



Unemployment Benefit in Luxembourg, Edward Hyslop – August 2009

In these financially precarious times, it is an unfortunate reality that more and more people in Luxembourg (as elsewhere) are having recourse to unemployment benefit as companies downsize to cope with the crisis. It is important therefore to know our rights to unemployment benefit (*chômage*) often for peace of mind as much for anything else. This article shall deal only with employees (*salariés*). Self-employed people can receive unemployment benefit (contrary to popular opinion) but this shall not be treated here. It must be stated from the outset that social security legislation is horrendously complex and intricate and each particular case must be judged on its merits. A general overview shall, however, try to be given here.

Time Period (*Période de référence*)

To be eligible for *chômage*, you must have paid your state social security contributions for a certain time. If you are an employee, these will normally have been deducted at source. You must have been working for at least 26 weeks during the 12 month reference period before you claim *chômage*. This can be made up of one or more jobs. So for example, if you worked in six different jobs for alternate months in the period January 2008-January 2009, you would normally be entitled to *chômage*.

Conditions

There are a number of other conditions that must be fulfilled to obtain *chômage*. First, you must not have voluntarily given up your position. This means that you must neither have resigned from your position nor should you have left with the agreement of your employer. This is not to say you must remain at your present job under intolerable conditions. The administration (ADEM) will look at your case and if you do not have a valid, convincing or exceptional reason for having left voluntarily then *chômage* will be denied you. Second, you cannot have been fired for serious fault (*faute grave*). Third, there are labour market conditions in that you must be able, available for work and ready to accept all appropriate offers. Fourth, you must generally also be resident in Luxembourg at the time you lost your job (notwithstanding special rules, of course, that may apply to border workers) otherwise you will be entitled to *chômage* followings rules applied in the country in which you live.

How Much and For How Long

Perhaps the most important question is “how much do I get?” It should normally be 80% of your previous salary based on the past three months or 85% if you had a tax benefit for looking after children. You generally have a right to *chômage* for one year though if you have been working for fewer than 12 months then you would normally receive *chômage* for the same time as you have been working. In some cases, the one-year period can be extended. This can be because of age, certain invalidity or because you have been paying social security contributions for a long time. This amount of *chômage*, however, is capped at 250% of the minimum salary for the first 6 months and then 200% thereafter. The minimum salary is currently EUR 1,682.76 per gross per month. So the maximum *chômage* allowance is EUR 5,889.66 (EUR 1,682.76 x 250%).

Your *chômage* will also terminate if you no longer fill any of the labour-market conditions, you become 65, you unjustifiably refuse a job offer or refuse to take part in any special training that ADEM may offer you.

Your Rights and Obligations

Once you receive *chômage*, it is generally in your interests to co-operate with ADEM as they can impose certain sanctions on you if you do not turn up to their offices when they ask you. In general, you have to show them how you have been looking for work. If you do not show up the first time, they can sanction you seven days of your *chômage* entitlement; a second time, and it can be a whole month; a third time and you can have all your entitlement withdrawn all together.

Looking for Work Abroad

You also have the right to go abroad for up to three months to look for work in the EU (plus Iceland, Liechtenstein, Norway and Switzerland) and have your benefit paid to you there. So if you are normally resident in Luxembourg, you would have the right (say) to go to the UK or Eire to look for work. You should inform ADEM if this is your intention and you will be given form E 303 to hand to the employment administration in the EU state where you go to look for work.

Generally then, the Luxembourg state's assistance is based on your previous salary capped for one year. It is relatively generous but you are entitled to it only for one year (with some limited exceptions).



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This article is intended to be a general statement of law only and should not be relied on in individual cases.