the age bracket between zero and less than 4 years  
Second age bracket: 18 days per child for the age bracket between 4 years and less than 13 years  
Third age bracket: 5 days per child for the age bracket between 13 years and 18 years, but only in the case of hospitalisation of the child.
- NB: The transitional provisions provide that for the first 2 tranches, the days of leave already taken up to 31 December 2017 are deducted according to the age bracket
- **Post-natal leave** of 12 weeks for any employee who gives birth, and the same for child adoption leave

### Employers' mutual benefits

New rates applicable:

<b>Class 1</b>	<b>0.46%</b>
<b>Class 2</b>	<b>1.16%</b>
<b>Class 3</b>	<b>1.77%</b>
<b>Class 4</b>	<b>2.95%</b>

### Accident insurance rates

New applicable rate: **0.90%**

### The new rules on working time (Law of 14 March 2017)

Following the new rules on working time (Law of 14 March 2017), undertakings posting employees abroad to Luxembourg **AND** undertakings subject to Luxembourg law are required to keep **a special register** recording the start, end and duration of daily work, and extensions of the normal working period, hours worked on Sundays, holidays, at night and work sites, where appropriate.

NB: Before any additional hours or hours on Sunday are worked, the employer is required to notify those working hours by means of a form available on the Internet site of the Inspectorate of Work and Mines at the email address: **contact@itm.etat.lu**.

It is also recommended to use that email address to send in the work organisation plan (*plan d'organisation du travail – POT*).

### The taxation of German and Belgian non-residents in the context of double taxation treaties

We would remind you that, pursuant to double taxation treaties, employees residing in Germany and Belgium operating under a Luxembourg employment contract with a single employer and performing their work both in Luxembourg and abroad must subject their wages to taxation shared between Luxembourg and their country of residence on the basis of the place of work.

A tolerance threshold defines the starting point of the taxation:  
For Germany, it is at present 19 days, and for Belgium 24 days.

Given that we take care of the calculation of the tax on your employees' wages, we wish to receive from you each month details of the days and/or hours worked abroad when the monthly wage information is submitted.

<b>Request for certificate in the event of work abroad (form A1)</b>
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Every employer who wishes, for professional reasons, to send an employee abroad (posting) must give prior notice of his intention to the Joint Social Security Centre (*Centre commun de la sécurité sociale*), filling in a **request for a certificate in the event of work abroad**, in order to be issued with a form A1. With a view to determining the applicable social security legislation, applications sent to the Joint Social Security Centre will be examined in the light of the Community rules, bilateral or multilateral conventions and national legislation.

The aim of those provisions is to subject employees to the legislation of only one country. The applicable legislation is in principle that of the place of work: in other words, the worker is subject to the legislation of the country in whose territory he pursues his professional activity, even if he lives in the territory of another country or if his employer's registered office is in the territory of another country. Luxembourg social protection is nevertheless maintained in the event that the employee fulfils the conditions laid down for posting or, under certain circumstances, if he is regularly employed in the territory of several countries.

A posting can be applied for only after a waiting period of one month after the commencement of membership.

The same rule applies to people working in their own personal name or with a self-employed status.