

Parental leave in Luxembourg

Information for employers

Conditions for eligibility Frequently asked questions Special cases

TABLE OF CONTENTS

Foreword	3
Introduction	5
Parental leave – Types and forms	6
Parental leave – Conditions for eligibility	7
Frequently asked questions	8
	10
Contact details of the CAE	12

Foreword

Parental leave allows parents to spend time with their child and to keep their job, without having to choose between having a career and having children.

For the employer, parental leave is beneficial because the employee remains in the company, which increases not only employability – especially for women – but also employee retention.

Since the reforms on parental leave in 2016, employees can choose between different types of parental leave: six months or four months full-time, twelve or eight months part-time, one day a week over 20 months or four one-month periods over 20 months. In order to be eligible for flexible parental leave, the employer's agreement is always necessary: in the event of disagreement, the employee will take parental leave on a full-time basis for four or six months.

The reformed parental leave not only allows companies to retain their employees, but it also ensures predictability, which is critically important in the current context.

Employees who can easily combine family and working life without having to choose between one or the other are often highly productive: having a good work-life balance leads to better performance at work. Companies have a strong interest in ensuring a good work-life balance for their employees in order to retain them, making their business more resilient.

Parental leave has become an essential tool for ensuring a good balance between family and working life, as shown in the data below: In 2022, 12 698 parents took parental leave, including 5 529 women and 7 169 men. In addition to promoting better emotional ties between parents and their children, parental leave should also encourage companies and their employees to be innovative in finding solutions to combine work and family life.

Corinne Cahen Minister for Family and Integration



KARY photography

Introduction

The new parental leave scheme, which entered into force more than six years ago and was recently amended by the law of 23 December 2022, has been an unmitigated success since its introduction.

The reform of 2016 has broadened the eligibility criteria and the allowance paid by the Children's Future Fund (Caisse pour l'avenir des enfants, CAE) is no longer flat-rate, but varies according to the employee's income. This has consequently increased the attractiveness of parental leave and the number of people wishing to use it, enabling them to reconcile their private and professional lives and spend more time with their children.

As an employer based in Luxembourg, you will certainly have to deal with requests for parental leave and perhaps also situations where you have doubts as to how to respond to your employee's request.

For the purposes of raising awareness and continuous improvement, the CAE has collected recurring questions and problems over recent months and has drawn up this document to provide appropriate answers and solutions. The information in this document does not substitute itself to the applicable legislation, but is intended to clarify certain grey areas and to raise awareness on specific aspects which may be directly or indirectly linked to a request for parental leave.

Indeed, certain little-known conditions can lead to rejections by the CAE which could easily be avoided, in particular by adapting the form or dates of the parental leave to the individual situation of the applicant.

This information is not intended to be exhaustive and the CAE will be happy to help employers respond to any non-standard requests from their employees.

Parental leave – types and forms

In order to answer the specific questions that may arise in the context of applications for parental leave submitted by your employees, we must first distinguish between the various *types of parental leave* and *forms of parental leave*, as well as the main conditions to be met by the employee.

Types of parental leave

There are two 'types' of parental leave, namely:

Туре	Specific features
First parental leave	must be taken <u>immediately after maternity leave</u> (or adoption leave) *
Second parental leave must be started before the child reaches the age of 6 ye (or 12 years in the case of adoption, with an upper limit years after the date of the ruling)	

* The start date is the first day of the third week after childbirth if no maternity leave is due (or the date of the adoption ruling if no adoption leave is due)

Forms of parental leave

Parental leave may take the following forms:

	Form of parental leave	Professional activity	
Form 1	Full-time parental leave of 4 or 6 months	No gainful activity is allowed during the parental leave	
Form 2	Part-time parental leave of 8 or 12 months	Working time is reduced by 50% during the parental leave	
Form 3	Split parental leave taken 1 day per week within a period of 20 months	Working time is reduced by 20% during the parental leave	
Form 4	Split parental leave taken in 4 one-month periods within a period of 20 months	No gainful activity is allowed during the parental leave	

Eligibility criteria in a nutshell

In summary, the eligibility criteria for parental leave to be met by applicants can be divided into three main parts:

Part	Conditions to be fulfilled by the applicant	
Child	Be a parent of a child under 6 years of age (or 12 years in the case of adoption) and dedicate most of your time to the child's education for the entire duration of the parental leave	
Social security enrolment	Be automatically registered with social security through your employment contract for an uninterrupted period of 12 months prior to the start of parental leave	
Employment contract	Have an employment contract covering the entire requested period of parental leave and specifying a working time of at least 10 hours per week	

What are the administrative steps to be taken?

To allow an employee to benefit from the parental leave allowance, the corresponding application form must be submitted to the CAE. This form must be duly completed and certified by the employer, in particular the section regarding the applicant's professional activity. Incomplete applications create extra work for the CAE and the employer, which results in delays in processing the application.

Should the employer notify the Joint Social Security Centre (CCSS)?

The employer does not need to notify or send any paperwork the Joint Social Security Centre (Centre commun de la sécurité sociale, CCSS). The CAE will notify the CCSS to deregister the applicant before the start of the full-time parental leave and will also apply to re-enrol the applicant at the end of the parental leave. The same applies for part-time parental leave.

However, the employer must ensure that all information provided for the employee to the CCSS during the year preceding the start of the parental leave, including the number of hours worked and the remuneration paid, is complete and accurate.

Can the employer refuse a request for parental leave?

The employer cannot refuse an application for full-time parental leave that has been duly submitted by an employee who fulfils the eligibility criteria.

However, all other forms – i.e. part-time parental leave or split parental leave (1 day per week or 4 one-month periods) – are subject to the employer's agreement. The employer can refuse these forms of parental leave and the employee must then either opt for full-time parental leave (4 months or 6 months) or withdraw the application.

What are the deadlines for an employee to submit an application?

The time limits to be observed by the employee depend on the type of parental leave requested.

For the first parental leave, the application must be submitted to the employer at the latest two months before the start of maternity leave (or adoption leave). For the second parental leave, the application must be submitted no later than 4 months before the beginning of the parental leave.

If the employee fails to submit the application in due time, the employer may refuse the request for parental leave, but is not required to do so. The employer can accept an application for parental leave even if the legal deadlines have not been respected. However, such late applications remain subject to the same processing times and it is possible that the examination of the application will not be completed by the intended starting date of the parental leave.

Can an employer apply to postpone the start of parental leave?

The first parental leave cannot be postponed if it has been duly applied for.

However, the employer may request to postpone the starting date of the second parental leave.

A postponement of two months is possible if a significant proportion of an undertaking's staff applies for parental leave at the same time, if it is particularly difficult to replace the applicant or if the applicant is a senior manager of the undertaking.

The postponement may be extended to six months for an undertaking which employs fewer than 15 employees, or even to the end of the peak season when the undertaking carries out seasonal work.

Can an employee participate in training during full-time parental leave?

An employee on full-time parental leave may take part in training courses organised or offered by the employer. The corresponding number of hours and other arrangements must be agreed mutually and must be the subject of an amendment to the employment contract, which must be signed at the latest one month before the start of parental leave. Such participation may not aim to or result in the employee taking part in the normal or daily business of the undertaking, nor in the employee taking over peaks in workload.

Can an employee work overtime during part-time parental leave?

The legal basis for parental leave does not formally prohibit working overtime during parttime parental leave or split parental leave one day per week. However, the employee must effectively reduce his or her working time and should not be expected to work overtime.

Therefore, with the agreement of the employee, working overtime is authorised provided that it remains strictly limited and that the employee can, as far as possible, recover those hours during the month in which they were worked.

The employee is on probation

Applications for parental leave for employees on probation are not admissible and will systematically be rejected.

If the employer nevertheless wishes to grant parental leave to an employee on probation, the employer may terminate the probationary period early so that it has been completed by the time the application for parental leave is signed. In such cases, a certificate proving the early termination of the probationary period should then be attached to the application.

The employee has been in the company less than one year

As an employer, you have the right to refuse any parental leave to an employee you have employed for less than a year before the planned start of parental leave.

Indeed, in the event of a change of employer by the employee during the year preceding the start of parental leave, even in the event of uninterrupted enrolment with the CCSS during that period, the requested parental leave may be refused by the new employer.

The employee is on a fixed-term contract

A fixed-term contract is not necessarily incompatible with parental leave. The crucial factor is that the fixed-term contract should cover the entire duration of the parental leave. If this is not the case, the application will have to be rejected.

The employee is not working full time

Only employees working full time at the time of the application for parental leave are eligible for all forms of parental leave.

If the employee is working at least 50% part time, i.e. working at least 20 hours per week, the employee is eligible for forms 1 and 2 only (*full-time parental leave and part-time parental leave*).

If the employee is working less than 50% part time, only form 1 (*full-time parental leave*) is possible, provided that the number of working hours is at least 10 hours per week.

The applicant is an apprentice or has several jobs

An employee under an apprenticeship contract is only eligible for form 1 (*full-time parental leave*).

The same rule applies to an employee who has one or more additional jobs. If the employee has several similar or different jobs subject to compulsory insurance (CCSS), whether in an employed or self-employed capacity, the employee is only entitled to full-time parental leave.

The employee applies for the first parental leave, but no maternity leave is due

The first parental leave must start at the end of maternity or adoption leave. If no maternity leave is due or taken, the starting date of the first parental leave is the first day of the third week after childbirth. In the case of an adoption without adoption leave, the first parental leave begins on the date of the adoption ruling.

In this context, it should be clarified that the second parental leave cannot start before the end of the maternity or adoption leave. If no maternity or adoption leave is due or taken, the second parental leave cannot start before the first day of the third week after childbirth, or before the date of the adoption ruling.

The employee has taken unpaid leave during the 12 months preceding parental leave

To be eligible for parental leave, the employee must be compulsorily enrolled with the Luxembourg social security scheme (CCSS) for at least 12 uninterrupted months before the start of parental leave (however, one or more interruptions, not exceeding a total of seven days, are allowed).

Where the employee has only one job, unpaid leave leads to an interruption of his or her compulsory enrolment with the Luxembourg social security scheme. Therefore, unpaid leave may under no circumstances exceed seven days, otherwise the requirement of uninterrupted enrolment would not be met and the application for parental leave would be refused.



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To contact our Fund

By telephone

(+352) 47 71 53-1

lines open from 08:30 to 14:30

Online

using the form

'Contact the CAE'

on our website www.cae.lu

To send documents to our Fund

By post	Online	
	using the form	
BP 394	Submit documents	
L-2013 Luxembourg	uxembourg electronically'	
	on our website <u>www.cae.lu</u>	

For further information on parental leave

https://cae.public.lu/fr/conge-parental.html

