

COVID-19: Guidance for Employers on Short-Time Working Measures



On March 16, 2020, the Luxembourg Ministry of Health issued an order (the “Ministerial Order”- full original version in French available on this [link](#)) on several measures aimed at limiting the spread of COVID-19:

Following the example of other European countries, according to this order, Luxembourgish citizens will be subject to certain movement restrictions and only some businesses may continue to carry out their activities.

1. Which businesses can still continue their activities?

Pursuant to Article 4-2 of the ministerial order, the following essential professional activities may continue operating:

- supermarkets,
- pharmacies,
- opticians,
- pet food stores,
- telecommunications businesses,
- businesses selling mainly hygiene and washing products and sanitary equipment,
- fuel sales services and gas stations,
- distributors and shops specialised in medical and health equipment,
- medical pedicure strictly limited to limited medical and non-cosmetic care,
- kiosks/newsagents,
- financial and insurance institutions,
- dry-cleaning and laundry services,
- funeral services,
- the sale of non-food products in drive-ins,
- the sale of non-food products between professionals.

Article 5 of the ministerial order adds and stresses that only vitally essential economic business activities will remain open, namely:

- production and distribution of energy and petroleum products,
- healthcare sector,
- food sector,
- water distribution,
- waste removal and management,
- public transport.

2. Which business activities will be shut down and what governmental measures can employers use to cope with their financial losses?

Apart from the exceptions mentioned above, all commercial and craft activities open to public access have been suspended since March 16, 2020 and until further notice.

Likewise, construction sites will be mandatorily closed as of March 20, 2020 at 5:00 pm until further notice.

As a result, employers who will be financially affected by these shutdown measures, can launch the procedures and steps to benefit from short-time working (*chômage partiel*).

Employers can benefit from two options depending on their situation:

1. an accelerated procedure for companies, if they are directly affected by a government decision (according to the ministerial order),
2. a “force majeure/coronavirus” short-time working scheme for employers only indirectly affected by the shutdown measures.

1. Accelerated procedure for companies directly affected by a government decision

Who is eligible?

Companies that have ceased all or part of their activities in strict application of the ministerial order (i.e.: clothing shops, cinema staff, etc.). Employers who belong to this category are exceptionally and directly eligible for partial unemployment, as from the date the ministerial order entered into force and that caused their total or partial closure.

What is the application procedure?

An online system for claiming reimbursement will be shortly available on the website of Luxembourg’s National Employment Agency - ADEM. Reimbursement will be retroactive as of March 16, 2020. An announcement will be made as soon as the online system is launched.

What are the terms and conditions for reimbursement?

If the application is accepted, the National Employment Fund will pay 80% of an employee’s normal wage (capped at 250% of the minimum social wage for an unskilled employee) for a maximum of 1,022 hours per employee per year.

2. A “force majeure / coronavirus” short-time working scheme for employers indirectly affected by the shutdown measures

Who is eligible?

Businesses that remain open (i.e.: industry, fiduciaries, consulting companies, etc.) but who, nevertheless, are financially affected by the coronavirus crisis.

What is the application procedure?

Applicants must fill in a form that can be downloaded on the following websites:

- guichet.public.lu/fr/actualites/2020/mars/10-chomage-partiel-coronavirus.html
- <https://adem.public.lu/fr/formulaires/employeurs/Chomage-partiel.html>

All applications for short-time working must be submitted from now on by email to emploi@eco.etat.lu, or by post to the following address:

Ministry of the Economy - Business Conditions Committee,
19-21 Royal Boulevard,
L-2914 Luxembourg.

The application request shall be signed by the staff delegation and for those businesses that do not have a staff delegation it must be signed by all of their concerned employees.

An application will have to be issued each month detailing the impact on the activities and staff.

The applications related to March 2020 shall be sent, under the terms mentioned above, to the **Ministry by noon on Friday March 20, 2020**. They will be examined at the ordinary meeting of the Economic Affairs Committee scheduled on Monday March 23, 2020.

After this meeting, applicants will be informed in writing about the acceptance or refusal of their application.

A further form will have to be sent for April 2020. More details will be provided shortly.

What are the terms and conditions for reimbursement?

The reimbursement terms and conditions will be similar to the ones mentioned under point 1 above relating to the accelerated procedure.

Are there any specific conditions to be met before applying for short-time working?

It is important to point out that to apply and benefit from short-time working employees must:

- be employed with an indefinite employment contract or a fixed-term contract,
- be employed by a company legally established in Luxembourg,
- be fit for work and under the age of 68,
- not receive an old-age pension, an early old-age pension, or a disability pension,
- normally be employed by a company present on the on the Luxembourg territory
- be insured as employees with the Luxembourg Social Security Authorities.

It is also important to bear in mind that before submitting any application, employers should take certain actions, such as the non-renewal of fixed-term contracts, the liquidation of annual recreational leaves, etc.

Finally these measures do not concern employees who are:

- on sick leave,
- teleworking and whose activities can be continued normally (without any decrease of activity),
- currently on family leave.

If employers have any questions about short-time working, who should they contact?

Employers should contact the **Ministry of Economy's hotline number 8002 9191** from Monday to Friday from 8.00 am until 6.00 pm.

For any question related to the short-time measures you can also contact our team.

Your Contacts at Luther



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