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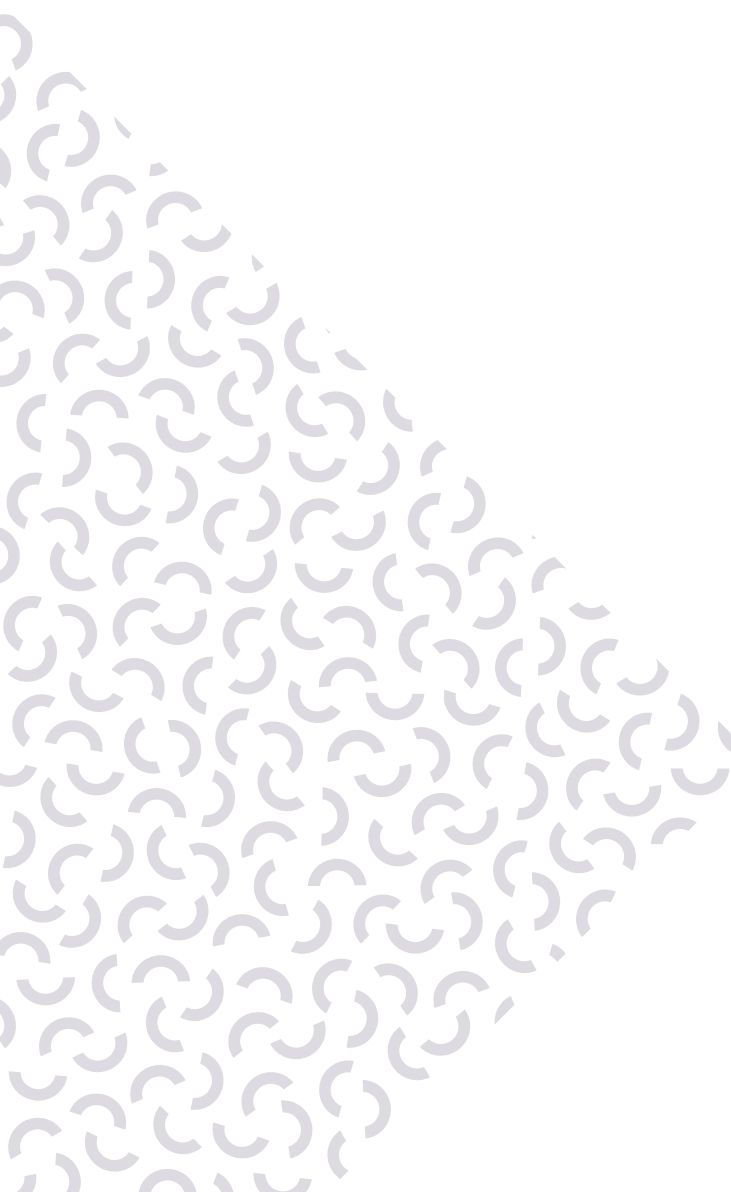


SOCIAL  
SECURITY  
LAW

# THE GENERAL PENSION INSURANCE SCHEME



APRIL 2026



## IMPRESSUM

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## PREFACE

This publication by the Chamber of employees (CSL) describes the general pension insurance scheme in the Grand Duchy, i.e. the provisions in force for employees under private law. This publication, which takes account of the latest changes in legislation, reflects the situation on 1 January 2026.

Although the pension system remains robust in Luxembourg compared to other European countries, some major reforms affecting the general scheme (employees under private law) and the statutory schemes (civil servants and public employees) were passed recently.

The stated aim of these reforms was to ensure the long-term sustainability of these pension schemes. The proposed measures have been hotly debated as to their merits and their impact on pensioners and future pensioners. However, one clear conclusion emerges.

The law of 2012 has led to an undeniable decline in pension amounts, especially for employees who have recently entered or will soon enter the labour market. For its part, the new reform introduced in 2025 forces the majority of employees to extend their working lives in order to take early old-age pension. These two reforms have structurally weakened the rights of insured persons with regard to pension insurance.

The publication deals more generally with old-age pensions and with specific descriptions of the conditions to be met in order to be entitled to them. In addition to compulsory pension insurance, the publication explains the concepts of continued insurance, optional insurance, retroactive purchase and additional periods.

Examples of calculations relating to an old-age pension, to an early old-age pension and to the cumulation of pensions with other income are provided to make the complex legislation easier to understand.

In addition to the old-age pension, the publication also deals with invalidity pensions and survivor's pensions.

With this publication, the CSL wants employees and pensioners to be able to find information that will help them to better understand and assimilate the pension system in Luxembourg.

Luxembourg, April 2026

## ACRONYMS USED

<b>AAA</b>	Accident Insurance Association (Association d'assurance accident)
<b>CCSS</b>	joint social security centre (Centre commun de la sécurité sociale)
<b>CFL</b>	Luxembourg national railway company (Société nationale des chemins de fer luxembourgeois)
<b>CMSS</b>	The Social Security Medical Board (Contrôle médical de la sécurité sociale)
<b>CNAP</b>	National Pension Insurance Fund (Caisse nationale d'assurance pension)
<b>CNS</b>	National Health Fund (Caisse nationale de santé)
<b>CSL</b>	Chamber of employees Luxembourg (Chambre des salariés du Luxembourg)
<b>EFTA</b>	European free trade association
<b>EU</b>	European Union
<b>FNS</b>	National Solidarity Fund (Fonds national de solidarité)
<b>IGSS</b>	General Inspectorate of Social Security (Inspection générale de la sécurité sociale)
<b>REVIS</b>	Social inclusion income (Revenu d'inclusion sociale)

In January 2026 the cost-of-living index is 921.40 and the revaluation factor applicable to pension calculation is 1.57.

All amounts are expressed in euros and in gross values (unless otherwise stated).

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In this publication, the masculine gender is used indiscriminately and only for the purpose of simplicity. It refers to all gender identities and thus covers both female and male persons, transgender persons, as well as persons who do not feel they belong to either sex or who feel they belong to both sexes.

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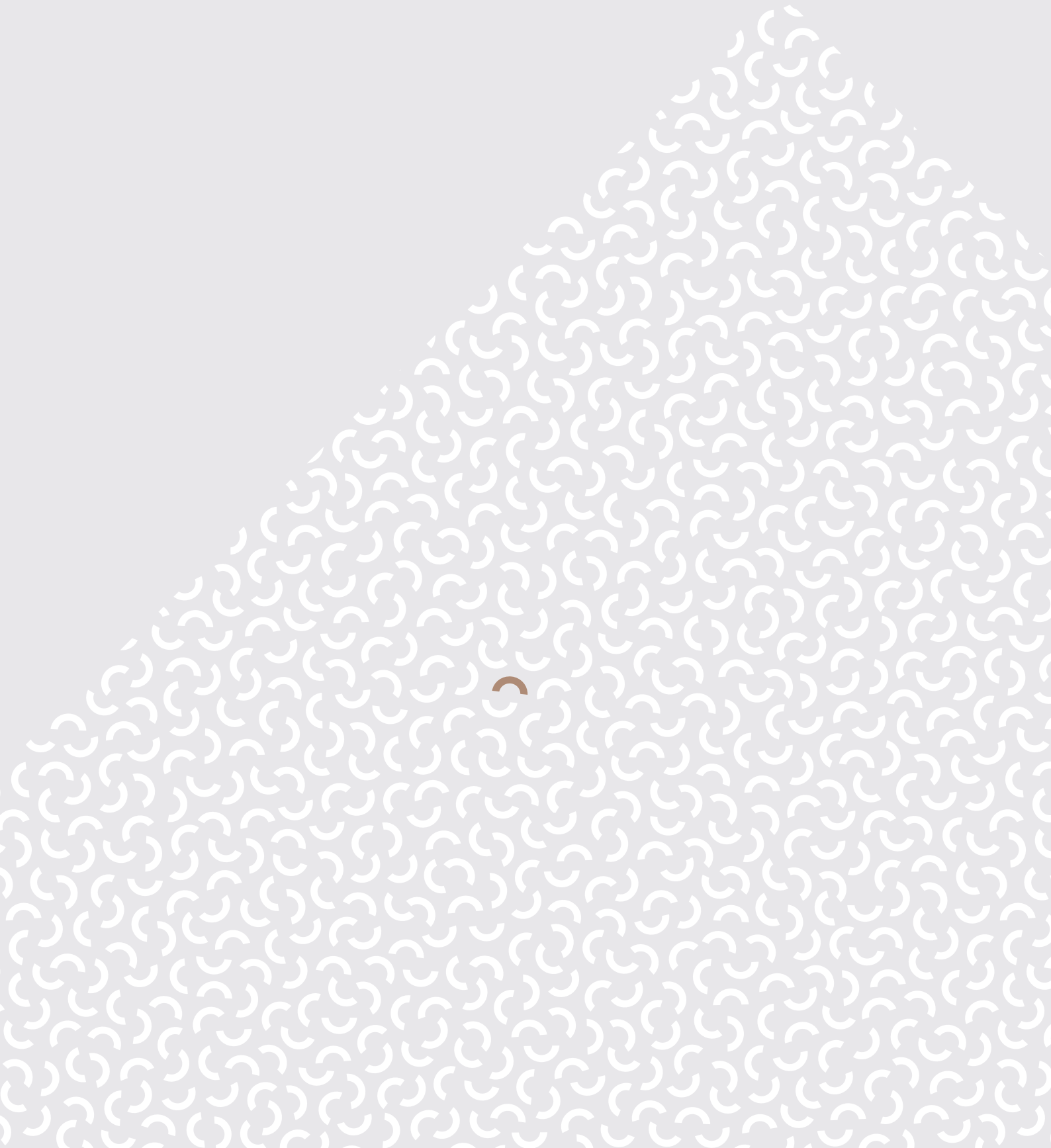
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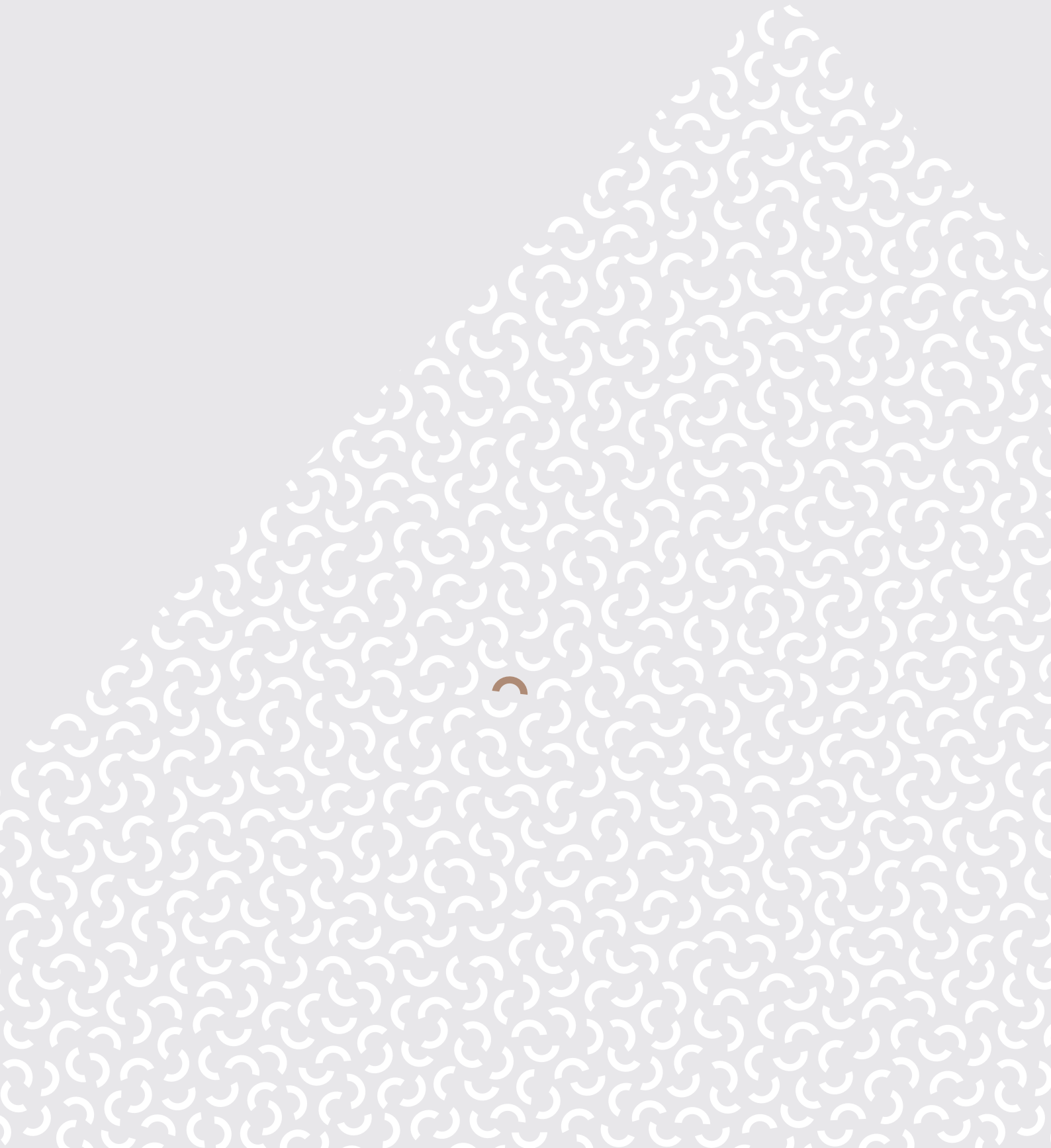
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# I. GENERAL PROVISIONS





# 1. HISTORICAL OVERVIEW OF THE GENERAL PENSION INSURANCE SCHEME

The introduction of social security in Luxembourg only took place at the beginning of the 20th century. At a time when the country was linked to Germany within the framework of the *Zollverein*, the social security system established in the Grand Duchy was strongly inspired by the German social insurance model. It was the law of 6 May 1911 that introduced the first compulsory pension insurance scheme for workers as well as for private employees whose annual income did not exceed 3,750 francs at the time. The circle of insured persons was progressively expanded thereafter:

- to all private employees in 1931;
- to craftsmen in 1951;
- to farmers in 1956;
- to traders and industrialists in 1960;
- to self-employed intellectual workers in 1964.

The law of 10 April 1951 introduced the adjustment of pensions for workers and private employees to the price index. The sliding wage scale is also provided each time a scheme is created for craftsmen, farmers, traders and industrialists, and finally, self-employed intellectual workers.

The minimum pension was introduced by the law of 24 April 1954.

The Single Law of 13 May 1964 is one of the most important in the field of contributory pension insurance<sup>1</sup>. It notably introduced the principle of adjusting pensions to the real wages<sup>2</sup>. Substantial improvements were obtained by the law of 25 October 1968, which introduced special increases in the case of invalidity<sup>3</sup> or early death in the contributory pension schemes.

The law of 23 May 1984 introduced a generalised risk-sharing community encompassing the four contributory schemes and fundamentally modified the financing system applied. The former financing system consisted of an interweaving of systems based on both funded and pay-as-you-go schemes<sup>4</sup>, systems which were no longer applied in accordance with their definitions. At the time of the financing reform, more than 50% of benefits were explicitly financed by a pure pay-as-you-go system and the remainder of benefits fell under funded systems, but for which the required reserves had not been fully constituted.

Insofar as the law maintained the administrative structure of the four pension funds, the risk-sharing community was achieved through compensatory transfers between the four funds. The mixed nature of the sources of financing was preserved, meaning that the charges of the scheme were covered, on the one hand, by contributions levied on the professional incomes of the insured persons and, on the other hand, by a direct participation of the public authorities.

The evolution of the harmonisation and standardisation of the contributory pension schemes was completed with the law of 27 July 1987. This law created a single contributory pension insurance scheme in the event of old age, invalidity and death for private-law employees by merging the four contributory pension schemes. The management autonomy of the pension funds was maintained as they remained competent for the socio-professional groups covered by them. This law introduced a new formula for calculating pensions providing for the full adjustment of the pension to the evolution of the real wages and including a temporary structural increase in pensions of 7% – an increase that would ultimately prove to be permanent. Furthermore, it achieved multiple improvements in well-defined concrete situations (occupational invalidity for workers, survivor's pension, minimum pensions, baby-years).

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1 A contributory pension scheme refers to a system where pension entitlement is directly linked to the contributions paid by the insured person or their employer during their working life.

2 See section II.3.4. Indexation, revaluation and readjustment

3 See section III.4.1. The lump-sum increases and III.4.2. The proportional increases

4 See section I.3.1. The difference between pay-as-you-go and funded schemes

The law of 24 April 1991, aimed at improving pensions under the contributory scheme, transformed the temporary increase in pensions of 7% into a structural increase and added an additional structural increase of 4% to the proportional increases<sup>5</sup> and of 10% to the lump-sum increases<sup>6</sup>. It also lowered the age for the early old-age pension to 57 years and reduced the delay in adjusting pensions to the real level of wages. The contribution ceiling was raised from 4 to 5 times the social minimum wage<sup>7</sup>.

The law of 28 June 2002 was passed following a study carried out by the International Labour Office in Geneva and a consultation of Luxembourg's key stakeholders, gathered around the *Rentendesch*. This law proceeded to increase the lump-sum increases and the proportional increases, as well as to introduce a partially staggered increase in the latter based on the insured person's age and duration of contributions. The situation of beneficiaries of low pensions was improved by this law through an increase in minimum pensions and improvements to the law on the guaranteed minimum income. The law also introduced an end-of-year allowance for pensioners<sup>8</sup>. Finally, it valorised children's education through the revision of the provisions concerning baby-years and the introduction of a child-rearing allowance ("*Mammerent*")<sup>9</sup> for any parent who had devoted themselves to raising a child, provided that their pension or that of their spouse did not include baby-years.

The law of 13 May 2008, introducing a single status, put an end to the distinction between the socio-professional categories of private employees and workers in terms of social security and labour law. The single status therefore led to the merger of the various healthcare and pension funds for employees falling under the general scheme, giving rise to the National Health Fund (*CNS - Caisse nationale de santé*) and the National Pension Insurance Fund (*CNAP - Caisse nationale d'assurance pension*).

The law of 21 December 2012 reformed the pension insurance schemes in a significant manner. Indeed, the new law resulted in a significant decrease in the level of pensions for insured persons retiring from 2013 onwards. This decrease is essentially due to a gradual reduction in proportional increases by 2052, which is far from being compensated by the progressive rise of lump-sum increases. This reduction is coupled with a foreseeable downward modulation of the adjustment of pensions to real wages as well as a foreseeable abolition of the end-of-year allowance. For an identical contribution period, a retiree must, compared to 2012, settle for a pension approximately 13% lower, unless they accept an extension of their working life.

Finally, the law of 19 December 2025 made several substantial amendments to the general scheme. Although it enacted an increase in the contribution rate – raising it from 24% to 25.5%–, the law placed emphasis on raising the effective pension age. The restriction of the conditions for taking an early old-age pension from the age of 60 constitutes a considerable deterioration for the insured. Indeed, in order to enter early old-age pension with the consideration of periods other than compulsory ones, the insured person is now required to extend their career. This required extension increases progressively until reaching 8 months for retirements in 2030. The consideration of study periods in a flexible manner after the age of 18, without conditioning them on a maximum age, constitutes in practice the only improvement to the system resulting from the reform.

## 2. THE DIFFERENT PENSION SCHEMES IN LUXEMBOURG

In Luxembourg, the public pension system is based on different schemes applicable according to the status of the insured persons.

The largest pension scheme is the general pension insurance scheme, which applies to all self-employed persons and private-law employees. The general scheme is managed by the National Pension Insurance Fund (*CNAP - Caisse nationale d'assurance pension*) and governed by the Social Security Code.

In parallel, there are statutory schemes covering notably the agents of the State civil service, the municipal administrations, the Central Bank of Luxembourg and the Luxembourg national railway company (CFL). Since the law of 3 August 1998, these schemes distinguish between agents who took up their duties before 1 January 1999 and those who entered into service from 1 January 1999 onwards. Before this law, the pension was calculated on the basis of five-sixths of the last salary received.

5 See section II.3.2. The proportional increases

6 See section II.3.1. The lump-sum increases

7 See section I.5.2. The contribution base

8 See section II.3.3. The end-of-year allowance

9 See section II.6. The child-rearing allowance ("*Mammerent*")

For agents in service before 1999, the special transitional scheme, governed by the amended law of 25 March 2015, applies: the calculation remains based on the last salary, but the replacement rate progressively deviates from five-sixths, unless the agent delays retirement. For agents who entered into service after 1998, the special scheme, governed by the law of 3 August 1998, applies: the pension is calculated, with a few exceptions, according to the same principles as in the general scheme, namely on the basis of the entire professional career.

**The present publication is intended to describe the legislation and mechanisms applicable to the general scheme.**

#### THEMATIC BOX I: PENSION INSURANCE IN 3 PILLARS

In a World Bank publication in 1994<sup>10</sup>, reference was made to the organisation of a pension insurance system according to a model based on three pillars, namely:

- A first pillar, public and compulsory, with the sole objective of preventing poverty;
- A second pillar, private and compulsory, based on capital cumulation and organised either individually or collectively through employment, aimed at ensuring an adequate pension beyond the minimum provided by the first pillar;
- A third pillar, private and voluntary, based on capital accumulation, intended to provide additional protection for insured persons wishing to supplement their pension.

Since this publication, the notion of the three pillars has been widely adopted in the politico-economic debate.

In the Luxembourg context, the **first pillar**, comprising the public pension schemes, both general and statutory, constitutes the central pillar of the pension insurance system. It is more akin to a Bismarckian system, providing replacement income to insured retirees, than to a Beveridgian system whose objective would be limited to guaranteeing a minimum standard of living. This first pillar is the subject of an in-depth analysis in the present publication.

The **second pillar**, in the Luxembourg context, corresponds to the complementary company pensions governed by the amended law of 8 June 1999. These complementary company pensions may be established by the employer for the benefit of all or part of their employees.

The employer contributes either through provisions entered in their balance sheet, or via external private structures, such as pension funds or insurance contracts. The amount of this contribution falls within the employer's decision in accordance with the conditions laid down by the police of the pension regulation, but the expenses incurred are only tax-deductible for the company up to a limit of 20% of the employee's ordinary salary<sup>11</sup>.

If the rules governing the complementary company pension so provide, the employee has the option of contributing to its financing – and may deduct their contributions for tax purposes up to a maximum of 1,200 euros per year<sup>12</sup>.

As the employer is required to pay, at the time of the capital constitution, a withholding tax of 20% of contributions<sup>13</sup>, the provision of the accumulated capital at the time of retirement is completely exempt from tax. The pension capital is, however, subject to the long-term care insurance contribution (1.4%) for insured persons affiliated to Luxembourg social security.

#### ATTENTION!

For insured persons falling under the social security system of another country<sup>14</sup>, notably when they receive professional or replacement income from that same country, the pension capital may be subject to social contributions in that country.

This is notably the case for persons insured in Belgium, France and Germany.

10 Averting the old age crisis: policies to protect the old and promote growth. Washington DC; World Bank.

11 Article 31 of the amended Law of 8 June 1999 on complementary pension schemes

12 Article 110, point 3 of the Law on Income Tax (LIR)

13 Article 152, title 3 paragraph 2 of the Law on Income Tax (LIR)

14 See section I.6.3. Affiliation to healthcare insurance

The **third pillar** of pension insurance corresponds, in the Luxembourg context, to the old-age provision pension plans which may be contracted on a voluntary and individual basis by persons in order to build up a certain capital. These old-age provision plans, which are linked to certain conditions – notably the duration or the time of the provision of the capital – are fiscally encouraged insofar as the contributions made to them may be deducted for tax purposes as special expenses up to a maximum of 4,500 euros per year<sup>15</sup>. This deductible ceiling was increased by the law of 19 December 2025 – before 2026, it stood at 3,200 euros.

If the benefits arising from the old-age provision plan at the normal maturity of the old-age provision contract are paid in the form of a lump-sum capital or in the form of capital instalments, these are taxed at the half of the global tax rate<sup>16</sup>. Conversely, if the benefits are paid in the form of a life annuity at the normal maturity of the contract, they are exempt for 50% – the remaining 50% being taxable at the normal tax rate<sup>17</sup>.

## 3. THE FUNCTIONING OF THE GENERAL PENSION INSURANCE SCHEME

The Luxembourg pension system, like that of many other countries, is a pay-as-you-go system: current expenditure is financed by current revenue. Moreover, the Social Security Code stipulates that, beyond the coverage of annual expenditure, the revenues must guarantee the maintenance of a reserve which must be greater than 1.5 times the amount of annual pension benefits.

In order to guarantee this level of annual revenues, the overall contribution rate is fixed for each coverage period of 10 years on the basis of a technical balance sheet and actuarial projections established by the General Inspectorate of Social Security (IGSS). Every 5 years, the IGSS carries out an update of its balance sheet and projections. If the overall contribution rate initially set does not allow for the guarantee of financial equilibrium, the contribution rate is refixed by special law for a new coverage period of 10 years.

In December 2024, the reserve represents 4,39 times the amount of annual benefits.

### 3.1. THE DIFFERENCE BETWEEN PAY-AS-YOU-GO AND FUNDED SCHEMES

A pure pay-as-you-go scheme is a scheme where the pensions of beneficiaries (retirees) are paid by contributions levied on the wage bill of active workers. In this case, one speaks of intergenerational solidarity, of a social contract between active workers and retirees: the active generation takes charge of the pensions of retirees.

A funded system is a scheme where the contributions levied are not used for the payment of current retirees' pensions, but are invested in financial markets to obtain a return. At the end of the professional career of the insured person or the cohort of insured persons, the capital thus accumulated determines the old-age benefit of the retired beneficiary.

These two schemes are not fundamentally different. The pay-as-you-go scheme is based on demographic developments while the funded scheme depends on the return of financial markets. However, this return also ultimately depends on demographic evolution. The more retirees there are and the fewer active workers, the less capital will be invested in financial markets, as retirees will tend to sell their financial securities whilst there will be fewer active workers to save and therefore invest their savings. Due to the impact on financial securities prices, funded schemes therefore also depend on demographic contingencies.

The advantages of the pay-as-you-go system are undeniable. Due to their intergenerational character, these systems guarantee continuity and have a significant degree of adaptability to face economic or demographic changes. Whilst economic and financial crises are synonymous with the collapse of the acquired rights of pensioners in a funded system, their effects can be countered by simple parametric adjustments in a pay-as-you-go system – by allowing societal solidarity to operate. Another important advantage of the pay-as-you-go system

<sup>15</sup> Article 111bis, paragraph 7 of the Law on Income Tax (LIR)

<sup>16</sup> Article 132, paragraph 2, subparagraph 5; article 99, paragraph 4; Article 131, paragraph 1 of the Law on Income Tax (LIR)

<sup>17</sup> Article 115, point 14a of the Law on Income Tax (LIR)

lies in the possibility of introducing social elements, i.e. adjusting pensions to the overall evolution of wages and the cost of living, financing minimum pensions or valorising non-contributory periods.

### 3.2. THE PURE PAY-AS-YOU-GO PREMIUM

The pure pay-as-you-go premium is an indicator for assessing the financial health of the general scheme. It represents the ratio between annual expenditure and the annual sum of contributory incomes. In other words, it represents the ratio between annual current expenditure, which extends beyond mere pension expenditure, and the totality of contributory incomes forming the basis of the annual contribution revenues of the National Pension Insurance Fund (*CNAP – Caisse nationale d'assurance pension*). A Grand-Ducal regulation fixes annually the pure pay-as-you-go premium of the previous year.

In 2024, this premium reached 23.11% and therefore remains at a level below the contribution rate – a sign that contribution revenues exceed the current expenditure of the CNAP.

### 3.3. THE DEPENDENCY RATIO

The dependency ratio is another indicator that is frequently used in matters of pension sustainability. It designates the number of pensions per 100 contributing members. Thus, a dependency ratio of 25% means that there is one pensioner for every four active contributors. A ratio of 150% means that there are more pensioners than active contributors (namely 1.5 pensioners per active contributor).

Being based on a simple ratio between the number of pensions and that of active members, this ratio presents an obvious bias: for 100 active members, it will show a value of 50 in the presence of 50 partial pensions, and 25 where there are 25 full pensions – even though the financial burden on the system is identical in both cases.

In 2024, this ratio stands at 44.7%.

### 3.4. THE REPLACEMENT RATE

The notion of the replacement rate is sometimes used to analyse the generosity of the pension system. However, due to the multiplicity of its definitions, its interpretation can be profoundly biased.

Indeed, certain publications define it as the ratio between the pension and the average salary received during the entire career; others, as the ratio between the pension and the last salary received before retirement; others still, as the ratio between newly awarded pensions and the average salary of active workers at the time considered.

This diversity of definitions leads to considerable differences in the stated replacement rate: depending on the sources, the replacement rate may thus appear below 50% or, on the contrary, exceed 100%.

## 4. THE AFFILIATION TO THE GENERAL PENSION INSURANCE SCHEME

Affiliation to the general pension insurance scheme, which covers the old-age pension, the invalidity pension and the survivor's pension, is compulsory for all employees and self-employed persons receiving remuneration for their professional activity.

Whilst the steps for affiliation with the Joint Social Security Centre (*CCSS – Centre commun de la sécurité sociale*) of an employee are to be carried out by their employer, a self-employed person must ensure this themselves.

Apart from civil servants, employees or agents of the State, municipalities, public establishments, Luxembourg national railway company (CFL), the Central Bank of Luxembourg or international organisations – who are subject to a statutory scheme –, beneficiaries of an old-age pension aged over 65 exercising a self-employed activity are also exempt from the general scheme <sup>18</sup>.

<sup>18</sup> Article 178, paragraph 1 of the Social Security Code

In several situations, the insured person may be exempted from compulsory insurance, despite professional activity. The following notably benefit from an exemption<sup>19</sup>:

- persons who exercise their professional activity only on an occasional and non-habitual basis for a predetermined duration which must not exceed three months per calendar year;
- upon request, insured persons exercising an ancillary activity in the cultural or sporting field for the benefit of a non-profit association, if the professional income derived therefrom does not exceed two-thirds of the social minimum wage;
- pupils and students employed during their holidays;
- persons exercising on a primary or ancillary basis a self-employed activity yielding a net professional income not exceeding one-third of the social minimum wage; and
- persons exercising for a duration not exceeding one year a professional activity in Luxembourg and affiliated to a pension scheme abroad.

An insured person who exercises several professional activities falling under compulsory insurance is affiliated under each of them. Thus, by way of example, a person who occupies a salaried activity on a primary basis and simultaneously exercises a self-employed activity on an ancillary basis is also required to pay the social contributions relating to this self-employed activity – unless they benefit from an exemption provided for by the above-mentioned provisions.

## 5. THE FINANCING OF THE GENERAL PENSION INSURANCE SCHEME

### 5.1. THE CONTRIBUTION RATE

The charges of the National Pension Insurance Fund (*CNAP – Caisse nationale d'assurance pension*) are covered mainly by contributions, supplemented by financial revenues, notably from the compensation reserve, and miscellaneous revenues. Since 1 January 2026, the overall contribution rate is fixed at 25.5%<sup>20</sup>. Before 2026, the overall contribution rate stood at 24%.

The State bears one-third of this overall contribution rate, namely 8.5%. For the insurance of employees, the remaining contribution rate is shared in equal parts between the employee and the employer, who must each pay a contribution rate of 8.5%. In the case of a self-employed activity or in the case of voluntary insurance<sup>21</sup>, the insured person must bear both the employee's share and the employer's share and must therefore pay a contribution rate of 17%.

### 5.2. THE CONTRIBUTION BASE

Contributions are calculated on the basis of the contributory income. This is capped at five times the unskilled social minimum wage.

For periods corresponding to a **salaried activity**, the professional income consists of the gross salary earned, including all bonuses and all supplements, even those not expressed in monetary terms, enjoyed by the insured person, excluding the remuneration of overtime hours<sup>22</sup>. A Grand-Ducal regulation may exclude from the contributory base certain non-taxable elements of remuneration<sup>23</sup>.

19 Articles 179 to 181 of the Social Security Code

20 Article 238 of the Social Security Code

21 Article 240, point 2 of the Social Security Code

22 Article 241, paragraph 3 of the Social Security Code

23 Grand-Ducal Regulation of 16 December 2008

For non-agricultural **self-employed activities**, the contributory income corresponds to the net professional income determined by the Direct Tax Administration (ACD) in the tax assessment. It results from the deduction from the self-employed person's gross income of either their actual expenses or the lump-sum expenses debited to them. For the financial year not yet closed by the issuance of the tax assessment, the provisional calculation of the contributions owed by the self-employed person is made on the basis of the last known income, unless the insured person submits a request to adjust this contributory base<sup>24</sup>. Upon request of the interested party, and provided that their net professional income falls between one-third of the minimum wage and the minimum wage, the contribution base may be reduced, without however being set at a level below the threshold of one-third of the social minimum wage<sup>25</sup>.

The determination of the contribution base for voluntary insurance is explained in the relevant parts of the publication<sup>26</sup>.

## 6. THE DEDUCTIONS ON PENSIONS AND SOCIAL SECURITY AFFILIATION

### 6.1. TAXES

Pensions paid by the Luxembourg general pension insurance scheme are, in principle, subject to personal income tax in Luxembourg – even if the insured person also receives a pension from their country of residence. A withholding tax scale on pensions is published annually by ministerial order.

This scale may be consulted on the website of the Direct Tax Administration, where it is also possible to calculate income tax oneself<sup>27</sup>.

Double taxation conventions aim, in principle, to prevent a pension taxable in Luxembourg from also being subject to taxation in another State bound by such a convention<sup>28</sup>.

### 6.2. LONG-TERM CARE INSURANCE AND HEALTHCARE INSURANCE

Beneficiaries of a Luxembourg pension who fall under Luxembourg healthcare and maternity insurance are subject to the long-term care contribution as well as the contribution for healthcare insurance in kind.

Thus, provided that they fall under Luxembourg healthcare insurance, the contribution for healthcare insurance in kind borne by pensioners amounts to 2.8%, whilst the contribution for long-term care insurance amounts to 1.4% of the pension, after deduction of one fourth of the social minimum wage.

### 6.3. AFFILIATION TO HEALTHCARE INSURANCE

It should be noted that, under European regulations, an insured person may only be covered by the healthcare fund of one Member State<sup>29</sup>. Thus, social contributions are only payable in one country, either in Luxembourg or in another country.

<sup>24</sup> Article 241, paragraph 10 of the Social Security Code

<sup>25</sup> Article 244 of the Social Security Code

<sup>26</sup> See section II.2.3.3. The voluntary insurance periods

<sup>27</sup> <https://impotsdirects.public.lu/fr/baremes/personnes-physiques.html>

<sup>28</sup> International agreements concluded by the Direct Tax Administration authorities can be viewed here: <https://impotsdirects.public.lu/fr/conventions/luxembourg.html>

<sup>29</sup> Article 11 of Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems

In order to determine whether the pensioner falls under Luxembourg healthcare insurance – and therefore whether they are liable for the healthcare insurance contribution and the long-term care contribution –, the following cases must be distinguished:

- If the resident pensioner receives a Luxembourg pension, they remain affiliated with the National Health Fund (*CNS – Caisse nationale de santé*) and are therefore subject to Luxembourg social contributions – regardless of whether they also receive a pension from another country.
- If the non-resident pensioner receives only a Luxembourg pension, then they remain affiliated with the CNS and are therefore subject to Luxembourg social contributions.
- If the non-resident pensioner receives a Luxembourg pension and a pension from their country of residence, then they are affiliated with the competent healthcare fund of their country of residence. Consequently, they are not subject to Luxembourg social contributions, but they are subject to the social contributions payable in their country of residence (including, where applicable, in respect of their Luxembourg pension).
- If the non-resident pensioner receives a Luxembourg pension and one or more pensions from other countries of the European Free Trade Association (EFTA, comprising the European Union, Switzerland, Liechtenstein, Iceland and Norway), without however receiving a pension from their country of residence, then they are affiliated in the country in which they were subject to healthcare insurance legislation for the longest period. If, by application of this principle, the non-resident pensioner is affiliated in Luxembourg, then they are subject to Luxembourg social contributions.

## 6.4. HEALTHCARE BENEFITS IN LUXEMBOURG

In order to benefit from the coverage of healthcare costs, the non-resident insured person falling under Luxembourg healthcare insurance must register with the healthcare fund of their country of residence. To this end, they must request the S1 form from the National Pension Insurance Fund (*CNAP – Caisse nationale d'assurance pension*) and transmit this document to the healthcare fund of their country of residence. In this case, they find themselves in the same situation as a cross-border worker working in Luxembourg.

Non-resident holders of an old-age or invalidity pension who last worked in Luxembourg, as well as their co-insured family members, may, in the event of illness, continue to benefit from benefits in kind in Luxembourg provided that it concerns the continuation of a treatment already begun before the occurrence of the old-age or invalidity risk – regardless of whether they fall under Luxembourg healthcare insurance or not<sup>30</sup>.

Furthermore, even if they do not fall under Luxembourg healthcare insurance, an individual benefiting from an old-age or invalidity pension and having worked as a cross-border worker in Luxembourg for at least two years during the five years preceding admission to pension has, just like their co-insured family members, the right to receive medical benefits in kind in Luxembourg, provided that they reside in Germany, Belgium, France, Austria, Spain or Portugal<sup>31</sup>.

30 Article 28, paragraph 1 of Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems

31 Article 28, paragraph 2 of Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems

## 7. THE REIMBURSEMENT OF CONTRIBUTIONS

The possibilities allowing a reimbursement of contributions paid to the general pension insurance scheme are strictly limited to four scenarios by the Social Security Code<sup>32</sup>:

- Where, after the expiry of the 65th year of age, the insured person does not fulfil the qualifying period condition for the granting of a statutory old-age pension and has not benefited, in Luxembourg or abroad, from pension benefits on the basis of the insurance periods concerned, the contributions actually paid into their account, excluding the State's share, are reimbursed to them upon request, taking into account the adjustment to the cost-of-living index. The reimbursement extinguishes all pension entitlements<sup>33</sup>.
- Where, as a result of the cumulation of several activities or benefits subject to insurance, the total contribution base of an insured person exceeds the maximum contributory ceiling, the difference is not taken into account for the pension calculation. However, the insured person is entitled to a reimbursement of the corresponding share of contributions borne by them, upon request, per calendar year and at the latest at the time of the award of the pension<sup>34</sup>.
- Where the holder of a statutory old-age pension exercises a salaried activity, the contribution is due as in the case of subjection. However, they are entitled, upon request, to a reimbursement of contributions paid after the completion of the 65th year of age; the reimbursement consists exclusively of the share of contributions borne by the insured person and it is not adjusted to the cost-of-living index. The reimbursement may be requested for each calendar year<sup>35</sup>.
- Where a person moves to a pension scheme of an international organisation providing for the buyback of pension rights acquired during prior periods of employment, the contributions paid are transferred, upon request submitted by the interested party, before the occurrence of the risk, to the pension scheme of the international organisation and taking into account compound interest at the rate of 4% per year<sup>36</sup>.

## 8. THE APPEAL PROCEDURES

Every pension application is followed by a presidential decision of award or rejection taken by the National Pension Insurance Fund (*CNAP – Caisse nationale d'assurance pension*)<sup>37</sup>.

In the event of disagreement, the interested party may lodge an objection against the decision, which will be decided by the Board of Directors of the CNAP. The decision of the Board of Directors may be the subject of an appeal before the Social Security Arbitration Tribunal. The appeal is not suspensive.

If the Social Security Arbitration Tribunal considers the pension application well-founded, it determines the starting point of the pension. As soon as the decision awarding the claim in principle has become final, CNAP determines the amount of the pension. The Arbitration Tribunal will decide in the last resort up to the value of 1,250 euros and on appeal when the value of the dispute exceeds this sum.

An appeal against the judgement of the Social Security Arbitration Tribunal may be lodged with the High Council of Social Security. The appeal has suspensive effect.

All appeals must be made in writing within 40 days of the notification of the CNAP's decision or judgment. After this period, the appeal is no longer admissible and the decision becomes final.

It should be noted that insured persons receive an annual statement of their Luxembourg insurance career, provided that they were affiliated during the previous year. They are advised to check the accuracy of this statement.

32 The application forms can be found at: <https://cnap.public.lu/en/documentation/formulaires.html>

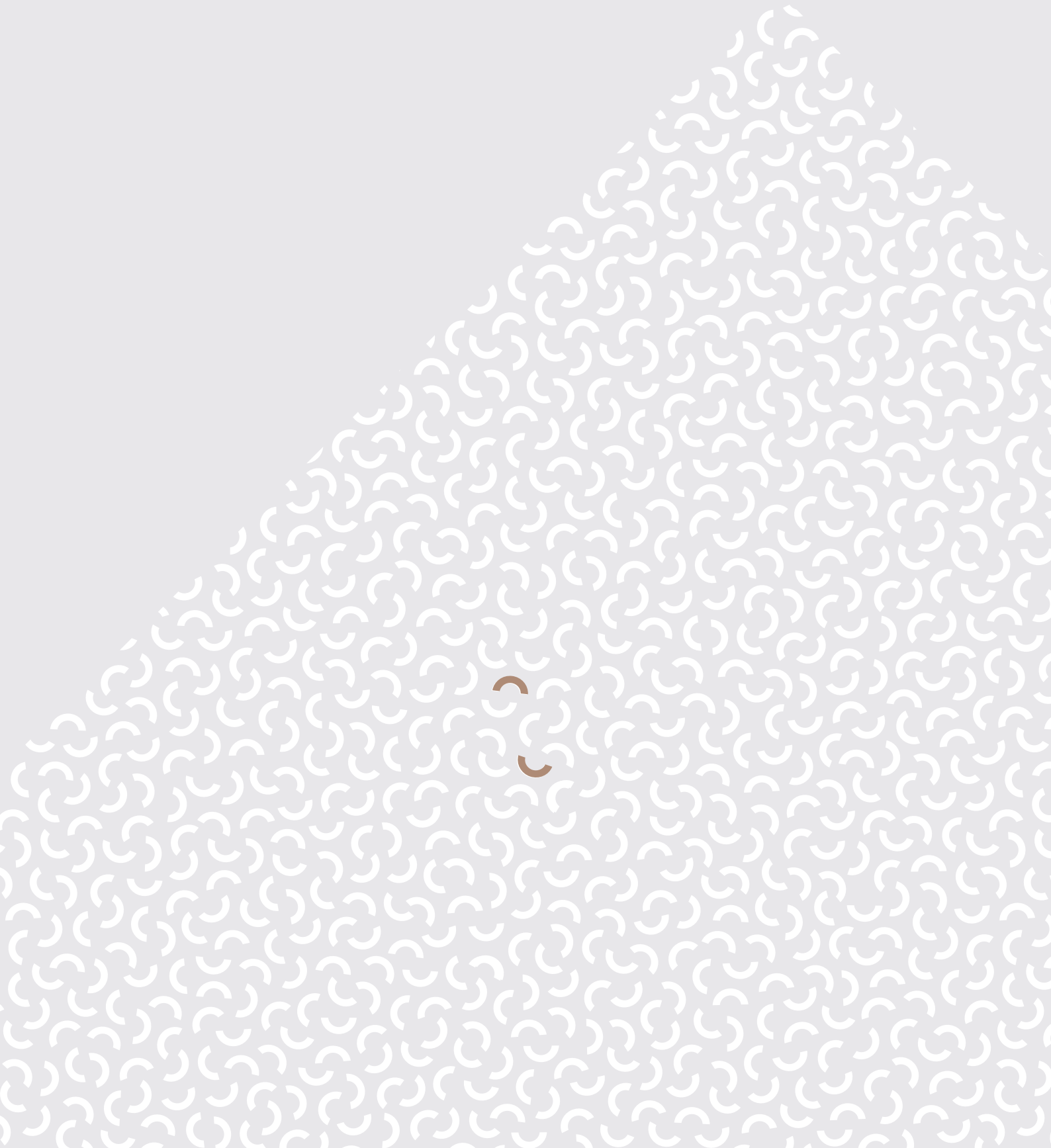
33 Article 213, paragraph 1 of the Social Security Code

34 Article 213, paragraph 2 of the Social Security Code

35 Article 178, paragraph 2 of the Social Security Code

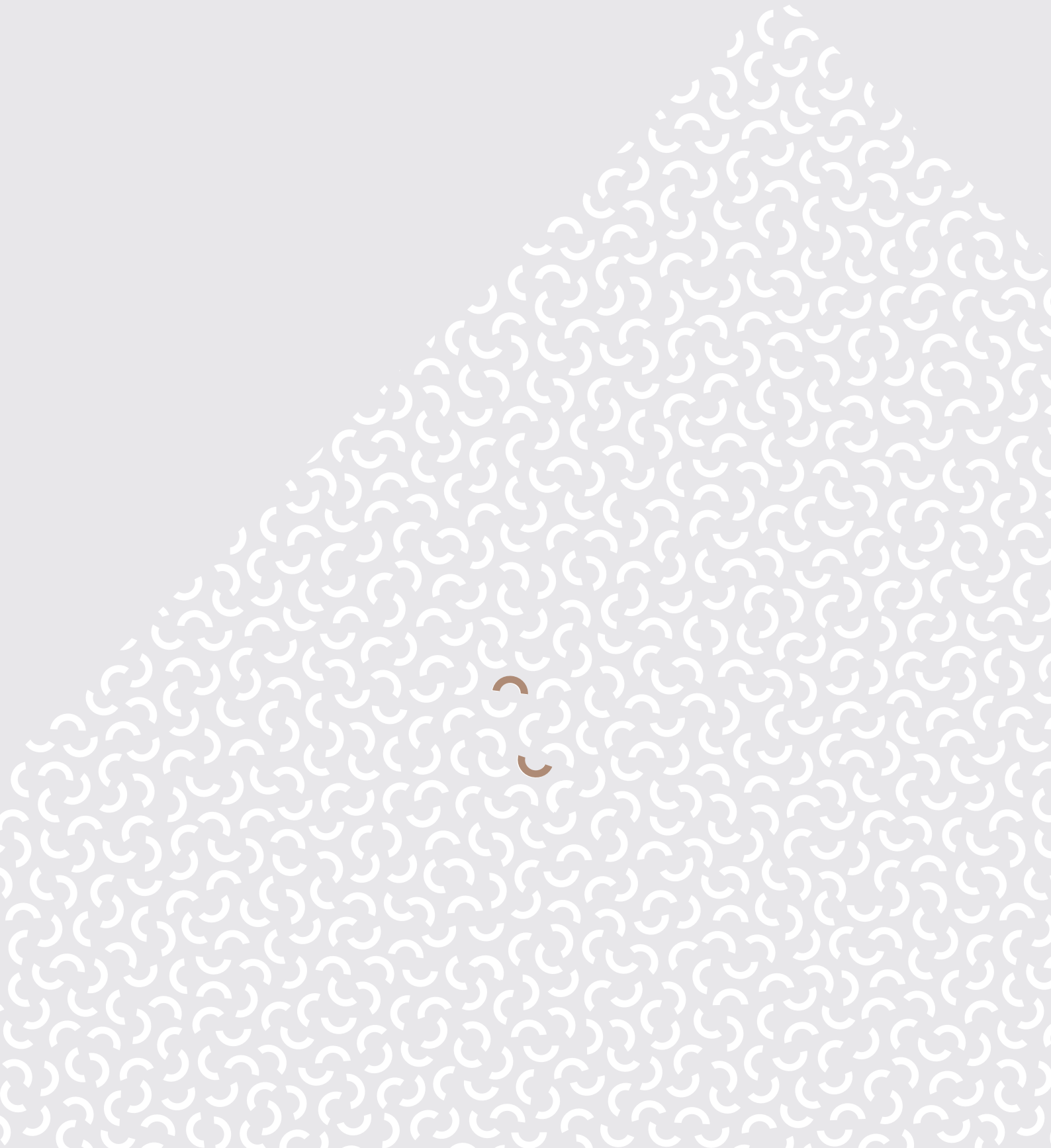
36 Article 213bis of the Social Security Code

37 Articles 256 to 259 of the Social Security Code



## II. THE OLD-AGE PENSION





# 1. THE PENSION APPLICATION AND ITS PAYMENT

## 1.1. PRELIMINARY STEPS BEFORE THE PENSION APPLICATION

From the age of 55, insured persons have the possibility of submitting a request for an estimate of the old-age or early old-age pension<sup>38</sup>. It is strongly advised that insured persons make use of this possibility, which entails undeniable advantages for the insured persons.

First of all, the request provides the insured person with an estimate of the amount of their future pension which takes into account the extension of their career – enabling them to better anticipate their future income. Although at the age of 55, the insured person's annual career statement already contains the mention of a pension level, it must be noted that this represents the pension acquired up to 1 January of that year and that this figure takes into account neither the years to come before the pension departure, nor any career completed abroad.

Furthermore, it should be added that, within the framework of this estimation request, the insured person has the possibility of obtaining this pension estimate *'at the earliest possible date'*, so that the insured person will be informed of the first date from which they may claim their pension entitlements. This date may guide the insured person in deciding the moment to submit the early old-age pension application.

Finally, given that the pension estimation request is made on the basis of the same data as the future effective pension calculation, and that the National Pension Insurance Fund (CNAP – *Caisse nationale d'assurance pension*) collects the same data as at the time of the effective pension application, the estimation request procedure makes it possible to clarify a number of questions prior to the pension application. All the additional information required, whether information on the career abroad or the consideration of non-contributory periods, may be collected at that time by the CNAP. Thus, the estimation request enables the insured person's "pension file" to be virtually finalised, at a time when they are not yet about to retire – ensuring that the future procedure for processing the pension application is accelerated.

## 1.2. THE TIMING OF THE PENSION APPLICATION

It is important to note that all social security benefits, including old-age pensions, are only granted upon formal application by the interested parties. Thus, even though the Labour Code provides for the automatic termination of the employment contract at the age of 65<sup>39</sup>, the insured person must still submit a pension application in order to avoid finding themselves without income after the automatic termination.

The duration of the processing of pension applications depends on the availability and reliability of the underlying data and may therefore vary considerably from one application to another. If, for example, the collection of data involves complex research abroad, the processing may take months.

In order to avoid delays relative to the retirement date, it is advisable to submit the old-age or early old-age pension application, accompanied by the supporting documents, several months before the date of the opening of the entitlement with the CNAP. Whilst periods of between three and six months are generally sufficient for purely Luxembourg careers, for migratory careers it is preferable to submit the pension application between six and nine months before the pension start date. In the case of a prior pension estimation request, the processing times may be reduced considerably.

Once the processing is complete, the pension is granted or rejected by a decision subject to appeal<sup>40</sup>.

The Labour Code provides that in the event of retirement on an old-age pension, the employment contract ceases as of right. To this end, it is sufficient for the employee to inform their employer of their retirement once their application has been accepted. No resignation and no notice period are provided for this notification.

38 The application form can be found at: <https://cnap.public.lu/en/documentation/formulaires.html>

39 Article L. 125-3 of the Labour Code

40 See section I.8. The appeal procedures

### 1.3. THE COMPETENT PENSION FUND

Even if the insured person has worked in several countries, it is sufficient to submit the pension application in one country only – provided that the countries in which they were insured are either countries of the European Free Trade Association (EFTA, comprising the countries of the European Union, Switzerland, Liechtenstein, Iceland and Norway), or countries with which Luxembourg has a bi- or multilateral agreement in the field of social security<sup>41</sup>.

The pension application is generally submitted to the pension fund either of the last country in which the employee was insured under pension insurance, or of the country of residence. Where the pension application refers to a mixed career in several countries, the pension fund takes charge of the transfer of liaison forms to the competent bodies of the other countries concerned.

The date of submission of the application is valid with regard to all the institutions concerned<sup>42</sup>.

### 1.4. THE PAYMENT OF THE PENSION

Three scenarios may arise:

- If the insured person has contributed for less than one year in the Grand Duchy of Luxembourg and the remainder of their career in another country, it is the pension fund of that country that pays their pension in full<sup>43</sup>;
- If the insured person has completed part of their professional career in Luxembourg and the other part in another EU or EFTA country, this is referred to as a mixed career: the worker receives a pension from each State, provided that they were insured in the country for at least one year;
- If the insured person has completed their entire professional career in the Grand Duchy, their entire pension is paid by the Luxembourg pension fund, even if they do not reside in the country.

Old-age pensions are paid monthly in advance by means of a bank transfer to a bank account of the beneficiary. The pension ceases to be paid at the end of the month in which the beneficiary dies. Any monthly instalments paid in excess for months subsequent to the death must be reimbursed.

## 2. THE CONDITIONS FOR ENTITLEMENT

### 2.1. THE STATUTORY OLD-AGE PENSION

The statutory old-age pension refers to any old-age pension paid from the statutory pension age – namely from the age of 65.

Any insured person who can demonstrate a total qualifying period of at least 120 months under compulsory insurance, continued insurance, optional insurance or retroactive purchase of periods is entitled to a statutory old-age pension at the age of 65<sup>44</sup>. Section II.2.3 explains which periods are taken into account under these types of insurance.

#### ATTENTION!

The entitlement to the statutory pension in Luxembourg is not subject to the condition that the 10 years of contribution periods have been completed in Luxembourg. Indeed, an insured person who can demonstrate 10 years in total, in Luxembourg and abroad, without completing 10 full years in Luxembourg, may be entitled to a Luxembourg pension by virtue of the principle of the aggregation of insurance periods<sup>45</sup>.

41 The list of countries with which Luxembourg has such an agreement can be found here: <https://www.secu.lu/conv-internationales/>.

42 Article 45 of Regulation (EC) No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems

43 Article 57, paragraph 1 of Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems

44 Article 183 of the Social Security Code

45 See section II.2.4. The aggregation of periods

## 2.2. THE EARLY OLD-AGE PENSION

Luxembourg legislation provides that it is possible to take an old-age pension before the statutory age of 65<sup>46</sup>. In this case, one always refers to an early old-age pension.

An insured person who can demonstrate 480 months of compulsory insurance periods is entitled to an early old-age pension from the age of 57.

Without demonstrating 480 months of compulsory insurance periods, an insured person is entitled to an early old-age pension from the age of 60 if they 1) can demonstrate 480 months of compulsory insurance periods, continued insurance periods, optional insurance periods, retroactive purchase periods or additional periods, of which at least 120 months of compulsory insurance periods, continued insurance periods, optional insurance periods or retroactive purchase periods; and 2) if, after fulfilling the dual condition of age and qualifying period, they extend their insurance career:

- by at least 1 month if they retire from July 2026 onwards;
- by at least 2 months if they retire in 2027;
- by at least 4 months if they retire in 2028;
- by at least 6 months if they retire in 2029;
- by at least 8 months if they retire from 2030 onwards.

The months of career extension must correspond to periods of compulsory insurance, continued insurance or optional insurance.

This condition of career extension for early old-age pensions for insured persons not demonstrating 480 months of compulsory insurance periods was introduced by the law of 19 December 2025.

The career extension is not required for insured persons in early retirement due to company restructuring or in early retirement for shift workers and night workers, nor for employees benefiting from progressive early retirement before July 2026.

### EXAMPLE 1

*Jean-Yves was born on 14 March 1969 and started working on 21 July 1988 at the age of 19.*

*Provided that since that age Jean-Yves was always insured on a compulsory basis (work, compensated unemployment, parental leave, etc.), he will be able, as in the past, to take his early old-age pension on 21 July 2028 at the age of 59 after 40 years of compulsory insurance periods.*

### EXAMPLE 2

*Marie-Sophie was born on 27 May 1969. After a period of studies until the age of 22, she began working on 4 September 1991. Until the age of 60, she is insured at all times, either on a compulsory basis (work, compensated unemployment, parental leave, etc.), or on a voluntary basis, or under additional periods (child-raising periods, for example).*

*Before the 2025 reform, such a career would have allowed Marie-Sophie to take early old-age pension on 27 May 2029 at the age of 60 – due to the fact that she demonstrates, including study periods, at least 40 years of insurance career.*

*However, the 2025 reform obliges Marie-Sophie to extend her insurance career by 6 months – either through months of work or through months of voluntary insurance. She could therefore take early old-age pension at the earliest at the age of 60 years and 6 months, i.e. on 27 November 2029.*

At the age of 65, all early old-age pensions are automatically converted into statutory old-age pensions.

<sup>46</sup> Article 184 of the Social Security Code

### THEMATIC BOX II: EARLY RETIREMENT

The early old-age pension is frequently confused with early retirement. Not only because of the semantic proximity of the two terms, but also because of the lowering to 57 years of the minimum age giving entitlement to the early old-age pension – an age also corresponding to that at which access to early retirement may be granted under certain conditions.

However, there is a fundamental difference between these two mechanisms. The old-age pension before 65 falls under pension insurance, while early retirement, the duration of which is limited to three years, constitutes notably an instrument for the prevention of unemployment and is treated as years of compulsory insurance which are taken into account for the old-age pension.

There are three types of early retirement:

- **Early retirement due to company restructuring:** Under an agreement with the Ministry of Labour, employers may request that their staff be admitted to early retirement due to company restructuring in the event of company closure or to avoid redundancies resulting from job losses caused by company restructuring or job changes due to technological change.
- **Early retirement for shift workers and night workers:** Upon written request to their employer, employees may be granted early retirement if they can prove that, during their professional career, they have worked shifts including night shifts for at least 20 years, provided that night work has accounted for at least 20% of the normal monthly working time, or fixed night work for at least 20 years where night work represented at least 50% of normal monthly working time. Furthermore, eligibility for early retirement may also be recognised if, over the last 25 years, the employee has worked shifts including night shifts for 15 years, with a minimum of 20% of normal monthly working time, or fixed night shifts for 15 years, with at least 50% of normal monthly working time. 'Night work' is defined as any period of activity between 10 p.m. and 6 a.m.
- **Progressive early retirement:** Progressive early retirement is granted to employees of eligible companies under an express provision of a collective bargaining agreement or under a special agreement concluded between the Minister of Labour and a specific company. The part-time working hours of employees eligible for progressive early retirement, as set out in an amendment, must be at least 40% and no more than 60% of their previous working hours.

In addition to the specific conditions of each early retirement scheme, common rules and restrictions apply to all schemes. Thus, early retirement, regardless of type, cannot be granted before the age of 57. Furthermore, to be eligible for early retirement, employees must be able to meet the conditions for accessing the statutory old-age pension or early old-age pension no later than 3 years after entering early retirement. The maximum duration of early retirement benefits is limited to 3 years.

The principle also stipulates that early retirement ends when the insured person reaches the age of 63. However, while respecting the 3-year limit, early retirement may be extended until the age of 65 for employees who are not entitled to an early old-age pension or, in the case of early retirement due to company restructuring, if the amount of the early old-age pension to which employees would be entitled does not exceed the minimum pension.

Furthermore, in order to be eligible for early retirement, employees must have a minimum of five years' seniority within the company submitting the application to the Ministry of Labour. Access to progressive early retirement is also subject to the condition that, during this five-year period, the position held corresponds to a working time of at least 75% of a full-time job.

The monthly early retirement allowance paid to employees eligible for early retirement is equal to 85% of their salary for the 12 months immediately preceding early retirement during the first year of compensation, 80% of this base during the second year and 75% during the remaining period.

Note that, as early retirement compensation is a second income subject to income tax withholding, taxpayers will need an additional tax card.

**EXAMPLE**

An employee applies for progressive early retirement by reducing his working hours by 50%. Over the last 12 months, he has earned a gross monthly salary of 5,000 euros. In addition, he received an average bonus of 6,000 euros a year during the three years prior to taking early retirement.

During his early retirement, the employee continues to receive 50% of his normal salary, including any bonuses. In addition, he receives early retirement compensation for the 50% reduction in working hours.

The early retirement benefit is calculated as follows:

Average monthly salary during the 12 months increased by the average bonus received during the three years preceding admission to early retirement:

$$(12 \times 5,000 + 6,000) / 12 = 66,000 / 12 = 5,500$$

Early retirement benefit:

- During the first year:  $85\% \times 5,500 \times 50\% = 2,337.50$
- During the second year:  $80\% \times 5,500 \times 50\% = 2,200.00$
- During the third year:  $75\% \times 5,500 \times 50\% = 2,062.50$

In addition, of course, there is the portion of the salary to which the employee is entitled due to their part-time work.

## 2.3. THE DIFFERENT TYPES OF INSURANCE PERIODS

In order to determine the moment of the opening of the entitlement to the pension, but also for affiliation purposes, a distinction is made between different types of pension insurance periods.

### 2.3.1. Compulsory periods

Compulsory insurance periods correspond to periods during which persons are subject as of right to pension insurance, notably when they exercise a professional activity, salaried or self-employed, against remuneration.

These are mainly periods during which contributions are compulsorily levied on the insured person's remuneration.

These periods are taken into account both for the opening of the entitlement to a pension and for the calculation of its amount.

According to the Social Security Code<sup>47</sup>, the following constitute compulsory insurance periods:

- periods corresponding to a salaried professional activity;
- periods corresponding to a non-salaried professional activity;
- periods for which a replacement income is paid on which a contribution deduction under pension insurance is provided (sickness benefits, maternity benefits, accident benefits, unemployment benefits, early retirement benefits);
- periods corresponding to periods of activity exercised by members of religious associations and persons assimilable to them, in the interest of the sick and of public utility;
- periods corresponding, under a practical apprenticeship, to compensated vocational training periods, provided that they are situated after the age of 15 completed;
- periods accomplished by the spouse or partner and, for agricultural activities, by the relatives and relatives by marriage up to and including the 3rd degree of an insured person under a non-salaried professional activity, provided that the spouse or partner, the relative or relative by marriage is aged at least 18 years and renders to the said insured person services necessary to such an extent that these services may be considered as a main activity;
- upon request, a period of 24 months or 48 months on behalf of parents devoting themselves in Luxembourg to the education of one or more children (baby-years);
- periods accomplished in a developing country under development cooperation;
- war periods for victims of illegal acts of the occupier;

<sup>47</sup> Article 171 of the Social Security Code

- periods of compulsory military service accomplished in the Luxembourg army;
- periods during which the interested party participated in a peacekeeping operation within the framework of international organisations;
- periods during which the interested party was a volunteer in the service of the army;
- periods during which a person provided assistance and care to a dependent person, without this constituting a professional activity;
- periods during which a person took in a child in day and night placement or in day placement and this placement was carried out by an approved body in accordance with the legislation governing the relations between the State and bodies operating in the social, family and therapeutic fields;
- periods during which the interested party participated in a volunteering activity;
- periods corresponding to parental leave from which the insured person has benefited;
- periods during which the interested party had an elite sporting activity recognised by the Luxembourg Olympic and Sporting Committee;
- periods of employment of disabled workers in a sheltered workshop from 1 June 2004 onwards;
- periods during which a person has received the inclusion allowance as part of the social inclusion income (REVIS), subject to prior affiliation to compulsory insurance for 25 years;
- periods during which a person has received income for severely disabled persons (RPGH), subject to prior affiliation to compulsory insurance for 25 years.

### THEMATIC BOX III: THE BABY-YEARS

Baby-years are periods of compulsory insurance that may be granted to parents who are raising a child. The granting of baby-years is subject to the prerequisite that, during the 36 months preceding the birth of the child giving rise to entitlement to this scheme, the insured person must provide proof of at least 12 months of compulsory insurance. In addition, the period for which baby-years are taken into account must not overlap with a period of insurance covered by a foreign scheme.

In principle, baby-years cover a period of twenty-four months immediately following the birth or adoption of a child or, where applicable, following maternity leave. This period may be extended to 48 months if the child has a disability or if, at the time of its birth, two other children are already being raised in the household.

Parents designate the beneficiary of the insurance period or, where applicable, decide to share the period by means of a joint application. This decision cannot be changed. In the absence of an agreement between the parents and in the absence of proof provided by the parent making the application that they were solely responsible for the child's upbringing, the period is shared equally between the two parents.

The purpose of baby-years is twofold: on the one hand, to recognise a period of insurance (monthly component) and, on the other hand, to take into account a notional income (monetary component).

The monthly element allows the 24-month period following the birth of a child to be validated as a compulsory insurance period when the insured person has ceased their professional activity. It thus ensures that any career break has no impact on the determination of when entitlement to an old-age pension or early old-age pension begins.

The financial element consists of attributing a notional contributory income for the baby-years period, regardless of whether or not the insured person has reduced their professional activity. This notional income corresponds to the average contributory income for the twelve months preceding the birth of the child, less the actual income received during the baby-years, but may not be less than 270.28 euros per month per child at index 100 and in the base year 1984. At the current index and revaluation factor, this amount is 4,235.98 euros per month per child<sup>48</sup>. Where applicable, it is added to the actual income received by the insured person during this period and is taken into account when calculating the pension amount.

Thus, insured persons who completely interrupt their activity benefit from both the monthly element and the monetary element, while those who continue their professional activity retain only the advantage linked to the monetary element.

<sup>48</sup> For further explanation on how an amount from the index number 100 and the base year 1984 is converted to a current amount, see point II.3. The calculation of the old-age pension.

Specific rules apply in the case of closely spaced or multiple births. When the birth of a new child occurs during the period already covered by the baby-years, the periods apply simultaneously, but cannot be extended beyond the second birthday of the child concerned. In this case, two notional incomes may be taken into account and combined, one for each child entitling the parent to baby-years. Similarly, in the case of twins, the period remains limited to two years, but two separate notional incomes are credited for each child, which may be combined with actual income received.

The application for the inclusion of baby-years<sup>49</sup> may be submitted as soon as the child reaches the age of 4 and no later than the date of submission of the personal pension application. Even if the baby-years periods are recorded in the career statement as soon as the application has been accepted, final validation of the period only takes place at the time of the pension application.

### EXAMPLE 1

*Marie-Ange worked continuously with a gross salary of 3,000 euros before the birth of her child on 14 May 2024. After the birth of her child, Marie-Ange still has 12 weeks of maternity leave (until 6 August 2024), followed by six months of full-time parental leave (until 6 February 2025). Marie-Ange then ceases her professional activity.*

*In order to determine Marie-Ange's insurance career, the periods from the birth of the child are taken into account as follows:*

- 14.05.2024 – 05.08.2024: compulsory periods validated as maternity leave
- 06.08.2024 – 05.02.2025: compulsory periods validated as parental leave
- 06.02.2025 – 05.08.2026 (= two years after the end of maternity leave): compulsory periods validated as baby-years

*Marie-Ange therefore has the option of remaining unemployed until 5 August 2026 without this having any impact on the moment of her pension entitlement.*

*To calculate her notional income for the baby-years, the average income for the twelve months prior to the birth minus her actual income, is taken into account, but this amount cannot be less than 4,235.98 euros. In Marie-Ange's case, it is this latter amount that is taken into account, as her average salary was only 3,000 euros.*

*For the future calculation of her pension, the following income is taken into account from the birth of the child:*

- 14.05.2024 – 05.08.2024: 3,000 euros/month as maternity pay
- 06.08.2024 – 05.02.2025: 3,000 euros/month as parental leave allowance + 4,235.98 euros/month as notional income due to baby-years
- 06.02.2025 – 05.08.2026: 4,235.98 euros/month as notional income due to baby-years

### EXAMPLE 2

*Jean-Jacques and Marie-Hélène had a child on 23 November 2024. Before the child was born, Jean-Jacques earned 5,000 euros and Marie-Hélène earned 6,000 euros gross per month. Both parents decided to share the baby-years, with Marie-Hélène taking the first parental leave.*

*Since neither parent took a break from work, the baby-years have no impact in terms of insurance months: the parents are affiliated through their work and do not need to take the baby-years into account to complete their insurance career.*

*However, in terms of income taken into account for the calculation of their pension, the baby-years are very useful:*

- *For Jean-Jacques, in addition to his income of 5,000 euros, which he continues to receive and on the basis of which he continues to contribute, a notional income of 4,235.98 euros is taken into account for the period from 23 November 2024 to 22 November 2025. The 12 months during which Jean-Jacques benefits from baby-years will therefore be considered for the calculation of his pension as if he had a contributory income of 9,235.98 euros.*
- *For Marie-Hélène, in addition to her income of 4,506.23 euros during parental leave (which is capped at this level) and her subsequent income of 6,000 euros, an additional notional income is taken into account for the period from 15 February 2025 (= end of maternity leave) to 14 February 2026 - an additional notional income corresponding to 4,235.98 euros, as this minimum is higher than 6,000 – 4,506.23 and 6,000 – 6,000 respectively.*

49 The application form can be found at: <https://cnap.public.lu/en/documentation/formulaires.html>

**EXAMPLE 3**

Marie-Lise earns an average monthly salary of 5,000 euros. She gives birth to her first child on 27 July 2023, followed by a second child on 11 November 2024. With the exception of parental leave taken following the birth of each of her children, Marie-Lise continues to work; full-time after the birth of her first child and part-time after the birth of her second child.

Due to her professional activity, Marie-Lise is compulsorily insured for pension purposes and therefore does not need baby-years for this purpose. However, it is in her interest to apply for baby-years for the financial benefits they offer.

For the calculation of the notional income for baby-years, the average of the last twelve months before the birth less the actual income received during the application of the baby-years is taken into account, but without being less than 4,235.98 euros.

For the calculation of the pension, baby-years can be recognised as follows:

- 27.07.2023 – 18.10.2023: 5,000 euros/month as maternity pay
- 19.10.2023 – 18.04.2024: 4,506.23 euros/month as parental leave benefits (capped) + 4,235.98 euros/month as notional income due to baby-years (this minimum being higher than 5,000 – 4,506.23)
- 19.04.2024 – 15.09.2024: 5,000 euros/month as salary + 4,235.98 euros/month as notional income due to baby-years
- 15.09.2024 – 02.02.2025: 5,000 euros/month as maternity pay for the second child + 4,235.98 euros/month as notional income due to baby-years for the first child
- 03.02.2025 – 02.08.2025: 4,506.23 euros/month as parental leave for the second child + 4,235.98 euros/month as notional income due to the baby-years of the first child + 4,235.98 euros/month as notional income due to the baby-years of the second child
- 03.08.2025 – 18.10.2025: 2,500 euros/month as part-time salary + 4,235.98 euros/month as notional income due to the baby-years of the first child + 4,235.98 euros/month as notional income due to the baby-years of the second child
- 19.10.2025 – 02.02.2027: 2,500 euros/month as part-time salary + 4,235.98 euros/month as notional income due to the baby-years of the second child

### 2.3.2. Additional periods

Additional periods are periods that can be taken into account, despite the absence of contributions paid, both for the purpose of entitlement to an early old-age pension after the age of 60 and for the acquisition of flat-rate elements in the calculation of the pension, in particular the minimum pension<sup>50</sup>, the end-of-year allowance<sup>51</sup> and lump-sum increases<sup>52</sup>.

Provided that they are not otherwise covered by a Luxembourg or foreign pension scheme, the following may be taken into account as additional periods<sup>53</sup>:

- periods during which an invalidity pension was paid;
- periods of study or vocational training, not compensated as an apprenticeship, completed after the age of 18, without the number of years thus taken into account exceeding 9 years;

50 See section II.3.5. The minimum pension

51 See section II.3.3. The end-of-year allowance

52 See section II.3.1. The lump-sum increases

53 Article 172 of the Social Security Code

### ADDITIONAL INFORMATION

Since the law of 19 December 2025, the rules for recognising periods of insurance corresponding to studies have been relaxed. From now on, all years after the age of 18 can be taken into account, up to a maximum of 9 years, whereas previously only studies undertaken between the ages of 18 and 27 were eligible.

Secondary, higher or university studies completed in Luxembourg or abroad, evening classes for adults in technical or secondary education, as well as internships required to obtain a diploma are recognised. Interruptions due to illness, holidays and, at the end of studies, the period between the end of the school year and the following 31 October are also taken into account.

A request to have these periods of study taken into account must be submitted to the National Pension Insurance Fund (*CNAP – Caisse nationale d'assurance pension*), which can be done at the earliest from the age of 55 and at the latest when applying for a pension. This request must be accompanied by the necessary supporting documents. Depending on the course of studies, the final diploma alone is not always sufficient: it may be necessary to produce certificates of enrolment for each of the years of study concerned or to present a certificate from the educational institution.

It should also be noted that the successful completion of a year or cycle of study is not a condition for the corresponding period to be recognised as an additional period.

- the period corresponding to the registration period imposed on young job seekers before they become eligible for full unemployment benefit;
- periods during which one of the parents raised one or more children under the age of 6; these periods may not be less than 8 years for the birth of two children, nor less than 10 years for the birth of three children; the age limit is raised to 18 if the child has a physical or mental disability, unless the child's education and care have been entrusted to a specialised institution.

### EXAMPLE

*Marie-Madeleine has two children born on 12 November 1990 and 14 October 1992 respectively.*

*Provided that these periods are not covered otherwise, the following may be taken into account as child-raising periods:*

- *the period from 12.11.1990 to 11.11.1996 for the first child;*
- *the period from 14.10.1992 to 13.10.1998 for the second child.*

*→ The period from 12 November 1990 to 13 October 1998, i.e. 7 years, 11 months and 28 days, can therefore be covered by periods of child-rearing.*

*The law stipulates that, for two children, a minimum of 8 years may be taken into account if the parent devoting themselves to the child's education was not otherwise covered.*

*In the case of a third child, a minimum of 10 years may be taken into account if the parent devoting themselves to the child's education was not otherwise covered.*

- periods of insurance corresponding to self-employed professional activity and exempt from contributions prior to 1 January 1993;
- up to a maximum of 15 years, periods of professional activity in Luxembourg prior to the creation of the former contributory pension schemes or exempt from compulsory insurance under the legal provisions applicable to those schemes, provided that these periods do not otherwise give rise to benefits and that they were undertaken after the age of 14;
- periods from 1 January 1990 during which a person provided care to a recipient of a care allowance, a special allowance for severely disabled persons, an increase in accident pension for incapacity or an increase in the guaranteed minimum income (RMG) supplement;
- periods of professional activity subject to insurance under the legislation of the country of origin for persons who, prior to acquiring Luxembourg nationality, had political refugee status and are excluded from receiving benefits under any international or foreign scheme;
- periods during which the disabled worker was unable, for reasons beyond their control, to be employed in a sheltered workshop, as well as periods during which the person concerned was, after the age of 18, unable to earn a living due to physical or intellectual disabilities; these periods must have occurred before 1 June 2004.

### 2.3.3. The voluntary insurance periods

Under certain conditions, and upon request, insured persons may file for voluntary pension insurance. This voluntary insurance is subject to the payment of contributions by the insured person, and the resulting periods are taken into account for early old-age at the earliest at the age of 60. The reasons for opting for voluntary insurance may be either to validate insurance months for entitlement purposes or to take into account a (higher) contributory income that increases future pension rights.

There are three different types of voluntary insurance: continued insurance<sup>54</sup>, optional insurance<sup>55</sup> and the purchase of insurance periods<sup>56</sup>.

#### ► The continued insurance and optional insurance

Whatever the reason for the interruption or the reduction of professional activity, persons who justify 12 months of compulsory insurance during the period of 3 years preceding the loss of compulsory insured status or the reduction of professional activity may request to continue or to complete their insurance. The reference period of 3 years is extended accordingly and to the extent that it overlaps with additional periods as well as with prior continued insurance periods or periods corresponding to the receipt of the inclusion allowance of the social inclusion income (REVIS) or to the receipt of the income for severely disabled persons (RPGH).

The application for continued insurance must imperatively be submitted to the Joint Social Security Centre (CCSS – *Centre commun de la sécurité sociale*)<sup>57</sup>, under the scheme with which the insured person was most recently affiliated, within a period of 6 months following the loss of affiliation.

Persons who do not fulfil the conditions to be admitted to continued insurance may, subject to a favourable opinion of the Social Security Medical Board (CMSS – *Contrôle médical de la sécurité sociale*), insure themselves on an optional basis during the periods in which they do not exercise or reduce their professional activity for family reasons. Periods of marriage (or civil partnership), the education of a minor child, or assistance and care provided to a person recognised as dependent are recognised as family reasons<sup>58</sup>.

To be admitted to optional insurance, the persons concerned must justify at least 12 months of affiliation on the basis of effective periods of compulsory insurance and must not have reached the age of 65 nor be benefitting of a personal pension at the time of the application.

Thus, whereas affiliation to continued insurance is more restrictive as regards the time of the application (time limit of 6 months from the loss of affiliation; 12 months of compulsory insurance during the last 36 months), optional insurance is more restrictive as regards the reason for the interruption or reduction of professional activity (family reasons only).

The person concerned freely determines the contribution base of continued or optional insurance and pays monthly the contributions due, set at 17%. These contributions are fully tax deductible<sup>59</sup>.

The minimum contributable amount under continued or optional insurance corresponds to the unskilled social minimum wage. This minimum may, however, be reduced to one-third of the minimum wage for a period not exceeding five years<sup>60</sup>.

The maximum contributable amount corresponds to the monthly average of the five highest annual contributable incomes; this maximum may not be lower than twice the unskilled social minimum wage.

54 Article 173 of the Social Security Code

55 Article 173bis of the Social Security Code

56 Article 174 of the Social Security Code

57 The application form can be found at: <https://ccss.public.lu/en/particuliers/assures-volontaires/assurance-volontaire-pension/affiliation-volontaire-assurance-pension.html>

58 Article 2 of the amended Grand-Ducal Regulation of 5 May 1999

59 Article 110, point 4 of the Law on Income Tax (LIR)

60 Article 4 of the amended Grand-Ducal Regulation of 5 May 1999

### As for the calculation of the individual ceiling

The average of the five highest contributory annual incomes in the insurance career is determined in the base year 1984 and at index number 100. It is therefore not sufficient to identify the five highest amounts on an insured person's career statement.

As with the calculation of pensions<sup>61</sup>, the income for each year is first divided by the revaluation factor for that year and by the average index rate for that year to take into account changes in both the cost of living and real wages. The average of the five highest incomes thus selected is multiplied by the current index (on 1 January 2026 this amounts to 968.04) and the last known revaluation factor (on 1 January 2026 this amounts to 1.619) to identify the individual ceiling.

### EXAMPLE 1

*Jean-Pierre is 57 years old and, in view of his insurance career, he knows that, if he continues to work, he will be able to retire on an early old-age pension at the age of 63. However, at the age of 57, Jean-Pierre decides to cease his professional activity.*

*If Jean-Pierre does not insure himself voluntarily under the pension insurance scheme, he will not be entitled to an early old-age pension and will therefore have to wait until his 65th birthday to benefit from the statutory pension in Luxembourg.*

*If his sole objective is to preserve the right to early old-age pension, without seeking to increase his entitlements significantly, he may opt for minimum contributions, sufficient to validate the insurance months. In this case, Jean-Pierre may contribute on the basis of one-third of the minimum wage for five years, then, until the moment when his pension rights are opened, on the basis of the full minimum wage. The monthly contribution would thus amount to  $17\% \times 2,703.74 / 3 = 153.21$  euros during the first five years, and would then increase to  $17\% \times 2,703.74 = 459.64$  euros per month thereafter.*

*If, on the other hand, Jean-Pierre wishes to maximise his pension entitlements, he may contribute on the basis of the maximum contributable amount. This maximum corresponds either to the monthly average of his five best annual incomes or, if this is higher, to twice the minimum wage. Thus, if, at the current index and revaluation factor, his five best years correspond to an average monthly salary of 7,000 euros, Jean-Pierre has the possibility to contribute on the basis of this level at the maximum – and therefore to pay monthly contributions amounting to  $17\% \times 7,000 = 1,190$  euros.*

*Jean-Pierre also has the possibility to choose any other contribution base situated between the minimum wage and his maximum contributable amount.*

***By opting for this continued insurance, Jean-Pierre remains eligible for early old-age pension at the age of 63. It should, however, be noted that periods of voluntary insurance are not taken into account before the age of 60, so that they will not enable an insured person to retire before that age.***

### EXAMPLE 2

*Jean-Christophe has a monthly salary of 6,500 euros. After the birth of his child, he decides to reduce his working hours. As he continues to work, he remains affiliated to the pension insurance scheme and, as far as the date of entitlement to a pension is concerned, he does not need to file for voluntary insurance in addition to his compulsory insurance.*

*However, if Jean-Christophe wants to avoid a significant loss in his pension, he has the option of supplementing his compulsory insurance with continued insurance by paying voluntary contributions.*

*Let us assume that, on average per month, during his five best contributory years, Jean-Christophe had an income, expressed at the current index and revaluation factor, of 6,000 euros/month.*

*Due to his reduced professional activity, he continues to receive a gross salary of 3,250 euros. Jean-Christophe can then choose to make up the difference between his actual income of 3,250 euros and the maximum contributory income of 6,000 euros by paying contributions amounting to:  $17\% \text{ of } (6,000 - 3,250) = 467.50$  euros/month.*

***It should be noted that, in this scenario, Jean-Christophe is unable to fully make up the difference compared to his full-time job. This is because, due to the rules on continued insurance and given the assumptions about his career, he can insure himself for a total income of 6,000 euros/month, whereas if he were working full-time he would earn 6,500 euros/month.***

61 See section II.3.8. Examples of calculations for (early) old-age pensions or example on page 39

### ► The retroactive purchase of periods

Provided that they have been compulsorily affiliated for at least 12 months and that at the time of the application they have neither exceeded the age of 65 nor are entitled to a personal pension, persons who have abandoned or reduced their professional activity for family reasons may cover or supplement the corresponding periods by a retroactive purchase. Such a retroactive purchase of periods is also possible when a person has left a foreign pension scheme not covered by a bi- or multilateral social security instrument or a pension scheme of an international organisation providing for a buyback lump-sum or an actuarial equivalent.

The periods that may be covered by a retroactive purchase may not be situated before the age of 18 and must correspond to<sup>62</sup>:

- periods of marriage or civil partnership; or
- periods of raising a minor child; or
- periods of care provided to a person recognised as dependent or receiving a care allowance, a special allowance for severely disabled persons, an increase in the accident pension, or an increase in the supplement of the guaranteed minimum income (RMG); or
- periods of affiliation to a foreign pension scheme not covered by a bi- or multilateral agreement or a pension scheme of an international organisation; or
- periods having given rise to the payment of the allowance granted to married female civil servants who left the service before pension entitlement (provision abolished by a law of 25 July 1985), as well as those provided for by the relevant provisions of the legislation governing other special transitional schemes; or
- periods of employment with a Luxembourg diplomatic, economic or tourist representation abroad situated before 1 September 2000.

The application for a retroactive purchase of insurance periods must be submitted to the National Pension Insurance Fund (*CNAP – Caisse nationale d'assurance pension*)<sup>63</sup>, which may ask the interested party to provide supporting documents regarding the above periods.

Generally, for one month of insurance to be retroactively covered, a contributory income corresponding either to the unskilled minimum wage during these periods, or to multiples of 1.5, 2.0 or 2.5 of this minimum, is debited at the request of the interested party. In no case may the incomes credited under compulsory insurance and retroactive purchase exceed the maximum contributory ceiling in force at the CNAP during the calendar year in question.

The amount to be paid for the retroactive coverage of insurance periods is calculated on the basis of the income chosen by the insured person using the overall contribution rate applicable at the time of receipt of the purchase application. The nominal amount of the contributions thus calculated is increased by compound interest at the rate of 4% per year. Interest accrues per full year from the year following the one to be retroactively covered until the end of the year preceding that of receipt of the application. The cost of the contributions is shared between the interested party and the State in the proportion of 2/3 for the interested party and 1/3 for the State. These contributions are fully tax-deductible<sup>64</sup>.

62 Article 10 of the amended Grand-Ducal Regulation of 5 May 1999

63 The application form can be found at: <https://cnap.public.lu/fr/documentation/formulaires.html>

64 Article 110, point 4 of the Law on Income Tax (LIR)

Year	1 x minimum wage		2,5 x minimum wage		Contributory ceiling
	Nominal income	Cost of purchase	Nominal income	Cost of purchase	
1974	3,062.04	3,847.34	7,655.04	9,618.26	12,067.46
1975	3,899.40	4,711.01	9,748.56	11,777.59	14,067.96
1976	4,285.80	4,978.68	10,714.44	12,446.64	17,771.49
1977	4,779.12	5,338.23	11,947.80	13,345.57	19,067.97
1978	5,168.28	5,550.88	12,920.64	13,877.14	19,821.57
1979	5,374.44	5,550.29	13,436.04	13,875.67	21,276.01
1980	5,705.16	5,665.22	14,262.72	14,162.88	22,820.16
1981	6,277.44	5,993.75	15,693.60	14,984.37	25,109.56
1982	6,661.68	6,115.98	16,654.20	15,289.96	26,646.72
1983	7,130.28	6,294.42	17,825.76	15,736.10	28,521.19
1984	7,535.88	6,396.61	18,839.64	15,991.47	30,143.36
1985	7,740.00	6,317.87	19,350.12	15,793.06	30,960.29
1986	8,068.32	6,331.87	20,170.80	15,829.69	32,273.58
1987	8,208.12	6,193.83	20,520.36	15,484.63	32,833.20
1988	8,225.28	5,968.06	20,563.20	14,920.15	32,901.57
1989	8,961.84	6,252.39	22,404.60	15,630.98	35,847.39
1990	9,261.48	6,212.93	23,153.76	15,532.34	37,046.60
1991	10,152.12	6,548.46	25,380.12	16,371.03	40,608.53
1992	10,655.52	6,608.82	26,638.80	16,522.04	53,278.00
1993	11,613.12	6,925.72	29,032.80	17,314.29	58,066.01
1994	12,033.84	6,900.60	30,084.60	17,251.49	60,169.51
1995	12,906.84	7,116.54	32,267.04	17,791.32	64,534.12
1996	13,012.68	6,898.94	32,531.52	17,247.26	65,062.83
1997	13,737.60	7,003.15	34,343.88	17,507.81	68,687.48
1998	13,765.56	6,747.50	34,413.84	16,868.72	68,827.34
1999	14,090.16	6,640.97	35,225.40	16,602.43	70,451.07
2000	14,472.00	6,558.60	36,180.00	16,396.49	72,360.12
2001	15,388.20	6,705.59	38,470.44	16,763.94	76,940.75
2002	15,708.36	6,581.83	39,270.96	16,454.60	78,541.90
2003	16,596.00	6,686.30	41,490.00	16,715.75	82,979.85
2004	16,940.64	6,562.64	42,351.72	16,406.66	84,703.29
2005	17,711.16	6,597.25	44,277.96	16,493.14	,88,556.01
2006	18,078.60	6,475.11	45,196.56	16,187.80	90,393.32
2007	18,843.36	6,489.44	47,108.40	16,223.61	94,216.80
2008	19,235.88	6,369.83	48,089.64	15,924.55	96,179.40
2009	20,111.04	6,403.49	50,277.72	16,008.77	100,555.26
2010	20,445.48	6,259.60	51,113.52	15,648.94	102,226.98
2011	21,222.48	6,247.58	53,056.32	15,618.98	106,112.58
2012	21,753.00	6,157.46	54,382.32	15,393.60	108,764.49
2013	22,630.80	6,159.55	56,577.00	15,398.87	113,153.85
2014	23,052.36	6,032.97	57,630.96	15,082.44	115,261.56
2015	23,075.52	5,806.76	57,688.80	14,516.90	115,377.84
2016	23,075.52	5,583.42	57,688.80	13,958.56	115,377.84
2017	23,983.08	5,579.83	59,957.52	13,949.52	119,915.16
2018	24,232.80	5,421.08	60,582.12	13,552.73	121,164.06
2019	25,077.00	5,394.17	62,692.56	13,485.44	125,385.00
2020	25,703.88	5,316.36	64,259.76	13,290.91	128,519.64
2021	26,588.28	5,287.77	66,470.52	13,219.39	132,941.16
2022	26,588.28	5,287.77	66,470.52	13,190.48	137,956.23
2023	30,106.44	5,535.73	75,266.16	13,839.34	150,532.12
2024	30,851.16	5,454.49	77,127.96	13,636.22	154,255.68
2025	32,181.12	5,470.79	80,452.68	13,676.96	160,905.28

**EXAMPLE**

*From November 2004 to February 2006, Marie-Claude interrupted her professional activity to look after her minor children.*

*If Marie-Claude wishes to cover this period with a contributory income enabling her to increase her pension entitlements and to validate months potentially necessary to take early old-age pension, she has the option of retroactively purchasing these months.*

*In the case where she opts for the purchase of the months in question on the basis of the minimum wage, the cost of the purchase amounts to:*

- *for 2004:  $2/12 \times 6,562.64 = 1,093.77$  euros*
- *for 2005:  $12/12 \times 6,597.25 = 6,597.25$  euros*
- *for 2006:  $2/12 \times 6,475.11 = 1,079.19$  euros*

*For the pension calculation, these 16 months will henceforth be taken into account as if Marie-Claude had worked at the minimum wage during this period.*

*If Marie-Claude makes the purchase in 2027 instead of 2026, the purchase price increases by 4%.*

**THE RETROACTIVE PURCHASE OF PERIODS IN THE EVENT OF DIVORCE:**

Since 1 November 2018 and the divorce reform, spouses who have interrupted their career have the possibility of purchasing these years for their retirement, for half at the expense of the former spouse, but under certain conditions.

Indeed, the legislation now allows that, in the event of abandonment or reduction of professional activity by a spouse during the marriage for a period ending at the latest on the date of the divorce petition, the latter may request, before the divorce judgment and provided that at the time of the application they have not exceeded the age of 65, the court to proceed or to have proceeded with the calculation of a reference amount for the retroactive purchase, based on the difference between the respective incomes of the spouses during the period of abandonment or reduction of professional activity.

The spouse who remained in employment contributes half to the cost of the purchase, within the limits of the assets constituted by common or undivided property available after settlement of the liabilities.

The spouse who abandoned or reduced their activity may waive this retroactive purchase. This waiver may take place up to the divorce judgment. It cannot take place before the introduction of the divorce petition.

**2.3.4. The determination of insurance units**

Insurance periods are counted by calendar month. A full month is counted for months representing either 64 hours of work in the case of periods of professional activity, or 10 calendar days in other cases<sup>65</sup>.

Fractions of months below these thresholds are carried forward to the following months and credited in the first month in which the total hours of activity will, taking into account the carry-forward, have reached the required threshold, whilst the contributory incomes are credited for the month to which they relate.

**EXAMPLE**

*Jean-Luc works 60 hours in February, 50 hours in March and 40 hours in April.*

*February is not validated because Jean-Luc worked less than 64 hours that month. The 60 hours from that month are carried over to the following month.*

*Thus, even though he only worked 50 (<64) hours in March, this month will be validated as an insurance month due to the carryover of 60 hours from the previous month. In effect, it will be considered as if he had worked 110 hours (50+60).*

*Given that Jean-Luc only works 40 hours in April, and that there is no carry-over from the previous month, this month will not be taken into account when determining his career length.*

***In practical terms, a person who works between 32 and 61 hours per month for 12 months will only have validated 6 months for pension insurance purposes.***

65 Article 175 of the Social Security Code

It should be noted that, where several periods of insurance overlap during the same calendar month, the accounting cannot exceed one month. Therefore, simply adding together the periods of insurance validated in different countries to those validated in Luxembourg, without taking into account any overlaps, may result in an overestimation of an insured person's total period of insurance.

#### EXAMPLE 1

*Marie-Paule is compulsorily insured under the Luxembourg pension insurance scheme by virtue of her salaried activity. At the same time, she works as a self-employed person in France where she pays contributions to the French pension fund.*

*Even if, on her French career record, she accumulates months in France, and on her Luxembourg career statement she accumulates months in Luxembourg, for a given period, one month will count only once in order to determine the duration of her qualifying period: either in Luxembourg or in France.*

*The overlap of several insurance periods therefore does not allow her to retire earlier on an (early) pension. In order to determine her qualifying period under the pension insurance scheme, she cannot therefore simply add together the months appearing on her French statement and on her Luxembourg statement.*

#### EXAMPLE 2

*Jean-François is pursuing a university degree that may be recognised as periods of additional insurance.*

*During several months of his studies, Jean-François is engaged in professional activity.*

*As a month cannot be validated twice, in this case for periods of study and professional activity, each month of professional activity supersedes the month of study.*

### 2.3.5. The restitution of reimbursed contributions

Persons who have benefited from a reimbursement of contributions may revive the rights initially attached to the relevant insurance periods by returning the amount of the reimbursed contributions, provided that at the time of the application they have neither exceeded the age of 65 nor are entitled to a personal pension.

The restitution includes the amount of the reimbursed contributions, revalued taking into account compound interest at the rate of 4% per full year from the year following that of the reimbursement of contributions until the end of the year preceding that of the restitution of contributions. The amount thus determined must be settled, on penalty of forfeiture, within 3 months following notification of the decision.

The restituted contributions are tax-deductible<sup>66</sup>.

## 2.4. THE AGGREGATION OF PERIODS

At the time of retirement, all contribution periods completed either in an EFTA member country (i.e. the European Union, Iceland, Norway, Liechtenstein and Switzerland), or in a country with which Luxembourg has an agreement in the field of social security<sup>67</sup>, are taken into account and aggregated for the entitlement and the calculation of the old-age pension. Each State is therefore required to take into account the insurance periods that have been completed in other countries.

This is the principle of the aggregation of insurance periods<sup>68</sup>, which guarantees that the insurance or working periods completed in one State will be taken into account, if necessary, to open the entitlement to benefits in another State.

It should be noted, however, that entitlement to a pension in one country does not automatically trigger this entitlement in other countries – the conditions for entitlement, particularly those related to age, may differ from one country to another.

<sup>66</sup> Article 110, point 4 of the Law on Income Tax (LIR)

<sup>67</sup> The list of countries with which Luxembourg has such an agreement can be found here: <https://www.secu.lu/conv-internationales/>

<sup>68</sup> Article 6 of Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems

**EXAMPLE**

*Marie-Rose worked for 17 years in Belgium, 18 years in France and 5 years in Luxembourg. At the age of 57, she is therefore entitled to a pension in Luxembourg, given that all her years of service (17 + 18 + 5) are taken into account when determining her qualifying period.*

*However, at that point, she will only be able to receive her Luxembourg pension and will have to wait until she reaches the legal age in France or Belgium to receive the respective pensions from those countries.*

*If, due to her very short career in Luxembourg, the Luxembourg pension would be insufficient for Marie-Rose, she would then be implicitly forced to extend her career until the legal retirement age in France or Belgium – in order to be able to receive these pensions as well – even if she is entitled to the Luxembourg pension well before that age.*

## 2.5. THE VOLUNTARY EXTENSION OF THE INSURANCE CAREER

A person who fulfils the conditions for an early old-age pension is not required to claim it immediately and may perfectly well extend their career by a few months or several years if they wish so. This choice allows them to remain in employment beyond the first possible departure date and to defer the start of the pension.

The continuation of professional activity results in the acquisition of additional rights, which automatically leads to an increase in the future pension amount. Each additional month or year validated is reflected in the pension calculation formula, through higher proportional increases<sup>69</sup>. The impact of the career extension on the pension level may be simulated using our pension estimator<sup>70</sup>.

At the same time, the tax allowance for remaining in professional life, introduced by the law of 19 December 2025 and in vigour since 1 January 2026, aims to encourage this deferral of the early old-age pension by granting a targeted tax advantage to insured persons who continue to work whilst they already fulfil the conditions for an early old-age pension. Specifically, insured persons who have an entitlement to an early old-age pension, but choose not to make use of it (immediately) and to continue a professional activity, may benefit from a monthly tax allowance of 750 euros. In this context, an amount of 750 euros is exempted from tax each month on the insured person's professional income, which reduces the taxable base, and therefore the tax due.

The tax allowance for remaining in professional life is subject of an application to the Direct Tax Administration. This application must be accompanied by a certificate from the CNAP attesting that the taxpayer fulfils the conditions for the pension entitlement<sup>71</sup>. To benefit from the allowance, the employee has the allowance entered on their tax withholding card by attaching the certificate to their request for correction of the tax withholding card (form 164<sup>72</sup>). If the allowance is not applied via withholding at source, it may still be claimed in the tax return or during the annual settlement.

# 3. THE CALCULATION OF THE OLD-AGE PENSION

The monthly old-age pension is composed of proportional increases and lump-sum increases. The lump-sum increases are granted according to the duration of insurance, whilst the proportional increases are granted according to the contributory professional incomes earned during the insurance career.

To the monthly pension is added, for the month of December, the end-of-year allowance.

The calculation of pensions is carried out first at index number 100 of the cost of living as at 1 January 1948 and for the base year 1984. This makes it possible to compare wages from different years. Once this step has been carried out, pensions benefit from a dual adjustment. They are adjusted to the evolution of real wages (revaluation and readjustment) as well as to the cost of living (indexation).

69 See section II.3.2. The proportional increases and II.3.8. Examples of calculations for (early) old-age pensions for more details about the pension calculation

70 <https://calculatrice.pensions.lu/>

71 The application process for such a certificate can be completed via this link: <https://guichet.public.lu/en/citoyens/travail/pension/assurance-pension/certificat-cnab-abatement-fiscal.html>

72 The form can be found at [https://impotsdirects.public.lu/fr/formulaires/fiches\\_d\\_impot.html](https://impotsdirects.public.lu/fr/formulaires/fiches_d_impot.html)

In order to facilitate the calculation of pensions, without having to refer to the formulas presented in this section, our Chamber has developed a tool enabling estimation of the pension and projection of its evolution as a function of the duration of career extension as well as the contributory income received during this period. This simulator is accessible online at [calculatrice.pensions.lu](http://calculatrice.pensions.lu).

### 3.1. THE LUMP-SUM INCREASES

The lump-sum increases are granted according to the duration of insurance and are independent of the level of the insured person's income. To calculate this duration all compulsory insurance, continued insurance, optional insurance, retroactive purchase periods and additional periods are taken into account, without the number of years credited being able to exceed 40.

Before the 2012 reform, the amount of the lump-sum increases for an insurance career of 40 years was 23.5% of the reference amount. The latter constitutes a parameter used to determine certain thresholds in relation to the pension calculation. It is fixed at 2,085 euros per year, at index number 100 of the cost of living as at 1 January 1948 and for the base year 1984<sup>73</sup>.

However, the law of 21 December 2012 provided for the gradual increase of the lump-sum increases according to the year of retirement. In 2026, the amount of the lump-sum increases for a complete career (40 years) amounts to 25.075% of the reference amount, to reach 28% in 2052. This amount is identical for each insured person. The applicable percentage according to the year of retirement is indicated in the table at pages 39-40.

The lump-sum increases are acquired at 1/40 per year, completed or commenced, without the number of years credited being able to exceed 40.

For a complete career of 40 years or more, the lump-sum increases thus correspond to 25.075% of 2,085, i.e. 522.81 euros per year at index number 100 of the cost of living as at 1 January 1948 and for the base year 1984. Expressed in today's euros, this amount corresponds to  $522.81 \times 9.6804 \times 1.57 = 7,945.79$  euros per year, i.e. 662.15 euros per month.

#### EXAMPLE 1

*Jean-Pierre retires in 2026 and can demonstrate 33 years and 3 months of insurance with the CNAP. He will obtain lump-sum increases equal to 34/40 of 522.81 euros, which is equivalent to 444.39 euros per year at index number 100 of the cost of living as at 1 January 1948 and base year 1984.*

*This corresponds, at 1 January 2026, to:*

$$\begin{aligned} & 444.39 \times \text{revaluation factor of 2022} \times \text{current index}/100 \\ & = 444.39 \times 1.57 \times 9.6804 \\ & = 6,753.94 \text{ euros per year, i.e. } 562.83 \text{ euros per month.} \end{aligned}$$

#### EXAMPLE 2

*Jean-Charles retires in 2026 and can demonstrate 43 years and 9 months of insurance with the CNAP. He will obtain lump-sum increases equal to 40/40 of 522.81 euros per year at index number 100 of the cost of living as at 1 January 1948 and base year 1984.*

*This corresponds, at 1 January 2026, to:*

$$\begin{aligned} & 522.81 \times \text{revaluation factor of 2022} \times \text{current index}/100 \\ & = 522.81 \times 1.57 \times 9.6804 \\ & = 7,945.79 \text{ euros per year, i.e. } 662.15 \text{ euros per month.} \end{aligned}$$

<sup>73</sup> Adjusted for the revaluation factor and today's index, the reference amount corresponds roughly to the level of the unskilled social minimum wage.

## 3.2. THE PROPORTIONAL INCREASES

The proportional increases correspond to the product of the multiplication of a percentage rate, (which changes according to the year of retirement), by the sum of the contributory incomes credited.

Before the reform introduced by the law of 21 December 2012, this percentage rate was fixed at 1.85%. However, the new law provides for a gradual reduction of this rate, which thus falls from 1.85% to 1.6% by 2052. For insured persons whose pension entitlement begins in 2026, this rate is now only 1.763%. For persons retiring in the following years, this rate decreases progressively to reach 1.6% in 2052. This amount is identical for each insured person. The applicable percentage according to the year of retirement is indicated in the table at pages 39-40.

This rate may be increased with staggered proportional increases which are conditional upon 2 criteria: age and duration of compulsory insurance periods.

The 2012 reform redefined the conditions for granting and the level of the staggered proportional increases. Henceforth, the granting is subject to a single condition of a minimum threshold, equal to the sum of the age and the compulsory insurance periods, which evolves according to the year of retirement. This threshold stands at 93 in 2013, to progressively reach 100 in 2052.

The rate of the staggered proportional increases is gradually increased according to the year of retirement from 0.011% per additional year beyond the threshold (relative to the "normal" rate described above) in 2013, to 0.025% in 2052.

Specifically, the increase in the proportional increment rate is calculated on the basis of the difference between, on the one hand, the age of the beneficiary increased by the number of years of contribution (only full years under periods effective of compulsory insurance) and, on the other hand, the reference threshold for the year of retirement (set at 95 for 2026). Thus, for each unit exceeding this threshold, a staggered increase in the rate of proportional increases (of 0.016% in 2026) is provided. However, the rate of staggered proportional increases may not exceed a total of 2.05%.

If the new formula gives more significant staggered proportional increases than under the former legislation, the conditions for granting are also increasingly restrictive over time. Thus, in 2052, an insured person aged 60 who can demonstrate 40 years of career will no longer be able to benefit from the staggered increase ( $40 + 60 = 100$ ).

### EXAMPLE

*Marie-Louise retires in 2026 at the age of 60 years and 3 months and can demonstrate 40 years and 11 months of compulsory periods. The rate of staggered proportional increases applying to her is:*

$$60 + 40 = 100$$

$$100 - 95 = 5$$

$$5 \times 0.016\% = 0.08\% \text{ staggered increase in the rate of proportional increases, which thus amounts to } 1.763\% + 0.08\% = 1.843\%.$$

*In contrast, in 2052, a retirement claimant of the same age (60) and having the same duration of contributions (40) will not benefit from any increase in their rate of proportional increases. Indeed, the threshold will then be set at 100 ( $100 - 100 = 0$ ).*

To obtain the sum of contributory income used in calculating proportional increases, these are reduced per calendar year to the number 100 of the weighted cost of living index as at 1 January 1948, based on the annual average applicable index rates of the sliding wage scale.

These amounts are then adjusted to the standard of living in a base year, which is 1984. To this end, they are divided by revaluation factors that express the relationship between the average gross wage level for each calendar year and that of the base year. If the revaluation factor for a given year is not yet known, then the rate for the last year for which it is known is used for the transition to the base year 1984.

It should be noted that the sum of all contributory income at 100 on the weighted cost of living index and in the base year 1984 appears on the career statement, at the bottom left of the document, preceded by 'B-'.

**EXAMPLE**

*In order to convert a 1990 income equivalent to 21,969.48 euros (as stated in the career statement provided by the Joint Social Security Centre [CCSS – Centre commun de la sécurité sociale]) to an income indexed at 100 and based on 1984, it must be divided by the average index application rate for 1994 and by the revaluation factor for that year (these amounts are shown in the table on page 41).*

*Thus, an income of 21,969.48 euros in 1990 corresponds to an income of:*

$$21,969.48 / 4.5786 / 1.103$$

*= 4,350.22 euros at index number 100 of the cost of living on 1 January 1948 and base year 1984.*

*This calculation is performed for each year for which an insured person has contributory income. The sum of this income is then multiplied by the rate of proportional (staggered) increases applicable to the insured person.*

For the baby-years, the contributory income taken into account corresponds to the monthly average income earned in the compulsory insurance periods during the 12 months of insurance immediately preceding the month of childbirth or adoption, reduced by any contributory income on other grounds during the application of the baby-years. This income taken into account may not be less than 270.28 euros per child per month at the index number 100 of the cost of living on 1 January 1948 and the base year 1984 (4,235.98 euros on 1 January 2026).

Table showing lump-sum increases, as well as rates, thresholds and staggered increases in proportional increases according to the year of retirement:

► **Table showing lump-sum increases, as well as rates, thresholds and staggered increases in proportional increases according to the year of retirement.**

Year	Lump-sum increases	Proportional increases		
	Rate (%)	Basis rate (%)	Threshold	Rate of staggered increases (%)
2013	23.613	1.844	93	0.011
2014	23.725	1.838	93	0.011
2015	23.838	1.832	93	0.012
2016	23.950	1.825	93	0.012
2017	24.063	1.819	93	0.012
2018	24.175	1.813	94	0.013
2019	24.288	1.807	94	0.013
2020	24.400	1.800	94	0.013
2021	24.513	1.794	94	0.014
2022	24.625	1.788	94	0.014
2023	24.738	1.782	94	0.015
2024	24.85	1.775	95	0.015
2025	24.963	1.769	95	0.015
2026	<b>25.075</b>	<b>1.763</b>	<b>95</b>	<b>0.016</b>
2027	25.188	1.757	95	0.016
2028	25.300	1.750	95	0.016
2029	25.413	1.744	95	0.017
2030	25.525	1.738	96	0.017
2031	25.638	1.732	96	0.018
2032	25.750	1.725	96	0.018
2033	25.863	1.719	96	0.018
2034	25.975	1.713	96	0.019
2035	26.088	1.707	97	0.019
2036	26.200	1.700	97	0.019

Year	Lump-sum increases	Proportional increases		
	Rate (%)	Basis rate (%)	Threshold	Rate of staggered increases (%)
2037	26.313	1.694	97	0.020
2038	26.425	1.688	97	0.020
2039	26.538	1.682	97	0.021
2040	26.650	1.675	97	0.021
2041	26.763	1.669	98	0.021
2042	26.875	1.663	98	0.022
2043	26.988	1.657	98	0.022
2044	27.100	1.650	98	0.022
2045	27.213	1.644	98	0.023
2046	27.325	1.638	98	0.023
2047	27.438	1.632	99	0.024
2048	27.550	1.625	99	0.024
2049	27.663	1.619	99	0.024
2050	27.775	1.613	99	0.025
2051	27.888	1.607	99	0.025
2052	28.000	1.600	100	0.025

### 3.3. THE END-OF-YEAR ALLOWANCE

The law of 28 June 2002 introduced an end-of-year allowance for persons who are entitled to a pension on 1 December <sup>74</sup>.

For beneficiaries of an old-age, invalidity or survivor's pension, the allowance amounts to 1.67 euros for each year of insurance, completed or commenced, under compulsory insurance, continued insurance, optional insurance, retroactive purchase periods and additional periods, without the number of years credited being able to exceed 40. This amount corresponds to index number 100 of the weighted cost-of-living index as at 1 January 1948 and the base year 1984.

The beneficiary of a pension who has accumulated 40 years or more of insurance is therefore entitled, in December 2026, to an allowance amounting to  $1.67 \times 1.57 \times 9.6804 = 25.3810$  euros per year of recognised insurance, i.e. an annual amount of 1,015.24 euros for a complete career of at least 40 years.

If the pension is not paid to the beneficiary for the entire calendar year, the allowance is reduced by 1/12 for each full calendar month.

The amount of the allowance is not taken into account for the application of the provisions relating to the cumulation of pensions with other income <sup>75</sup>, but it is reduced in the same proportion as the pension by the effect of these provisions.

It should be noted that since the law of 21 December 2012, the upkeep of the end-of-year allowance is linked to the contribution rate. Following the new 2025 reform, the law now provides that if the overall contribution rate for pension insurance exceeds 25.5%, the end-of-year allowance is no longer due.

<sup>74</sup> Article 219bis of the Social Security Code

<sup>75</sup> See section II.4. The cumulation of an (early) old-age pension with other income

### 3.4. INDEXATION, REVALUATION AND READJUSTMENT

Pensions benefit from a dual adjustment. Through revaluation and readjustment, they are adjusted to the evolution of real wages and, through indexation, they are adjusted to the cost-of-living index, i.e. to consumer prices.

#### 3.4.1. INDEXATION OF PENSIONS

Pensions are calculated at index number 100 of the weighted cost-of-living index as at 1 January 1948, so as to take into account the evolution of wages during the insured person's career through the mechanism of the sliding wage scale (index tranches).

After they have been granted, pensions evolve with the sliding wage scale, just like wages and salaries.

#### 3.4.2. REVALUATION OF PENSIONS

The law of 21 December 2012 introduced a differentiation between, on the one hand, the mechanism for the revaluation of wages, namely the updating of the wages recorded in the career to base year 1984 values at the wage level of the economy at the time of the pension calculation and, on the other hand, the readjustment mechanism which consists of annually adjusting, during retirement, the level of pensions to the evolution of wages.

Concerning the revaluation at the time of the award of the pension, the law provides that the amount of pensions in base year 1984 are multiplied by the revaluation factor of the fourth year preceding the start of the pension entitlement. This revaluation factor is fixed by Grand-Ducal regulation.

Specifically, for the calculation of the pension of an insured person who retires in 2026, the revaluation factor of 2022 is applied, which is fixed at 1.57.

Year	Revaluation factor	Index	Year	Revaluation factor	Index
1976	0.909	259.56	2001	1.299	587.24
1977	0.926	278.34	2002	1.316	599.46
1978	0.943	289.42	2003	1.325	611.92
1979	0.962	300.97	2004	1.337	624.63
1980	0.971	319.48	2005	1.350	640.24
1981	0.980	340.92	2006	1.368	653.52
1982	1.000	358.31	2007	1.377	668.46
1983	0.99	383.51	2008	1.391	682.39
1984	1.000	405.33	2009	1.403	699.44
1985	1.010	416.31	2010	1.418	711.07
1986	1.033	424.43	2011	1.424	724.34
1987	1.044	428.67	2012	1.420	742.44
1988	1.057	429.56	2013	1.426	761
1989	1.088	443.04	2014	1.433	775.17
1990	1.103	457.86	2015	1.446	775.17
1991	1.129	475.12	2016	1.450	775.17
1992	1.140	490.02	2017	1.462	794.54
1993	1.164	505.37	2018	1.484	802.82
1994	1.183	521.18	2019	1.503	814.4
1995	1.202	530.94	2020	1.520	834.76
1996	1.211	535.29	2021	1.553	839.98
1997	1.218	547.56	2022	1.570	871.66
1998	1.233	548.67	2023	1.595	921.63
1999	1.255	554.38	2024	1.619	944.43
2000	1.277	569.41	2025	1.619	960.17

### 3.4.3. Readjustment of pensions

As regards the readjustment of pensions during retirement, the law of 21 December 2012 provides for a new mechanism so that the adjustment of pensions to real wages is no longer automatic and depends on the financial situation of the pension scheme. In the event that the pure pay-as-you-go premium<sup>76</sup> exceeds the overall contribution rate, and therefore that the current expenditure of the CNAP exceeds the contribution revenues, a moderating mechanism is triggered and the readjustment of pensions being paid will be, at most, equal to half of the evolution of wages.

Specifically, the pensions to which the revaluation and indexation mechanism, described above, has been applied are multiplied by the product of the different readjustment factors determined per calendar year, from the year following the commencement of the pension entitlement.

For a calendar year, the readjustment factor is obtained by adding 1 to the product of the multiplication of the annual rate of variation of the revaluation factor, between the penultimate year and the year preceding it, by the readjustment moderator applicable for the penultimate year.

The law sets this readjustment moderator at 1. Every year, the government examines whether or not to proceed with a revision of the readjustment moderator through legislation. If the pure pay-as-you-go premium of the penultimate year preceding that of the revision exceeds the overall contribution rate, the government submits to the Chamber of Deputies a report accompanied, where applicable, by a bill setting a new readjustment moderator at a value equal to or less than 0.5 for the years from the year preceding the revision.

However, the readjustment moderator may again be increased to a value not exceeding 1 for the years from the year preceding the revision, if the overall contribution rate for the penultimate year preceding that of the revision exceeds the pure pay-as-you-go premium.

#### EXAMPLE

*Marie-Louise has a pension of 3,500 euros in 2025. In January 2026, as for each year, pensions in payment, such as Marie-Louise's, are readjusted with the readjustment factor of 2026.*

*Readjustment factor of 2026:*

*$1 + (\text{variation of the revaluation factor of 2024 relative to the revaluation factor of 2023}) \times \text{moderator of 2024}.$*

*Fixed by Grand-Ducal regulation, the revaluation factor of 2023 stands at 1.595 and that of 2024 at 1.619. This represents an increase of 1.5%. The readjustment moderator of 2024 remained fixed at 1.*

*$1 + 0.015 \times 1 = 1.015$*

*The pension of Marie-Louise, like that of all other retirees, will therefore increase by 1.5%.*

*From January 2026, Marie-Louise's pension thus amounts to  $3,500 \times 1.015 = 3,552.50$  euros.*

## 3.5. THE MINIMUM PENSION

No old-age pension may be less than 90% of the reference amount (fixed, at index number 100 of the cost of living as at 1 January 1948 and for the base year 1984, at 2,085 euros per year) where the insured person has completed a qualifying period of at least 40 years under compulsory insurance, continued insurance, optional insurance, retroactive purchase or additional periods<sup>77</sup>.

If the insured person has not completed this qualifying period of 40 years, but can demonstrate 20 years of insurance under the same types of periods, the minimum pension is reduced by 1/40 for each year, even commenced, that is missing.

In January 2026, the monthly minimum pension of an insured person who can demonstrate 40 years of affiliation is equivalent to:

$$\begin{aligned} & 90\% \text{ of } 2,085 \times \text{revaluation factor of 2022} \times \text{current index}/100 \\ & = 1,876.50 \times 1.57 \times 9.6804 \\ & = 28,519.47 \text{ euros per year, i.e. } 2,376.62 \text{ euros per month.} \end{aligned}$$

The minimum pension of an insured person who has only an affiliation of 26 years is 1,544.80 euros (26/40 of 2,376.62 euros).

<sup>76</sup> See section 1.3.2. The pure pay-as-you-go premium

<sup>77</sup> Article 223 of the Social Security Code

### 3.6. THE MAXIMUM PENSION

No personal pension may exceed 5/6 of five times the reference amount (fixed, at index number 100 of the cost of living as at 1 January 1948 and for the base year 1984, at 2,085 euros per year).

In January 2026, the maximum pension of an insured person is equivalent to:

$$\begin{aligned} & 5/6 \times 5 \times 2,085 \times \text{revaluation factor of 2022} \times \text{current index}/100 \\ & = 8,687.50 \times 1.57 \times 9.6804 \\ & = 132,034.61 \text{ euros per year, i.e. } 11,002.88 \text{ euros per month.} \end{aligned}$$

### 3.7. THE CALCULATION IN THE CASE OF A MIXED CAREER

In the case of a so-called mixed career, the applicant receives a pension from each State in which they were insured. The amount of each pension to which the cross-border worker is entitled is proportional to the number of years of contributions completed in the country concerned.

Each State where the cross-border worker was insured carries out the following calculation<sup>78</sup>:

- **National pension:** this is calculated on the basis of national legislation, taking into account only periods worked in the country for longer than the minimum affiliation period;
- Theoretical amount: the competent institution calculates the theoretical amount of the old-age benefit that would have been due if the insured person had completed all periods of insurance, including those completed abroad, under its legislation; **proportional pension:** based on the theoretical amount, it sets the actual amount in proportion to the length of the periods of insurance actually completed under its legislation.

The competent pension fund then pays the higher of the two pensions, generally the proportional pension.

### 3.8. EXAMPLES OF CALCULATIONS FOR (EARLY) OLD-AGE PENSIONS

#### 3.8.1. Example 1 – "normal" career in Luxembourg

Jean-Christophe was born on 3 February 1965. He began working on 1 March 1984 and has had a steady career, as shown on his career statement, as follows:

Year	Month	Income	Revaluation factor	Index	Income B1984, I100
1984	9	9,383.86	1.00	405.33	2,315.12
1985	12	13,122.03	1.010	416.31	3,120.78
1986	12	13,833.13	1.033	424.43	3,155.11
1987	12	14,275.41	1.044	428.67	3,189.81
1988	12	14,642.49	1.057	429.56	3,224.90
1989	12	15,715.90	1.088	443.04	3,260.37
1990	12	16,646.65	1.103	457.86	3,296.24
1991	12	17,875.86	1.129	475.12	3,332.50
1992	12	18,820.86	1.140	490.02	3,369.15
1993	12	20,037.08	1.164	505.37	3,406.21
1994	12	21,232.23	1.183	521.18	3,443.68
1995	12	22,218.99	1.202	530.94	3,481.56

<sup>78</sup> Article 52 of Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems

Year	Month	Income	Revaluation factor	Index	Income B1984, I100
1996	12	22,817.01	1.211	535.29	3,519.86
1997	12	23,733.17	1.218	547.56	3,558.58
1998	12	24,338.97	1.233	548.67	3,597.72
1999	12	25,306.39	1.255	554.38	3,637.30
2000	12	26,739.06	1.277	569.41	3,677.31
2001	12	28,359.99	1.299	587.24	3,717.76
2002	12	29,651.63	1.316	599.46	3,758.65
2003	12	30,810.17	1.325	611.92	3,800.00
2004	12	32,052.30	1.337	624.63	3,838.00
2005	12	33,504.48	1.350	640.24	3,876.38
2006	12	35,001.99	1.368	653.52	3,915.14
2007	12	36,398.08	1.377	668.46	3,954.30
2008	12	37,909.69	1.391	682.39	3,993.84
2009	12	39,584.03	1.403	699.44	4,033.78
2010	12	41,079.18	1.418	711.07	4,074.11
2011	12	42,443.09	1.424	724.34	4,114.86
2012	12	43,815.29	1.42	742.44	4,156.00
2013	12	45,551.38	1.426	761.00	4,197.56
2014	12	47,093.60	1.433	775.17	4,239.54
2015	12	47,996.03	1.446	775.17	4,281.94
2016	12	48,610.09	1.45	775.17	4,324.75
2017	12	50,739.47	1.462	794.54	4,368.00
2018	12	52,560.11	1.484	802.82	4,411.68
2019	12	54,540.90	1.503	814.40	4,455.80
2020	12	57,102.11	1.52	834.76	4,500.36
2021	12	59,293.72	1.553	839.98	4,545.36
2022	12	62,825.57	1.57	871.66	4,590.81
2023	12	68,159.81	1.595	921.63	4,636.72
2024	12	71,605.94	1.619	944.43	4,683.09
2025	12	73,527.33	1.619	960.17	4,729.92
2026	2	12,478.55	1.619	968.04	796.20
<b>Total:</b>					<b>162,580.77</b>

On 14 February 2026, Jean-Christophe is 61 years old. At that point, he has already worked for more than 40 years. He has 503 months of compulsory insurance periods. Jean-Christophe is therefore entitled to an early old-age pension.

The amount of Jean-Christophe's pension, on the base year 1984 and on index number of 100, is calculated as follows:

- **Lump-sum increases:** Jean-Christophe has a career spanning more than 40 years, so he is entitled to the full lump-sum increase. For those retiring in 2026, this amount is 25.075% of 2,085 euros, or 522.81 euros per year.
- **Proportional increases:** In 2026, the "normal" rate of proportional increases is 1.763%. However, due to his career, Jean-Christophe can benefit from a staggered increase in his rate.

Age + number of full years of compulsory periods:  $61 + 41 = 102$

Number of staggered increases:  $102 - 95 = 7$

Staggered increases of the rate of proportional increases:  $7 \times 0.016\% = 0.112\%$

Rate of proportional increases for Jean-Christophe:  $1.763\% + 0.112\% = 1.875\%$

Proportional increases:  $1.875\% \times \text{Total contributory income at index 100 and in base year 1984} = 1.875\% \times 162,580.77 = 3,048.39$  euros per year.

The annual pension based on 1984 at index 100 therefore amounts to:  $522.81 + 3,048.39 = 3,571.20$  euros.

To obtain the actual amount in 2026 at the current index, it must be multiplied by the 2022 revaluation factor and the current index:

$3,571.20 \times 2022 \text{ revaluation factor} \times \text{current index} / 100$

$= 3,571.20 \times 1.57 \times 9.6804$

$= 54,275.90$  euros per year, or  $4,522.99$  euros per month.

Added to this is the end-of-year allowance, paid together with the December pension.

### 3.8.2. Example 2 – Luxembourg career with minimum pension

Marie-Louise was born on 6 February 1961. She has a fragmented compulsory insurance career, which is shown on her career statement as follows:

Year	Month	Income	Revaluation factor	Index	Income B1984, I100
1982	8	5,676.21	1	358.31	1,584.16
1983	12	9,121.24	0.99	383.51	2,402.38
1984	12	9,844.68	1	405.33	2,428.81
1985	12	10,324.82	1.01	416.31	2,455.52
1986	12	10,884.33	1.033	424.43	2,482.53
1987	12	11,232.34	1.044	428.67	2,509.84
1988	12	11,521.17	1.057	429.56	2,537.45
1989	12	12,365.75	1.088	443.04	2,565.36
1990	12	13,098.10	1.103	457.86	2,593.58
1991	12	14,065.28	1.129	475.12	2,622.11
1992	12	14,808.84	1.140	490.02	2,650.95
1993	4	5,255.26	1.164	505.37	893.37
1994	0	0.00	1.183	521.18	0.00
1995	6	8,646.18	1.202	530.94	1,354.80
1996	12	17,757.79	1.211	535.29	2,739.40
1997	12	18,470.81	1.218	547.56	2,769.54
1998	12	18,942.28	1.233	548.67	2,800.00
1999	4	6,565.07	1.255	554.38	943.60
<b>Total:</b>					<b>38,333.42</b>

Beyond this information, the following information is available:

- Marie-Louise pursued studies until the beginning of her professional activity.
- She had two children: one was born on 16.03.1991 and the other was born on 08.05.1997.

At the age of 65, Marie-Louise is indeed entitled to a statutory old-age pension due to the fact that she justifies more than 10 years of compulsory insurance periods.

To determine the lump-sum increases, it is first necessary to determine the number of insurance months of Marie-Louise:

- The months from her 18th birthday until the beginning of her professional activity are taken into account as additional study periods: 39 months
- The period from 16.03.1991 – 15.03.1997 could be recognised as a period of education of a child under the age of 6. Among this period, only that from 01.05.1993 – 30.06.1995 is not already recognised as a compulsory period: 26 months
- The period from 08.05.1997 – 07.05.2003 could also be recognised as a period of education of a child under the age of 6. Among this period, only that from 01.05.1999 – 07.05.2003 is not already recognised as a compulsory period: 48 months

With her compulsory periods, Marie-Louise therefore justifies 291 months of pension insurance.

The amount of Marie-Louise's pension, in base year 1984 and at index number 100, is calculated as follows:

- **Lump-sum increases:** Given that a year begun counts as a full year for the purpose of lump-sum increases, Marie-Louise is entitled to 25/40 of the lump-sum increases, that is to say 25.075% of  $2,085 \times 25/40 = 326.76$  euros per year.
- **Proportional increases:** Due to her contributable income, Marie-Louise is entitled to  $1.763\% \times 38,333.42 = 675.82$  euros per year in respect of proportional increases. Indeed, because of her short career (14 full years of compulsory periods), she is not entitled to staggered increases of her rate of proportional increases.

The annual pension in base year 1984 at index 100 therefore amounts to:  $326.76 + 675.82 = 1,002.58$  euros.

Given that, for the minimum pension, only full years are taken into account, this amounts, with a career such as that of Marie-Louise, to: 90% of  $2,085 \times 24/40 = 1,125.90$  euros per year in base year 1984 and at index 100.

Marie-Louise is therefore indeed entitled to this minimum pension, which is higher than her "normal" pension.

To obtain the effective amount in 2026 and at the current applicable index, it must be multiplied by the 2022 revaluation factor and the current index:

$$1,125.90 \times 2022 \text{ revaluation factor} \times \text{current index} / 100$$

$$= 1,125.90 \times 1.57 \times 9.6804$$

$$= 17,111.68 \text{ euros per year, that is } 1,425.97 \text{ euros per month.}$$

In addition to this, there is also the end-of-year allowance (25/40), paid together with the pension for the month of December.

### 3.8.3. Example 3 – migratory career

Jean-Philippe was born on 24 January 1961. He has had a career in several countries. His Luxembourg career statement shows the following situation:

Year	Months	Income	Revaluation factor	Index	Income B1984, I100
1996	6	10,808.06	1.211	535.29	1,667.30
1997	12	22,484.05	1.218	547.56	3,371.29
1998	12	23,057.97	1.233	548.67	3,408.37
1999	12	23,974.48	1.255	554.38	3,445.86
2000	12	25,331.74	1.277	569.41	3,483.77
2001	12	26,867.36	1.299	587.24	3,522.09
2002	12	28,091.02	1.316	599.46	3,560.83
2003	12	29,188.58	1.325	611.92	3,600.00
2004	12	30,365.34	1.337	624.63	3,636.00
2005	12	31,741.09	1.35	640.24	3,672.36
2006	12	33,159.78	1.368	653.52	3,709.08
2007	12	34,482.39	1.377	668.46	3,746.17
2008	12	35,914.44	1.391	682.39	3,783.64
2009	12	37,500.66	1.403	699.44	3,821.47

Year	Month	Income	Revaluation factor	Index	Income B1984, I100
2010	12	38,917.12	1.418	711.07	3,859.69
2011	12	40,209.25	1.424	724.34	3,898.28
2012	12	41,509.22	1.42	742.44	3,937.27
2013	12	43,153.94	1.426	761.00	3,976.64
2014	12	44,614.99	1.433	775.17	4,016.41
2015	12	45,469.92	1.446	775.17	4,056.57
2016	12	46,051.66	1.45	775.17	4,097.14
2017	12	48,068.98	1.462	794.54	4,138.11
2018	12	49,793.79	1.484	802.82	4,179.49
2019	12	51,670.33	1.503	814.40	4,221.28
2020	12	54,096.74	1.52	834.76	4,263.50
2021	12	56,173.00	1.553	839.98	4,306.13
2022	12	59,518.97	1.57	871.66	4,349.19
2023	12	64,572.45	1.595	921.63	4,392.68
2024	12	67,837.21	1.619	944.43	4,436.61
2025	12	69,657.47	1.619	960.17	4,480.98
2026	1	5,910.89	1.619	968.04	377.15
<b>Total:</b>					<b>115,415.34</b>

Beyond these months of compulsory insurance in Luxembourg, Jean-Philippe's insurance record is as follows:

- Periods of studies until the age of 24 years and 3 months: 75 months
- 134 months of compulsory insurance in France

Being 65 years old, Jean-Philippe is indeed entitled to a statutory old-age pension – he could also have retired earlier on an early old-age pension.

To determine the level of Jean-Philippe's pension, two calculations are carried out: the national pension and the proportional pension. The higher of the two amounts is then paid to him.

#### ► The national pension

For the calculation of the national pension, insurance periods completed under another pension scheme are completely disregarded.

The amount of Jean-Philippe's national pension, in base year 1984 and at index number 100, is calculated as follows:

- **Lump-sum increases:** Jean-Philippe justifies 355 months of compulsory insurance in Luxembourg and 75 months as study periods. Given that a year begun counts as a full year for the purpose of lump-sum increases, Jean-Philippe is entitled to 36/40 of the lump-sum increases, that is to say 25.075% of  $2,085 \times 36/40 = 470.53$  euros per year.
- **Proportional increases:** Due to his contributable income in Luxembourg, Jean-Philippe is entitled to  $1.763\% \times 115,415.34 = 2,034.77$  euros per year in respect of proportional increases. Indeed, on the basis of his career in Luxembourg alone (29 full years of compulsory periods), he is not entitled to staggered increases of his rate of proportional increases.

The annual national pension in base year 1984 at index 100 therefore amounts to:  $470.53 + 2,034.77 = 2,505.30$  euros.

#### ► The proportional pension

For the calculation of the proportional pension, a theoretical pension is first calculated which would have been due if the insured person had completed all insurance periods, including those completed abroad, under its legislation. To determine this amount, the ratio between compulsory periods in Luxembourg and total compulsory periods is decisive.

For Jean-Philippe this ratio amounts to:  $355 / (355 + 134) = 0.72597$

Jean-Philippe's theoretical pension, in base year 1984 and at index number 100, is calculated as follows:

- **Theoretical lump-sum increases:** Jean-Philippe justifies 564 months of insurance in total. He benefits from the entirety of the lump-sum increases. For retirements in 2026, this amount is 25.075% of 2,085 euros, that is 522.81 euros per year.
- **Theoretical proportional increases:** In 2026, the "normal" rate of proportional increases amounts to 1.763%. By virtue of his total career, Jean-Philippe may, however, benefit from a staggered increase of his rate.

Age + number of full years of compulsory periods:  $65 + 40 = 105$

Number of staggered increases:  $105 - 95 = 10$

Staggered increase of the rate of proportional increases:  $10 \times 0.016\% = 0.16\%$

Rate of proportional increases for Jean-Philippe:  $1.763\% + 0.16\% = 1.923\%$

Theoretical staggered proportional increases:  $1.923\% \times \text{Sum of all contributable income at index 100 and in base year 1984 of Luxembourg} / \text{Ratio between compulsory periods in Luxembourg and total compulsory periods} = 1.923\% \times 115,415.34 / 0.72597 = 3,057.20$  euros per year.

The annual theoretical pension in base year 1984 at index 100 therefore amounts to:  
 $522.81 + 3,057.20 = 3,580.01$  euros.

This theoretical pension must then be multiplied by the ratio between compulsory periods in Luxembourg and total compulsory periods in order to take into account that Jean-Philippe did not complete his entire professional career in Luxembourg.

The annual proportional pension in base year 1984 at index 100 therefore amounts to:  
 $3,580.01 \times 0.72597 = 2,598.98$  euros.

→ Since the proportional pension is higher than the national pension, it is this pension that is paid to Jean-Philippe.

To obtain the effective amount in 2026 and at the current applicable index, it must be multiplied by the 2022 revaluation factor and the current index:

$$\begin{aligned} & 2,598.98 \times 2022 \text{ revaluation factor} \times \text{current index} / 100 \\ &= 2,598.98 \times 1.57 \times 9.6804 \\ &= 39,499.92 \text{ euros per year, that is } 3,291.66 \text{ euros per month.} \end{aligned}$$

In addition to this, there is also the end-of-year allowance, paid together with the pension for the month of December. To determine the level of the end-of-year allowance, account is again taken of the proration used to calculate the theoretical pension. Given that Jean-Philippe justifies a complete career (of more than 40 years) in total and 72.6% of his compulsory periods in Luxembourg, he will be entitled to 72.6% of the full end-of-year allowance.

## 4. THE CUMULATION OF AN (EARLY) OLD-AGE PENSION WITH OTHER INCOME

### 4.1. CUMULATION OF AN EARLY OLD-AGE PENSION AND PROFESSIONAL INCOME

Luxembourg law allows pensioners over the age of 65 to engage in any professional occupation. They are therefore free to combine their statutory old-age pension with income from employment.

The situation is different when there is a combination of professional income and early old-age pension before the age of 65. Since the law of 19 December 2025, no distinction is made between income from salaried employment and income from self-employment under the rules on anti-cumulation.

In principle, recipients of early old-age pensions may only engage in insignificant or occasional professional activity. Insignificant or occasional activity is defined as any continuous or temporary activity generating income in Luxembourg or abroad which, spread over a calendar year, does not exceed one-third of the unskilled social minimum wage per month<sup>79</sup>. The monthly minimum wage currently stands at 2,703.74 euros, with one-third equivalent to 901.25 euros.

Thus, recipients of early old-age pensions whose salary, spread over a year, does not exceed one-third of the minimum wage will not see their pension reduced.

#### 4.1.1. The anti-cumulation provisions

If the gross professional income, spread over a calendar year, exceeds one third of the minimum wage, anti-cumulation provisions apply. These anti-cumulation provisions depend on an individual ceiling corresponding either to the average of the five highest contributory annual incomes in the insured person's insurance career, or to the reference amount increased by 50% (3,961.04 euros per month as at 1 January 2026) if this amount is higher.

The law therefore does not necessarily set a maximum number of hours that a pensioner can continue to work, but rather a maximum amount of salary that they can earn in addition to their pension.

##### As for the calculation of the individual ceiling

The average of the five highest contributory annual incomes in the insurance career is determined in the base year 1984 and at index number 100. It is therefore not sufficient to identify the five highest amounts on an insured person's career statement.

As with the calculation of pensions, the income for each year is first divided by the revaluation factor for that year and by the average application index rate of salaries for that year to take into account changes in both the cost of living and real wages.

In the case of a migratory career and the calculation of a proportional pension taking into account periods completed abroad, the individual ceiling is prorated in the same way as the proportional pension. This does not apply to the ceiling equivalent to one third of the minimum wage.

The rules on anti-cumulation are as follows<sup>80</sup>:

- If the combined amount of the early old-age pension and professional income exceeds the ceiling (set at the average of the five highest contributory annual incomes during the insurance career or at the reference amount increased by 50% if this amount is higher), the pension is reduced by the amount exceeding this ceiling.
- When professional income exceeds the ceiling, the pension is refused or withdrawn.

##### EXAMPLE 1

*For the sake of simplicity, calculations are made for the month of January 2026. In fact, all amounts are recorded at their reduced value to index 100 on 1 January 1948 and defined for the base year 1984. The income in competition with the pension is reduced to the level of the base year 1984 by dividing it by the last known revaluation factor and to the index number 100 by dividing it by the index.*

*Marie-Claudette receives an early old-age pension of 2,600 euros per month (31,200 euros per year) and continues to receive a monthly salary of 2,500 euros (30,000 euros per year).*

*Let us assume that the average of the five highest contributory incomes in Marie-Claudette's insurance career amounts to 50,000 euros at the current index and revaluation factor. This amount is higher than the reference amount increased by 50% (47,532.46 euros per year).*

*The salary received is higher than one third of the minimum wage – therefore, the anti-cumulation provisions apply.*

*The total salary and pension is 61,200 euros (31,200 + 30,000).*

*The combined amount of the annual pension and annual salary exceeds the average of the five highest salaries in the insurance career by 11,200 euros (61,200 – 50,000).*

<sup>79</sup> Article 184, paragraph 4 of the Social Security Code

<sup>80</sup> Article 226 of the Social Security Code

*This amount is therefore deducted from Marie-Claudette's old-age pension, who continues to receive a pension of 20,000 euros per year (31,200 – 11,200), or 1,666.67 euros per month.*

#### **EXAMPLE 2**

*For the sake of simplicity, calculations are made for the month of January 2026. In fact, all amounts are recorded at their reduced value to index 100 on 1 January 1948 and defined for the base year 1984. The income in competition with the pension is reduced to the level of the base year 1984 by dividing it by the last known revaluation factor and to the index number 100 by dividing it by the index.*

*Jean-Claude receives a monthly early old-age pension of 1,900 euros (i.e. 22,800 euros per year) and continues to receive a monthly salary of 1,225 euros (i.e. 14,700 euros per year).*

*Let us assume that the average of the five highest contributory incomes in Jean-Claude's insurance career amounts to 100,000 euros at the current index and revaluation factor. This amount is higher than the reference amount increased by 50% (47,532.46 euros).*

*Let us also assume that, of his total 40 years of compulsory insurance periods, only 15 were completed in Luxembourg. In this case, Jean-Claude's individual ceiling amounts to  $100,000 \times 15 / 40 = 37,500$ .*

*The salary received is higher than one third of the minimum wage – therefore, the anti-cumulation provisions apply.*

*The total salary and pension amount to 37,500 euros (22,800 + 14,700).*

*As the combined amount of the annual pension and annual salary does not exceed the prorated average of the five highest salaries in the insurance career, there is no need to apply a reduction to the early old-age pension.*

Also, in order to spare readers from having to consult the rather complicated provisions of the Social Security Code, the CSL has developed a tool, available on its website, which automatically calculates the amount of early old-age pension in the event of a cumulation with a salary<sup>81</sup>.

The anti-cumulation provisions remain valid until the age of 65. From that point onwards, old-age pensions become normal old-age pensions and are no longer subject to the anti-cumulation provisions. Salaries or income earned during the early old-age pension period – which are subject to ordinary salary deductions – are then taken into account and give rise to a new proportional increase<sup>82</sup>.

## 4.2. CUMULATION OF AN (EARLY) OLD-AGE PENSION AND AN ACCIDENT PENSION

In the event of a combination of an old-age or early old-age pension with an accident pension<sup>83</sup>, the pension is reduced to the extent that, together with the accident pension, it exceeds:

- either the average of the five highest annual incomes during the insurance career, without this average being less than the reference amount increased by 20% (3,168.83 euros per month as at 1 January 2026);
- or the professional income used as the basis for calculating the accident pension, if this other method of calculation is more favourable.

It should be noted that this anti-cumulation rule only applies to beneficiaries of an accident pension for an accident that occurred before 1 January 2011. Accident pensions granted after this date cease to be paid when the beneficiary reaches the age of 65 or in the event of the granting of an early old-age pension<sup>84</sup>.

## 4.3. THE REFIXING OF THE PENSION AMOUNT

Beyond indexation and readjustment, early old-age pensions are recalculated only once a year on 1 May<sup>85</sup>. Apart from this automatic review, a new calculation is carried out in the following cases:

- if the beneficiary's professional income increases by more than 25%;

81 <https://www.csl.lu/en/your-rights/social-security/pensions/estimating-your-pension/>

82 Article 192 of the Social Security Code

83 Article 227 of the Social Security Code

84 Article 116, paragraph 2 of the Social Security Code

85 Article 230 of the Social Security Code

- at the beneficiary's request if they can prove a decrease in their income of at least 10% over a period of three months;
- when the beneficiary resumes or gives up their professional activity.

Furthermore, when the early old-age pension is converted into a normal old-age pension, the wages or income earned during the early old-age period – which are subject to ordinary wage deductions – are taken into account and give rise to a new proportional increase<sup>86</sup>.

## 5. THE PROGRESSIVE PENSION

The pension reform initiated by the Law of 19 December 2025 introduced a new progressive pension scheme. This scheme should not be confused with the progressive early retirement scheme<sup>87</sup>.

### 5.1. THE BENEFICIARIES

To be eligible for progressive pension, employees must meet the following conditions<sup>88</sup>:

- they must be eligible for early old-age pension<sup>89</sup>;
- they must have held their position for at least 3 years, working a minimum of 75% of full-time hours; and
- they must be granted a reduction in working hours by their employer of at least 25% of their previous working hours, without the remaining working hours being less than 16 hours per week.

Due in particular to the need to obtain the employer's agreement, the progressive pension cannot therefore be considered a genuine right for the employee.

### 5.2. THE APPLICATION PROCEDURE

Before applying for a reduction in working hours with a view to taking progressive pension, employees must obtain a certificate from the National Pension Insurance Fund (*CNAP – Caisse nationale d'assurance pension*) indicating the date on which they become eligible for early old-age pension<sup>90</sup>. The time required to issue such a certificate depends on the insured person's career and the availability of the information needed to determine this date<sup>91</sup>.

The employee must then submit their request for a reduction in working hours to their employer, either by registered letter, by hand delivery to the employer or their representative, or by email, all with acknowledgement of receipt, at least four months before the desired start date of the change. Their request must be accompanied by the certificate issued by the CNAP. The employer must respond to the employee's request within one month<sup>92</sup>.

To be eligible for progressive pension, and for any subsequent reduction in working hours, the employee must send the amendment providing for the reduction in working hours to the CNAP at least two months before the planned implementation of the reduction. The CNAP shall inform the employer and the employee of their eligibility for the progressive pension no later than one month before the planned implementation of the reduction. If the competent pension fund refuses to grant eligibility, the amendment shall be considered null and void.

86 Article 192 of the Social Security Code

87 See Thematic Box II: Early retirement, page 24

88 Article L. 584-8 of the Labour Code

89 See section II.2.2. The early old-age pension

90 The application process for such a certificate can be completed via this link:  
<https://guichet.public.lu/en/citoyens/travail/pension/assurance-pension/certificat-cnape-pension-progressive.html>

91 See section II.1.1. Preliminary steps before the pension application

92 Article L. 584-8 of the Labour Code

### 5.3. THE PROGRESSIVE PENSION BENEFIT

Employees eligible for progressive pension receive, in addition to their salary reduced in proportion to the hours worked, a progressive pension benefit. This benefit corresponds to the product of the early old-age pension accrued (increased by the monthly end-of-year allowance) and the rate of reduction in working hours agreed with the employer<sup>93</sup>.

#### EXAMPLE

*Jean-Martin earns a monthly salary of 5,000 euros. If he took early old-age pension, he would be entitled to a pension of 3,000 euros (including monthly end-of-year allowance).*

*If Jean-Martin reduces his working hours by 40% in view of his progressive pension, he will continue to receive:*

*$(1 - 40\%) \times 5,000 = 3,000$  euros as his monthly salary, and*

*$40\% \times 3,000 = 1,200$  euros as his progressive pension benefit.*

The progressive pension benefit, as well as the related social security contributions and taxes, are paid by the employer to the employee, with the employer being reimbursed monthly by the CNAP. At the employer's request, the CNAP may agree to pay the progressive pension benefit directly to the employee.

In terms of social security and taxation, the progressive pension allowance is treated as an early old-age pension. For tax purposes, this means that a second tax card is issued, while in terms of social security, it means that the same social security contributions are deducted as for an old-age pension<sup>94</sup>.

### 5.4. THE END OF THE PROGRESSIVE PENSION

Entitlement to the progressive pension benefit shall automatically cease<sup>95</sup>:

- from the date on which the conditions for entitlement to an old-age pension from the age of 65 are met;
- from the date on which the employee, at his request, becomes eligible for an early old-age pension or an invalidity pension;
- on the date of the employee's death;
- on the date on which the employee takes up or resumes an activity exceeding the working hours set out in the amendment agreed for the purpose of admission to the progressive pension; or
- from the date on which the employee takes up or resumes another activity that provides him with income that, over a calendar year, exceeds half of the social minimum wage applicable to the employee concerned per month.

In the case of an employee who has been made redundant as part of a collective redundancy, dismissed for reasons not related to their personal conduct, or whose employment has been terminated by operation of law, the CNAP is responsible for paying the progressive pension allowance directly<sup>96</sup>.

<sup>93</sup> Article L. 584-8 of the Labour Code

<sup>94</sup> See section 1.6.2. Long-term care insurance and healthcare insurance

<sup>95</sup> Article L. 584-10 of the Labour Code

<sup>96</sup> Article L. 584-8 of the Labour Code

## 6. THE CHILD-REARING ALLOWANCE ("MAMMERENT")

### 6.1. THE BENEFICIARIES

The child-rearing allowance is granted to the parent who has devoted themselves primarily to the education of a legitimate, legitimised, natural or adopted child (aged under 4 at the time of adoption), domiciled in Luxembourg and actually residing there at the time of the child's birth or adoption. The domicile and residence requirements no longer apply to persons covered by a bilateral or multilateral social security coordination agreement, i.e. cross-border workers.

To be eligible for the child-rearing allowance, the child's parents' pension must not include baby-years for the child for whom the allowance is being claimed<sup>97</sup>.

The child-rearing allowance may also be granted to any person who has taken care of the child's education in place of the parents.

In the event of a dispute over the beneficiary, the child-rearing allowance is granted to the parent who has been responsible for the child's education for the longest period of time.

In accordance with European regulations, the child-rearing allowance should be treated as a pension component, even though it is granted in addition to the components resulting from the crediting of years of education under the pension insurance scheme. Consequently, the principles laid down in relation to pensions apply, with the consequences that this entails: personal entitlement for persons covered by the scope of the regulation and the possibility of exportation. It must be concluded that cross-border workers are entitled to the benefit in question as part of their pension, both in terms of entitlement and calculation.

However, as this is a personal right, survivors are excluded<sup>98</sup>.

### 6.2. THE ENTITLEMENT

Since 1 January 2011, the child-rearing allowance can be claimed from the age of 65 (rather than 60 as was previously the case).

Withdrawal of the pension entails withdrawal of the child-rearing allowance.

### 6.3. THE AMOUNT

The child-rearing allowance amounts to 86.54 euros per month per child. It is subject to social security contributions and tax as applicable to pensions<sup>99</sup>.

Since the law of 27 June 2006, the level of the child-rearing allowance has not been indexed to changes in the cost of living, nor has it been adjusted in line with real wages. Financially, this scheme is therefore considerably less attractive than the baby-years.

### 6.4. THE APPLICATION PROCEDURE

Applications for the child-rearing allowance should be sent to the National Solidarity Fund (FNS)<sup>100</sup>. Applicants are required to provide all information and data deemed necessary to verify that the conditions for granting the child-rearing allowance have been met.

<sup>97</sup> See Thematic Box III: The baby-years, page 27

<sup>98</sup> Amended Law of 28 June 2002 establishing a child-rearing allowance.

<sup>99</sup> See section I.6. The deductions on pensions and social security affiliation

<sup>100</sup> The application form can be found at:  
<https://guichet.public.lu/en/citoyens/travail/pension/forfait-education/demander-forfait-education.html>



# III. THE INVALIDITY PENSION





# 1. THE PENSION APPLICATION AND ITS PROCESSING

## 1.1. THE PENSION APPLICATION

Invalidity pensions are only granted upon formal application by the interested parties using the relevant form <sup>101</sup>.

The personal situation of the applicant may determine the procedure to be followed for submitting the application.

An employee unable to occupy their post for health reasons must consult a doctor to obtain a certificate of incapacity for work to be sent to the National Health Fund (*CNS – Caisse nationale de santé*). The latter grants sickness cash benefits. In the event of prolonged absence, the Social Security Medical Board (*CMSS – Contrôle médical de la sécurité sociale*) seeks to ascertain whether the cessation of work is due to a temporary illness or whether it constitutes an invalidity. If the CMSS comes to the conclusion that it is indeed a lasting invalidity, it informs the insured person, the CNS and the employer. The insured person's employment contract then ceases automatically, without any decision by the employer being necessary. This may occur before the expiry of the 78th week of incapacity for work over the reference period of 104 weeks.

The insured person must then promptly submit their invalidity pension application to the National Pension Insurance Fund (*CNAP – Caisse nationale d'assurance pension*), knowing that during the processing period they will no longer receive a salary. Once the processing is complete, the pension is granted or rejected by a decision subject to appeal <sup>102</sup>.

If the interested party has already ceased their professional occupation for some time, sickness cash benefits are not payable by the CNS. The insured person then directly submits their invalidity pension application to the CNAP. The latter instructs the attending physician to draw up a medical report. If, on the basis of this report, the CMSS reaches the conclusion that it is indeed a lasting invalidity, and if the insured person fulfils the other conditions for the granting of the invalidity pension, the invalidity pension is granted by the CNAP.

If the invalidity is the consequence of an occupational accident, it is not sufficient to apply for the granting of a pension from the Accident Insurance Association (AAA); an application for the granting of an invalidity pension must also be submitted to the CNAP. If the invalidity is entirely attributable to the occupational accident, it is not necessary to enclose a medical certificate, as the opinion of the CMSS is based on the file concerning the accident.

## 1.2. THE COMPETENT PENSION FUND

Just as for the old-age pension, the invalidity pension application is to be submitted to the pension fund either of the last country in which the employee was insured under pension insurance, or of the country of residence. Where the insured person has a mixed career in several countries, the CNAP will liaise with the competent pension bodies of the respective countries with a view to examining the pension entitlements in those countries.

## 1.3. THE PAYMENT OF THE PENSION

In principle, the insured person receives a pension from each State in which they worked – subject to the condition that they fulfil the conditions for the granting of the invalidity pension of each of those countries.

<sup>101</sup> The application form can be found at: <https://cnap.public.lu/en/documentation/formulaires.html>

<sup>102</sup> See section I.8. The appeal procedures

## 2. THE CONDITIONS FOR ENTITLEMENT<sup>103</sup>

### 2.1. THE MEDICAL CONDITION

To be entitled to an invalidity pension, the medical criterion of invalidity must be recognised by the Social Security Medical Board (CMSS). An insured person is considered as suffering from invalidity where, as a result of prolonged illness, infirmity or wear, they have suffered a loss of working capacity such that they are unable to carry on the occupation they last exercised or any other occupation corresponding to their abilities.

Until the age of 50, the insured person must follow any medical, professional or social rehabilitation or retraining measures that may be prescribed by the pension fund on the recommendation of the CMSS, failing which their pension may be suspended.

#### ATTENTION!

The invalidity criteria differ from one country to another, so that an insured person who is declared invalid in Luxembourg may not be considered as invalid in another country in which they worked, or vice versa.

Thus, an insured person who has a professional career in several countries may end up not receiving an invalidity pension in each of those countries.

Indeed, among its bilateral agreements, Luxembourg knows only one convention providing for the mutual recognition of the invalidity status of an insured person, namely the one concluded with Portugal.

### 2.2. THE QUALIFYING PERIOD CONDITION

In addition, the insured person must demonstrate a qualifying period of at least 12 months of insurance under compulsory, continued or optional insurance<sup>104</sup> during the 3 years preceding the date of the invalidity established by the CMSS or the expiry of the sickness cash benefits. This 3-year reference period is extended insofar as and to the extent that it overlaps with additional periods<sup>105</sup> or periods corresponding to the receipt of the inclusion allowance of the social inclusion income (REVIS) or the income for severely disabled persons (RPGH).

However, this qualifying period is not required in the event of invalidity of the insured person attributable to an accident of any nature or a recognised occupational disease during the affiliation.

### 2.3. THE AGE CONDITION

In order to be eligible for an invalidity pension, the insured person must moreover be aged less than 65 years.

### 2.4. THE INCOME CONDITION

Finally, the granting of the invalidity pension is subject to the condition that the interested party renounces, in Luxembourg or abroad, any professional activity other than an insignificant one, that is to say yielding an income which does not exceed one third of the unskilled social minimum wage. One-third of the minimum wage currently amounts to 901.25 euros as at 1 January 2026.

<sup>103</sup> Articles 186 to 189 of the Social Security Code

<sup>104</sup> See section II.2.3. The different types of insurance periods

<sup>105</sup> See section II.2.3.2. Additional periods

## 3. THE START AND END OF THE INVALIDITY PENSION ENTITLEMENT

### 3.1. THE START OF THE INVALIDITY PENSION

The invalidity pension runs from the first day of the established invalidity, but at the earliest on the day on which the qualifying period and income conditions are fulfilled<sup>106</sup>. In the event of legal or contractual maintenance of the remuneration of the salaried activity exercised before the occurrence of the risk, it only runs from the day of cessation of that remuneration.

If the invalidity is mainly due to an occupational accident occurring or an occupational disease declared after 31 December 2010, the invalidity pension only begins from the date of consolidation. The consolidation of the invalidity is the point at which, following the period of treatment, the injury becomes fixed and takes on a definitive character, such that treatment is in principle no longer necessary except to avoid an aggravation, and it is possible to assess a certain degree of permanent incapacity resulting from the accident, subject to possible relapses and revisions.

For the period during which the insured person in receipt of an invalidity pension also received sickness cash benefits from the Luxembourg insurance scheme arising from the professional activity exercised before the occurrence of the risk, the invalidity pension is paid to the competent healthcare fund. Where the invalidity pension exceeds the sickness cash benefits, the healthcare fund transmits the difference, if any, to the insured person.

If the date of the start of the invalidity cannot be established, it is deemed to be the day on which the application for the granting of the pension was received by the National Pension Insurance Fund (*CNAP – Caisse nationale d'assurance pension*)<sup>107</sup>.

Where the invalidity is only of a temporary nature, the pension begins on the expiry of the entitlement to sickness cash benefits or, in the absence of such an entitlement, on the expiry of an uninterrupted period of invalidity of 6 months. The invalidity pension is not granted for a period more than one year prior to the receipt of the application.

Where the pension had already been granted for a limited period, it is re-granted in the event of relapse from the first day of the new period of invalidity, as long as the entitlement to sickness cash benefits has not been re-established.

### 3.2. THE END OF THE INVALIDITY PENSION

In principle, and with the exception of temporary invalidity pensions, the invalidity pension is paid until the insured person reaches the age of 65. However, the invalidity pension is withdrawn if the beneficiary no longer fulfils the invalidity conditions or if they exercise a professional yielding an income activity exceeding one third of the unskilled social minimum wage<sup>108</sup>.

Without any formal decision being required to this effect, all invalidity pensions in payment are converted into old-age pensions when the beneficiaries have reached the age of 65<sup>109</sup>.

Where the beneficiary can demonstrate contributory incomes credited under compulsory insurance situated during the period of benefit of the invalidity pension, a new calculation of the proportional increases is carried out and, where applicable, a reduction of the minimum pension supplement, without the total amount of the pension being able to suffer a decrease.

<sup>106</sup> Article 190 of the Social Security Code

<sup>107</sup> Article 191 of the Social Security Code

<sup>108</sup> Article 193 of the Social Security Code

<sup>109</sup> Article 192 of the Social Security Code

## 4. THE CALCULATION OF THE INVALIDITY PENSION

Just like the old-age pension, the monthly invalidity pension is composed of an element proportional to the contributory incomes and a lump-sum element depending solely on the number of years of insurance.

To the monthly pension is added, for the month of December, the end-of-year allowance.

The calculation of pensions is carried out first at index number 100 of the cost of living as at 1 January 1948 and for the base year 1984. This makes it possible to compare salaries from different years. Once this step has been carried out, pensions benefit from a dual adjustment. Just like old-age pensions, they are adjusted to the evolution of real wages (revaluation and readjustment) as well as to the cost of living (indexation)<sup>110</sup>.

### ATTENTION!

The level of the invalidity pension does not correspond to a fixed percentage of the last salary received by the insured person!

### 4.1. THE LUMP-SUM INCREASES

The lump-sum increases in the context of the invalidity pension are composed of two parts: the so-called "normal" lump-sum increases and the special lump-sum increases.

The so-called "normal" lump-sum increases are determined in the same manner as for the old-age pension<sup>111</sup>. They therefore depend on the number of years of insurance that the insured person can demonstrate before the invalidity pension entitlement.

The special lump-sum increases<sup>112</sup> fictitiously extend the insurance career up to the age of 65 of the insured person claiming the invalidity pension, taking into account that the insured person's number of years of insurance could have continued to increase had they not become invalid.

Specifically, the special lump-sum increases correspond to as many fortieths of the product of the multiplication of the rate of lump-sum increases by the reference amount (2,085 euros per year, at index number 100 of the cost of living as at 1 January 1948 and base year 1984) as there are years missing between the start of the invalidity pension entitlement and the age of 65 completed, without the number of years credited being able to exceed, taking into account the "normal" lump-sum increases, 40. A commenced year counts as a full year.

However, the crediting of the prospective periods which fictitiously extend the insured person's career to the age of 65 for the special lump-sum increases is only carried out in full if the insured person can demonstrate an uninterrupted insurance career prior to the occurrence of the risk. Otherwise, they are only allocated in the proportion of the number of years of insurance periods completed from the age of 25 relative to the number of years between that age and the occurrence of the risk (if the density of the insurance career between the age of 25 and the start of the invalidity is 80%, the prospective periods can only be taken into account in the same proportion).

### 4.2. THE PROPORTIONAL INCREASES

The proportional increases in the context of the invalidity pension are also composed of two parts: the so-called "normal" proportional increases and the special proportional increases.

The so-called "normal" proportional increases are determined in the same manner as for the old-age pension<sup>113</sup>. They therefore depend on the sum of all the contributory incomes that the insured person can demonstrate before the invalidity pension entitlement.

<sup>110</sup> See section II.3.4. Indexation, revaluation and readjustment

<sup>111</sup> See section II.3.1. The lump-sum increases

<sup>112</sup> Article 216 of the Social Security Code

<sup>113</sup> See section II.3.2. The proportional increases

The special proportional increases<sup>114</sup> fictitiously extend the insurance career up to the age of 55 of the insured person claiming the invalidity pension, taking into account that the sum of the insured person's contributory incomes could have continued to increase had they not become invalid. This fictitious extension is made on the assumption that the insured person would have had the same contributory incomes in the future as in the past.

The special proportional increases correspond to the product resulting from the multiplication of the rate of proportional increases applied to the reference base by the number of years remaining from the start of the pension entitlement to the completion of the 55th year of age. The reference base is a fictitious income established by dividing the amount of contributory incomes credited between the start of the calendar year following the one in which the insured person completed the age of 24 and the occurrence of the risk, by the number of years of this same period. However, periods of receipt of a prior invalidity pension, periods of non-compensated vocational training, waiting periods for unemployment compensation, child-raising periods, as well as periods from 1 January 1990 during which the interested party provided care to a dependent person may be neutralised in the denominator.

### 4.3. THE END-OF-YEAR ALLOWANCE

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The beneficiary of an invalidity pension is entitled to an end-of-year allowance under the same conditions and calculated in the same manner as for old-age pensions<sup>115</sup>.

### 4.4. THE MINIMUM PENSION

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As for the old-age pension<sup>116</sup>, no invalidity pension may be less than 90% of the reference amount where the insured person has completed a qualifying period of 40 years.

The minimum pension corresponds in January 2026 to a monthly amount of 2,376.62 euros for a career of at least 40 years.

By analogy with the special lump-sum increases, to complete the aforementioned qualifying period, the number of years missing between the start of the pension entitlement and the age of 65 is taken into account, without the total number of years being able to exceed 40.

Where the invalidity occurs after the age of 25, the number of missing years is only taken into account in the proportion of the total insurance duration between the start of the year following the one in which the insured person completed the age of 24 and the occurrence of the risk, relative to the total duration of the calendar years of that period<sup>117</sup>.

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114 Article 216 of the Social Security Code

115 See section II.3.3. The end-of-year allowance

116 See section II.3.5. The minimum pension

117 Article 223, paragraph of the Social Security Code

## 4.5. EXAMPLES OF INVALIDITY PENSION CALCULATIONS

### 4.5.1. Example 1 – Luxembourg career

Marie-Juliette was born on 14 August 1989. She studied until 15 July 2010 before starting to work. She demonstrates an insurance career – as shown on her career statement – as follows:

Year	Months	Income	Revaluation factor	Index	Income B1984, I100
2010	6	19,146.28	1.418	711.07	1,898.87
2011	12	39,603.12	1.424	724.34	3,839.52
2012	12	40,923.97	1.42	742.44	3,881.75
2013	12	42,587.62	1.426	761.00	3,924.45
2014	12	44,073.09	1.433	775.17	3,967.62
2015	12	44,962.12	1.446	775.17	4,011.27
2016	12	45,582.45	1.45	775.17	4,055.39
2017	12	47,626.32	1.462	794.54	4,100.00
2018	12	49,335.25	1.484	802.82	4,141.00
2019	12	51,194.51	1.503	814.40	4,182.41
2020	12	53,598.57	1.52	834.76	4,224.23
2021	12	55,655.71	1.553	839.98	4,266.48
2022	12	58,970.86	1.57	871.66	4,309.14
2023	12	63,977.81	1.595	921.63	4,352.23
2024	12	67,212.51	1.619	944.43	4,395.75
2025	12	69,016.01	1.619	960.17	4,439.71
2026	2	11,712.92	1.619	968.04	747.35
<b>Total:</b>					<b>64,737.19</b>

On 1 March 2026, at the age of 37, Marie-Juliette becomes invalid and begins receiving an invalidity pension from that date. To determine the amount of her pension, it is necessary to calculate the lump-sum increases as well as the proportional increases.

#### ► The lump-sum increases

The so-called "normal" lump-sum increases are granted according to the number of years of insurance that the insured person can demonstrate before the invalidity pension entitlement.

Marie-Juliette has a career of 223 months (188 months of insurance under compulsory periods, and 35 months under study periods after the age of 18). Given that a commenced year counts as a full year, Marie-Juliette is entitled to 19/40 of the total amount of the lump-sum increases. Her normal lump-sum increases therefore amount to:

$$\begin{aligned}
 & 19/40 \times 25.075\% \times 2,085 \text{ euros} \\
 & = 19/40 \times 522.81 \text{ euros} \\
 & = 248.33 \text{ euros per year at index number 100 of the cost of living and in base year 1984.}
 \end{aligned}$$

The special lump-sum increases are granted according to the number of years between the start of the invalidity pension entitlement and the completion of the age of 65. The period from 01.03.2026 (start of pension) to 14.08.2054 (65th birthday) extends over 28.5 years. Given that a commenced year counts as a full year, but that the cumulative years under "normal" and special lump-sum increases may not exceed 40, Marie-Juliette's special lump-sum increases amount to:

$$\begin{aligned}
 & 21/40 \times 25.075\% \times 2,085 \text{ euros} \\
 & = 21/40 \times 522.81 \text{ euros} \\
 & = 274.47 \text{ euros per year at index number 100 of the cost of living and in base year 1984.}
 \end{aligned}$$

### ► The proportional increases

The so-called "normal" proportional increases are granted according to the sum of all the contributory incomes that the insured person can demonstrate before the invalidity pension entitlement.

By virtue of her contributory incomes, Marie-Juliette is entitled to:  $1.763\% \times 64,737.19 = 1,141.32$  euros per year under "normal" proportional increases.

The special proportional increases are granted according to the number of years between the start of the invalidity pension entitlement and the completion of the age of 55 of the insured person, as well as the reference base. The number of years between the start of the invalidity pension entitlement and the completion of the age of 55 amounts for Marie-Juliette to 18.5 years (period from 01.03.2026 – 14.08.2044). The reference base corresponds to the sum of the contributory incomes credited from the calendar year following the completion of the 24th year of age divided by the number of years between that year and the start of the invalidity pension.

Given that Marie-Juliette reached the age of 24 in 2013, the reference base corresponds to the quotient of the division of the sum of all contributory incomes received from 2014 by the number of years between that year (2014) and the start of the invalidity pension on 01.03.2026, i.e.:  $51,192.59 / 12.16667 = 4,207.61$ .

Marie-Juliette's special proportional increases then amount to:

Reference base  $\times$  Number of years between invalidity pension and age 55  $\times$  Rate of proportional increases

=  $4,207.61 \times 18.5 \times 1.763\%$

= 1,372.33 euros per year at index number 100 of the cost of living and in base year 1984.

→ The annual invalidity pension in base year 1984 and at index 100 therefore amounts to:  
 $248.33 + 274.47 + 1,141.32 + 1,372.33 = 3,036.45$  euros.

To obtain the effective amount in 2026 and at the current index, it must be multiplied by the revaluation factor of 2022 and the current index:

$3,036.45 \times$  revaluation factor of 2022  $\times$  current index / 100

=  $3,036.45 \times 1.57 \times 9.6804$

= 46,148.66 euros per year, i.e. 3,845.72 euros per month.

To this is added the 19/40 of the end-of-year allowance, paid together with the pension for the month of December.

### 4.5.2. Example 2 – mixed career

Jean-Louis was born on 23 October 1974. He studied until the age of 23 before starting to work in France. After working in France for several years, he moved to Luxembourg where he continued his career. He demonstrates an insurance career as follows:

Year	Months	Income	Revaluation factor	Index	Income B1984, I 100
2015	7	26,867.61	1.446	775.17	2,396.98
2016	12	46,694.22	1.45	775.17	4,154.30
2017	12	48,787.93	1.462	794.54	4,200.00
2018	12	50,538.55	1.484	802.82	4,242.00
2019	12	52,443.15	1.503	814.40	4,284.42
2020	12	54,905.85	1.52	834.76	4,327.26
2021	12	57,013.17	1.553	839.98	4,370.54
2022	12	60,409.18	1.57	871.66	4,414.24
2023	12	65,538.25	1.595	921.63	4,458.38
2024	12	68,851.84	1.619	944.43	4,502.97
2025	12	70,699.32	1.619	960.17	4,548.00
2026	3	17,997.90	1.619	968.04	1,148.37
<b>Total:</b>					<b>47,047.46</b>

Beyond his months of compulsory insurance in Luxembourg, Jean-Louis's insurance career shows 278 months of compulsory insurance in France.

On 1 April 2026, at the age of 51, Jean-Louis becomes invalid and begins receiving an invalidity pension from that date. To determine the amount of his pension, it is necessary to calculate the lump-sum increases as well as the proportional increases.

Due to his mixed career in several countries, in order to determine the level of Jean-Louis's pension, two calculations are carried out: the national pension and the proportional pension. The higher of the two amounts is then paid to him.

### ► The national pension

For the calculation of the national pension, the insurance periods completed under another pension scheme are completely disregarded.

The amount of Jean-Louis's national pension, in base year 1984 and at index number 100, is calculated as follows:

- **"Normal" lump-sum increases:** Jean-Louis can demonstrate 130 months of insurance in Luxembourg. Given that a commenced year counts as a full year for the "normal" lump-sum increases, Jean-Louis is entitled to 11/40 of the lump-sum increases, i.e.  $25.075\% \times 2,085 \times 11/40 = 143.77$  euros per year (in base year 1984 and at index 100).
- **Special lump-sum increases:** These depend on the number of years between the start of the invalidity pension entitlement and the completion of the age of 65, but also take into account that after the age of 24, Jean-Louis was not always insured in Luxembourg under pension insurance.

The period from the start of pension (01.04.2026) to the age of 65 (23.10.2039) for Jean-Louis extends over 13.58 years.

Given that since the calendar year following Jean-Louis's 24th birthday (1999) until the start of the invalidity pension – i.e. over a period of 27.25 years – he was insured under the pension insurance scheme in Luxembourg for 10.83 years, Jean-Louis is only entitled to  $10.83 / 27.25 = 39.7\%$  of the prospective years under the special lump-sum increases.

Given that a year that has begun counts as a full year, Jean-Louis is therefore entitled to 6 ( $39.7\% \times 13.58 = 5.39$  years) fortieths in respect of special lump-sum increases; he is therefore entitled to  $25.075\%$  of  $2,085 \times 6/40 = 78.42$  euros per year (based on 1984 and index 100).

- **"Normal" proportional increases:** Due to his contributory income in Luxembourg, Jean-Louis is entitled to  $1.763\% \times 47,047.46 = 829.45$  euros per year in proportional increases.
- **Special proportional increases** are granted based on the number of years between the start of entitlement to a invalidity pension and reaching the age of 55, as well as the reference base.

For Jean-Louis, the reference base is 47,047.46 (the sum of all contributory income from the calendar year following his 24th birthday) divided by 27.25 (the number of years from the calendar year following his 24th birthday), i.e. 1,726.51 euros.

Given that the number of years between the start of Jean-Louis's entitlement to a invalidity pension and his 55th birthday is 3.58 years (period from 01.04.2026 – 23.10.2029), the special proportional increases amount to:

$1,726.51 \times 3.58 \times 1.763\% = 108.97$  euros per year (based on 1984 and index 100).

The annual national invalidity pension based on 1984 at index 100 therefore amounts to:  
 $143.77 + 78.42 + 829.45 + 108.97 = 1,160.61$  euros.

### ► The proportional pension

For the calculation of the proportional pension, a theoretical pension calculation is first carried out, which would have been due if Jean-Louis had completed all the insurance periods, including those completed abroad, under his legislation. To determine this amount, the ratio between compulsory periods in Luxembourg and total compulsory periods is determinant.

For Jean-Louis, this ratio amounts to:  $130 / (130 + 278) = 0.31863$ .

The theoretical invalidity pension of Jean-Louis, in base year 1984 and at index number 100, is calculated as follows:

- **Theoretical "normal" lump-sum increases:** Jean-Louis can demonstrate 408 months of insurance in total. Given that a commenced year counts as a full year for the normal lump-sum increases, Jean-Louis is entitled to 34/40 of the lump-sum increases, i.e.  $25.075\% \times 2,085 \times 34/40 = 444.39$  euros per year (based on 1984 and index 100).

- **Theoretical special lump-sum increases:** These depend on the number of years between the start of the invalidity pension entitlement and the completion of the age of 65.

The period from the start of pension (01.04.2026) to the age of 65 (23.10.2039) for Jean-Louis extends over 13.58 years.

Given that from the calendar year following Jean-Louis's 24th birthday (1999) until the start of his invalidity pension – i.e. over a period of 27.25 years – he was insured at all times under the pension insurance scheme (in Luxembourg or elsewhere), Jean-Louis is entitled to the full number of prospective years under the special lump-sum increases, without, however, the total number of years taken into account exceeding 40.

Jean-Louis is therefore entitled to 6 (40 – 34 already taken into account as "normal" increases) fortieths under the special lump-sum increases; he is therefore entitled to 25.075% of  $2,085 \times 6/40 = 78.42$  euros per year (based on 1984 and index 100).

- **Theoretical "normal" proportional increases:** Due to his contributory income in Luxembourg, Jean-Louis is entitled to proportional increases equal to:

Rate of proportional increases  $\times$  Total contributory income at index 100 and in the base year 1984 in Luxembourg / Ratio between compulsory periods in Luxembourg and total compulsory periods

$$= 1.763\% \times 47,047.46 / 0.31863$$

$$= 2,603.19 \text{ euros per year (based on 1984 and index 100).}$$

- **Special proportional increases** are granted based on the number of years between the start of entitlement to invalidity pension and the completion of the age of 55, as well as the reference base.

For Jean-Louis, the reference base is 47,047.46 (the sum of all contributory income from the calendar year following his 24th birthday) divided by 27.25 (the number of years from the calendar year following his 24th birthday), i.e. 1,726.51 euros.

Given that the number of years between the start of Jean-Louis's entitlement to a invalidity pension and the completion of his 55th birthday is 3.58 years (period from 01.04.2026 – 23.10.2029), the special proportional increases amount to:

Reference base  $\times$  number of years between the start of entitlement to the invalidity pension and reaching the age of 55  $\times$  Rate of proportional increases / Ratio between compulsory periods in Luxembourg and total compulsory periods

$$= 1,726.51 \times 3.58 \times 1.763\% / 0.31863$$

$$= 342.00 \text{ euros per year (based on 1984 and index 100).}$$

The theoretical annual pension based on 1984 at index 100 therefore amounts to:

$$444.39 + 78.42 + 2,603.19 + 342.00 = 3,467.99 \text{ euros.}$$

This theoretical pension must still be multiplied by the ratio between compulsory periods in Luxembourg and total compulsory periods in order to take into account the fact that Jean-Louis did not spend his entire professional career in Luxembourg.

The proportional annual pension based on 1984 at index 100 is therefore:  $3,467.99 \times 0.31863 = 1,105.00$  euros.

→ As the national pension is higher than the proportional pension, it is this pension that is paid to Jean-Louis. This amount is higher than the minimum pension to which Jean-Louis would be entitled based on his mixed career.

To obtain the actual amount in 2026 and at the current index, it must be multiplied by the revaluation factor of 2022 and the current index:

$$1,160.61 \times \text{revaluation factor of 2022} \times \text{current index} / 100$$

$$= 1,160.61 \times 1.57 \times 9.6804$$

$$= 17,639.16 \text{ euros per year, or } 1,469.93 \text{ euros per month.}$$

Added to this are the 11/40 of the end-of-year allowance, paid together with the December pension.

## 5. THE CUMULATION OF AN INVALIDITY PENSION WITH OTHER INCOME

### 5.1. CUMULATION OF AN INVALIDITY PENSION AND PROFESSIONAL INCOME

When a beneficiary of an invalidity pension still exercises a professional activity, the income drawn from this activity may not exceed one third of the unskilled social minimum wage. If this income limit is exceeded, the insured person no longer fulfils the conditions for the invalidity pension and the pension is withdrawn, where applicable, retroactively.

### 5.2. CUMULATION OF AN INVALIDITY PENSION AND AN ACCIDENT PENSION

In the event of the cumulation of an invalidity pension with an accident pension, the pension is reduced insofar as it exceeds, together with the accident pension <sup>118</sup>:

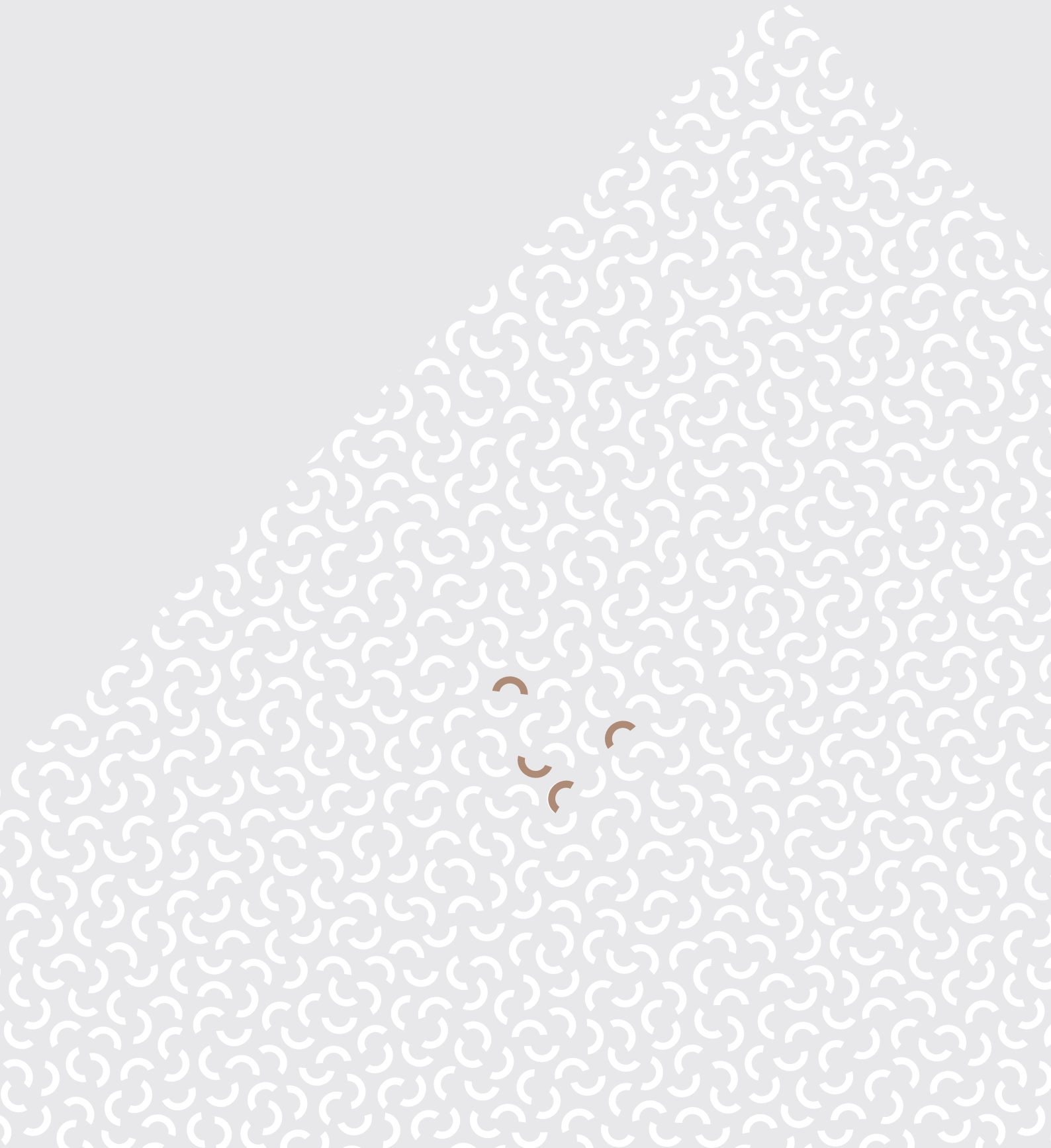
- either the average of the 5 highest annual incomes of the insurance career, without this average being less than the reference amount increased by 20% (3,168.83 euros per month as at 1 January 2026);
- or the professional income which served as the basis for calculating the accident pension, if this other method of calculation is more favourable.

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118 Article 227 of the Social Security Code

# IV. THE SURVIVOR'S PENSION





# 1. THE PENSION APPLICATION

## 1.1. THE PENSION APPLICATION

Survivors' pensions are only granted upon formal application by the interested parties <sup>119</sup>.

Even in the event of death of a pension beneficiary, the survivor's pension can only be granted upon application by the survivors. Where the beneficiaries are known, the National Pension Insurance Fund (*CNAP – Caisse nationale d'assurance pension*) may send an application form to be completed to the survivors.

A copy of the marriage certificate or the declaration of civil partnership, as well as the death certificate, must be attached to the application.

After examination of the conditions for attribution, the pension is granted or rejected by a decision subject to appeal <sup>120</sup>.

## 1.2. THE COMPETENT PENSION FUND

The survivors submit an application either to the institution of their place of residence or to the institution of the last country whose legislation was applicable. If the interested party was not subject at any time to the legislation applied by the institution of the place of residence, that institution forwards the application to the institution of the last Member State whose legislation was applicable <sup>121</sup>.

# 2. THE BENEFICIARIES OF A SURVIVOR'S PENSION

In order for the death of a person to give rise to a survivor's pension, the deceased must either be a beneficiary of an old-age or invalidity pension, or be an insured person who at the time of death can demonstrate a qualifying period of at least 12 months of insurance under compulsory, continued or optional insurance <sup>122</sup> during the 3 years preceding the death <sup>123</sup>.

This 3-year reference period is extended insofar as and to the extent that it overlaps with additional periods <sup>124</sup> or periods corresponding to the receipt of the inclusion allowance of the social inclusion income (REVIS) or the income for severely disabled persons (RPGH).

This qualifying period is not required in the event of death of the insured person attributable to an accident of any nature or a recognised occupational disease during the affiliation.

The law also provides that, where it is established by criminal judgment that the potential beneficiaries of a survivor's pension voluntarily caused the death or contributed to it by an intentional act, they are deprived of all pension entitlement <sup>125</sup>.

In the event of absence of an insured person or a pension beneficiary for at least one year and circumstances making their death probable, the rights to the survivor's pension may be opened <sup>126</sup>.

<sup>119</sup> The application form can be found at: <https://cnap.public.lu/en/documentation/formulaires.html>

<sup>120</sup> See section I.8. The appeal procedures

<sup>121</sup> Article 45 of Regulation (EC) No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems

<sup>122</sup> See section II.2.3. The different types of insurance periods

<sup>123</sup> Article 195 of the Social Security Code

<sup>124</sup> See section II.2.3.2. Additional periods

<sup>125</sup> Article 207 of the Social Security Code

<sup>126</sup> Article 200 of the Social Security Code

## 2.1. THE SPOUSE/PARTNER OF THE DECEASED

In principle, the spouse of the deceased or their partner within the meaning of the "PACS"<sup>127</sup> has a right to a survivor's pension.

However, no right to a survivor's pension is opened for spouses who contracted a marriage<sup>128</sup>:

- either with a beneficiary of an old-age or invalidity pension;
- or with an insured person less than one year before their retirement (for invalidity or old-age) or before their death.

However, the following exceptions exist:

- the death or the granting of the invalidity pension are due to an accident; or
- a child was born or conceived during the marriage, or legitimised by the marriage; or
- the marriage lasted at least one year and the age difference between the spouses is less than or equal to 15 years; or
- the marriage lasted at least 10 years.

The same provisions apply in the context of a civil partnership.

Where a beneficiary of an old-age or invalidity pension or an insured person fulfilling the conditions for the granting of a survivor's pension dies without leaving a surviving spouse or partner, the following may be treated as a surviving spouse<sup>129</sup>: relatives and relatives-in-law in the direct line (son or daughter, grandson or granddaughter, father or mother) and the spouses or partners of those persons, relatives in the collateral line up to and including the 2nd degree (brother and sister), or adopted children who were minors at the time of adoption, provided that:

- they are widowed, divorced, judicially separated, former partners or single;
- they have been living in a domestic community with the insured person or pension beneficiary for at least 5 years preceding the death;
- they have kept house for the same period;
- the insured person or pension beneficiary contributed predominantly to their maintenance during the same period;
- they are aged over 40 at the time of the death of the insured person or pension beneficiary.

### ATTENTION!

Regardless of the duration of the cohabitation and whether or not there are children, an informal union does not give rise to an entitlement to a survivor's pension. Only marriage or civil partnership/PACS can generate the right to a survivor's pension.

## 2.2. THE FORMER SPOUSE/PARTNER OF THE DECEASED

In the event of death of their former spouse, the divorced spouse is entitled to a survivor's pension provided that they have not contracted a new marriage before the death of their divorced spouse<sup>130</sup>.

In the event of the cumulation of one or more divorced spouses with a spouse, the survivor's pension is shared among the beneficiaries in proportion to the duration of the different marriages.

The same provisions apply in the event of dissolution of a partnership for a cause other than death.

<sup>127</sup> Partner within the meaning of Article 2 of the Law of 9 July 2004

<sup>128</sup> Article 196 of the Social Security Code

<sup>129</sup> Article 198 of the Social Security Code

<sup>130</sup> Article 197 of the Social Security Code

## 2.3. THE CHILD OF THE DECEASED

Legitimate children are entitled, after the death of either the father or the mother, to a survivor's pension, under the same qualifying period conditions of the deceased as those provided for other survivor's pensions<sup>131</sup>.

The following are treated as legitimate children:

- legitimised children;
- adopted children;
- natural children;
- all children, orphaned of both father and mother, provided that the insured person or pension beneficiary assumed their maintenance and upbringing during the 10 months preceding their death and that they do not have a right to an orphan's pension following the death of their parents.

The orphan's pension is granted until the age of 18. It is granted or maintained up to a maximum age of 27 if the orphan is prevented from earning a living as a result of scientific or technical preparation for their future profession.

The orphan's pension expires at the end of the age limits provided or earlier if the child dies. Except in the case of studies, the orphan's pension ceases to be paid from the month following the marriage or declaration of partnership of the beneficiary. It also ceases in the event of granting of a personal pension.

# 3. THE CALCULATION OF THE SURVIVOR'S PENSION

The survivor's pension paid to the beneficiary is calculated on the basis of the old-age pension from which the deceased benefited or, if the deceased was not yet retired, on the basis of the invalidity pension to which they would have been entitled in the event of invalidity.

The survivors' pensions are indexed to the variations in the cost of living and adjusted to the evolution of the level of wages<sup>132</sup>.

## 3.1. THE SURVIVOR'S PENSION OF THE SPOUSE OF THE DECEASED

The annual survivor's pension of the spouse is composed, in the event of death of a pension beneficiary or an insured person<sup>133</sup>, of:

- 3/4 of the proportional increases (including, where applicable, the staggered increases) and the special proportional increases to which the insured person was or would have been entitled;
- the totality of the lump-sum increases and the special lump-sum increases to which the insured person was or would have been entitled;
- the totality of the end-of-year allowance calculated for the pension to which the insured person was or would have been entitled.

If the pension is not paid to the beneficiary for the entire calendar year, the end-of-year allowance is reduced by 1/12 for each full calendar month. The surviving spouse or partner who lived in a domestic community with the beneficiary of an old-age or invalidity pension is entitled to the totality of the allowance for the period of the calendar year extending to the end of the month of death.

The survivor's pension is increased up to the minimum pension to which the deceased insured person was or would have been entitled<sup>134</sup>. In the event of early death, the number of years missing between the start of the

<sup>131</sup> Article 199 of the Social Security Code

<sup>132</sup> See section II.3.4. Indexation, revaluation and readjustment

<sup>133</sup> Article 217 of the Social Security Code

<sup>134</sup> Article 223, paragraph 3 of the Social Security Code

pension entitlement and the age of 65 is taken into account to complete the qualifying period for the minimum pension, without the total number being able to exceed 40.

In order to spare you the need to refer to the rather complicated provisions of the Social Security Code, the CSL has developed a tool, available on its website, enabling the automatic calculation of the amount of the survivor's pension of the spouse or partner <sup>135</sup>.

### 3.2. THE SURVIVOR'S PENSION OF THE FORMER SPOUSE OF THE DECEASED

The survivor's pension of divorced spouses is established on the basis of the survivor's pension according to the contributory insurance periods completed by the spouse during the duration of the marriage relative to the total duration of the insurance periods credited to the deceased.

In the event of the cumulation of one or more survivors' pensions for divorced spouses and a survivor's pension for a spouse, the survivor's pension is shared in proportion to the duration of the different marriages or partnerships, without however the survivor's pension of the divorced spouse being able to exceed that which would have been theirs in the absence of the cumulation of several survivors' pensions <sup>136</sup>.

### 3.3. THE SURVIVOR'S PENSION OF THE CHILD

The annual survivor's pension of the orphan is composed, in the event of death of a pension beneficiary or an insured person <sup>137</sup>, of:

- 1/4 of the proportional increases (including, where applicable, the staggered increases) and the special proportional increases to which the insured person was or would have been entitled;
- 1/3 of the lump-sum increases and the special lump-sum increases to which the insured person was or would have been entitled;
- 1/3 of the end-of-year allowance.

Where a right to an orphan's pension exists both on the part of the father and of the mother, the higher pension is paid. This higher amount is doubled insofar as the child is orphaned of both father and mother.

In the event that the deceased benefited or could have benefited from a minimum pension supplement, one quarter of this supplement is allocated to the orphan <sup>138</sup>.

### 3.4. THE CUMULATION OF SURVIVORS' PENSIONS

In no case may all the survivors' pensions on behalf of an insured person exceed the pension that would have been due to the insured person or, if this method of calculation is more favourable, the average of the five highest annual contributory incomes of the insurance career, without this average being less than the reference amount increased by 20% (3,168.83 euros per month as at 1 January 2026).

If the total of the survivors' pensions exceeds this limit, they are reduced proportionally <sup>139</sup>.

### 3.5. THE DEATH SUPPLEMENT

The pensions of the survivors who lived with a beneficiary of an old-age or invalidity pension in a common household or whose maintenance was at their charge are supplemented for the 3 months following the opening of the entitlement up to the pension of the deceased <sup>140</sup>.

<sup>135</sup> <https://www.csl.lu/en/your-rights/social-security/pensions/estimating-your-pension/#transfer-from-an-old-age-or-disability-pension-to-a-spouses-or-partners-survivor-pension-full-career-of-40-years>

<sup>136</sup> Article 197 of the Social Security Code

<sup>137</sup> Article 218 of the Social Security Code

<sup>138</sup> Article 223, paragraph 3 of the Social Security Code

<sup>139</sup> Article 219 of the Social Security Code

<sup>140</sup> Articles 202 and 203 of the Social Security Code

If the deceased was not yet the holder of an old-age or invalidity pension, the pensions of the survivors who lived in a domestic community with the insured person or whose maintenance was at their charge are supplemented for the month of death and the 3 subsequent months up to the invalidity pension to which the deceased would have been entitled in the event of invalidity.

In the event of upholding of salary relating to the end of the month of the occurrence of the death of the employee and the granting of an allowance equal to 3 monthly salaries for the survivors, the survivor's pension as well as the supplement are paid by way of compensation to the employer<sup>141</sup>.

### 3.6. CALCULATION EXAMPLES

#### EXAMPLE 1: Survivor's pension for spouse and orphan

*Jean-Marc had a pension of 3,662.15 euros, composed of 662.15 euros of lump-sum increases and 3,000 euros under proportional increases. Upon his death, he leaves a spouse and two children, each entitled to a survivor's pension.*

*Jean-Marc's spouse is entitled to a survivor's pension corresponding to 100% of the lump-sum increases and 75% of the proportional increases of Jean-Marc:*

*Survivor's pension of the spouse =  $100\% \times 662.15 + 75\% \times 3,000 = 2,912.15$  euros.*

*Each of the orphans is entitled to a survivor's pension corresponding to one-third of the lump-sum increases and one-quarter of the proportional increases of Jean-Marc:*

*Survivor's pension per orphan =  $662.15 / 3 + 3,000 / 4 = 970.72$  euros.*

*However, the sum of the survivors' pensions paid may not exceed the highest of these amounts:*

- *the pension that would have been due to the insured person, or*
- *the average of the 5 highest annual contributory incomes of the insurance career, or*
- *the reference amount increased by 20%, i.e. 3,168.83 euros per month as at 1 January 2026.*

*Suppose that, in Jean-Marc's case, the highest amount among these indicators is the average of the 5 highest annual contributory incomes, and that this amounts to 4,500 euros.*

*Given that the sum of the survivors' pensions ( $2,912.15 + 2 \times 970.72 = 4,853.59$  euros) exceeds this ceiling, they must be reduced proportionally:*

*Reduction factor:  $4,500 / 4,853.59 = 0.92714877$*

*Reduced survivor's pension of the spouse:  $0.92714877 \times 2,912.15 = 2,700.00$  euros*

*Reduced survivor's pension of the orphans:  $0.92714877 \times 970.72 = 900.00$  euros*

#### EXAMPLE 2: Survivor's pension for former spouse

*Marie-Jeanne had a pension of 3,162.15 euros, composed of 662.15 euros under lump-sum increases and 2,500 euros under proportional increases. Upon her death, she leaves a former spouse who has not remarried since the divorce with Marie-Jeanne.*

*To determine the level of the former spouse's survivor's pension, it is determinant to identify what proportion of Marie-Jeanne's contributory insurance periods was completed during the period of marriage.*

*Suppose that the marriage lasted 205 months and that during these 205 months of marriage, Marie-Jeanne was insured under compulsory, continued or optional pension insurance for 129 months. Suppose further that Marie-Jeanne had a complete contributory insurance career of 480 months.*

*The former spouse of Marie-Jeanne is entitled to 129/480 of the survivor's pension resulting from Marie-Jeanne's pension.*

*The "normal" survivor's pension of the spouse would correspond to 100% of the lump-sum increases and 75% of the proportional increases of Marie-Jeanne, i.e.:*

*$100\% \times 662.15 + 75\% \times 2,500 = 2,537.15$  euros.*

*The survivor's pension of Marie-Jeanne's former spouse then amounts to:  $129/480 \times 2,537.15 = 681.86$  euros.*

<sup>141</sup> Article L. 125-1, paragraph 2 of the Labour Code

**EXAMPLE 3: Survivor's pension for spouse and former spouse**

*Let us take the preceding example of Marie-Jeanne and add the hypothesis that Marie-Jeanne leaves not only a former spouse but also a spouse.*

*In such a scenario, the "normal" survivor's pension is shared proportionally to the duration of the different marriages between the spouse and the former spouse, without the survivor's pension for the former spouse being able to exceed that to which they would be entitled if there were no other spouse [i.e. without exceeding that calculated under Example 2].*

*Suppose that the marriage with the surviving spouse lasted 160 months.*

*Given that Marie-Jeanne was married for a total of  $160 + 205 = 365$  months, according to the proportional sharing by duration of marriage, the former spouse would be entitled to  $205/365$  of the "normal" survivor's pension, i.e.  $205/365 \times 2,537.15 = 1,424.97$  euros.*

*Given that this amount would be higher than in the absence of a surviving spouse, the survivor's pension of the former spouse is reduced to the amount determined under Example 2, i.e. 681.86 euros.*

*The remainder of the survivor's pension, namely  $2,537.15 - 681.86 = 1,855.29$  euros, goes to Marie-Jeanne's widower.*

## 4. THE END OF THE SURVIVOR'S PENSION

### 4.1. SPOUSE OR FORMER SPOUSE OF THE DECEASED

In principle, survivors' pensions are granted for life to eligible spouses, partners, former spouses and/or former partners.

However, survivors' pensions cease to be paid from the month following that of remarriage or a new partnership<sup>142</sup>.

If the holder of a survivor's pension contracts a new commitment by marriage or partnership before the age of 50, the survivor's pension is bought out at the rate of 5 times the amount paid during the last 12 months. In the event of a new marriage or partnership after the age of 50, the rate is 3 times the aforementioned amount.

The buyout amount is limited to the lump-sum and proportional increases and does not take into account any reductions due under the anti-cumulation provision<sup>143</sup>. The special proportional increases and the special lump-sum increases relating to prospective periods are disregarded.

If the new marriage or partnership is dissolved, either by divorce or the end of the partnership, or by the death of the spouse or partner, the right to the survivor's pension is re-established from, as the case may be, 5 years or 3 years after the new commitment. In the event that the dissolution of the marriage or partnership falls within the period covered by the buyout, the pension is re-established from the first day of the month following this dissolution, less the amount used for the determination of the buyout for the residual period<sup>144</sup>.

In the event that the death of the new spouse or partner also opens a right to a survivor's pension, only the higher pension is paid.

### 4.2. THE ORPHAN

The orphan's pension is paid as long as the beneficiary fulfils the age conditions for its maintenance. However, the orphan's pension ceases even before the age of 18 if the orphan contracts a marriage or partnership before that age and does not pursue studies<sup>145</sup>.

It likewise ceases in the event of granting of a personal pension to the orphan.

<sup>142</sup> Article 204 of the Social Security Code

<sup>143</sup> See section IV.5. The cumulation of a survivor's pension with other income

<sup>144</sup> Article 205 of the Social Security Code

<sup>145</sup> Article 206 of the Social Security Code

## 5. THE CUMULATION OF A SURVIVOR'S PENSION WITH OTHER INCOME

It is possible to cumulate a survivor's pension with personal income. However, depending on the nature and amount of the personal income, anti-cumulation rules may apply.

If the person is a beneficiary of a survivor's pension of the spouse or former spouse, the anti-cumulation rules are different compared to a beneficiary of an orphan's pension.

### 5.1. THE RULES FOR THE SPOUSE OR FORMER SPOUSE OF THE DECEASED

#### ► Cumulation with a survivor's accident pension

In the event of the cumulation of a survivor's pension with an accident pension granted to survivors for an accident or occupational disease declared before 1 January 2011, the survivor's pension is reduced insofar as it exceeds, together with the accident pension<sup>146</sup>:

- either 3/4 of the average of the 5 highest annual contributory incomes of the career, without this average being less than the reference amount increased by 20% (3,168.83 euros per month as at 1 January 2026);
- or the professional income which served as the basis for calculating the accident pension, if this other method of calculation is more favourable.

#### ► Cumulation with professional or replacement income

When the survivor's pension exceeds, together with professional income, replacement income or personal pensions, a threshold corresponding to the reference amount increased by 50% (3,961.04 euros per month as at 1 January 2026), anti-cumulation rules are applied so as to operate a reduction of the survivor's pension.

This threshold is increased by 4% for each child opening the right to baby-years<sup>147</sup> or the child-rearing allowance<sup>148</sup>. This percentage is raised to 12% for each child benefiting from an orphan's pension.

Among professional income or replacement income relating to a professional activity, an amount corresponding to two-thirds of the reference amount is not taken into consideration (this exempt professional income corresponds, as at 1 January 2026, to a monthly amount of 1,760.46 euros) for the determination of the anti-cumulation rules.

Where the cumulation of personal income taken into account and the survivor's pension exceeds the aforementioned threshold, the survivor's pension is reduced by 30% of the amount of personal income, excluding those representing the difference between the survivor's pension and the said threshold.

Where the survivor's pension already exceeds the aforementioned threshold, the survivor's pension is reduced by 30% of the amount of personal income taken into account<sup>149</sup>.

#### **EXAMPLE 1: Cumulation of a survivor's pension with a personal pension**

*Marie-Charlotte has an old-age pension of 1,500 euros. The death of her husband gives rise to a monthly survivor's pension of 5,000 euros.*

*The sum of the two pensions exceeds the threshold of 3,961.04 euros, so that anti-cumulation provisions must be applied.*

*Given that the survivor's pension alone already exceeds the threshold, it is reduced by 30% of the personal pension: 30% of 1,500 = 500 euros.*

*Reduced survivor's pension: 5,000 – 500 = 4,500 euros.*

<sup>146</sup> Article 228 of the Social Security Code

<sup>147</sup> See Thematic Box III: The baby-years, page 27

<sup>148</sup> See section II.6. The child-rearing allowance ("Mammerent")

<sup>149</sup> Article 229 of the Social Security Code

**EXAMPLE 2: Cumulation of a survivor's pension with a personal pension**

Jean-Paul has an old-age pension of 2,000 euros. The death of his spouse gives rise to a monthly survivor's pension of 2,200 euros.

The sum of the two pensions exceeds the threshold of 3,961.04 euros, so that anti-cumulation provisions must be applied.

Given that the survivor's pension alone does not exceed the threshold, it is reduced by 30% of the personal pension, excluding the amount of the difference between the survivor's pension and the threshold:

$30\% \text{ of } [2,000 - (3,961.04 - 2,200)] = 30\% \text{ of } 238.96 = 71.69 \text{ euros.}$

Reduced survivor's pension:  $2,200 - 71.69 = 2,128.31 \text{ euros.}$

**EXAMPLE 3: Cumulation of a survivor's pension with professional income**

Marie-Paule has a salary of 3,000 euros. The death of her spouse gives rise to a monthly survivor's pension of 2,000 euros.

Marie-Paule's personal income to be taken into account under the anti-cumulation rules is limited to the income exceeding 1,760.46 euros:

Salary to be taken into account =  $3,000 - 1,760.46 = 1,239.54 \text{ euros.}$

The sum of income to be taken into account and the survivor's pension ( $1,239.54 + 2,000 = 3,239.54$ ) remains below the threshold of 3,961.04 euros, so that no reduction is to be applied under the anti-cumulation provisions.

**EXAMPLE 4: Cumulation of a survivor's pension with professional income**

Jean-Christophe has a salary of 4,000 euros. The death of his spouse gives rise to a monthly survivor's pension of 2,000 euros.

Jean-Christophe's personal income to be taken into account under the anti-cumulation rules is limited to the income exceeding 1,760.46 euros:

Salary to be taken into account =  $4,000 - 1,760.46 = 2,239.54 \text{ euros.}$

The sum of income to be taken into account and the survivor's pension ( $2,239.54 + 2,000 = 4,239.54$ ) exceeds the threshold of 3,961.04 euros, so that anti-cumulation provisions must be applied.

Given that the survivor's pension alone does not exceed the threshold, it is reduced by 30% of the personal income to be taken into account, excluding the amount of the difference between the survivor's pension and the threshold:

$30\% \text{ of } [2,239.54 - (3,961.04 - 2,000)] = 30\% \text{ of } 278.50 = 83.55 \text{ euros.}$

Reduced survivor's pension:  $2,000 - 83.55 = 1,916.45 \text{ euros.}$

**EXAMPLE 5: Cumulation of a survivor's pension with professional income**

Marie-Claude has a salary of 4,250 euros. The death of her spouse gives rise to a monthly survivor's pension of 4,500 euros.

Marie-Claude's personal income to be taken into account under the anti-cumulation rules is limited to the income exceeding 1,760.46 euros:

Salary to be taken into account =  $4,250 - 1,760.46 = 2,489.54 \text{ euros.}$

Given that the survivor's pension alone already exceeds the threshold of 3,961.04 euros, it is reduced by 30% of the personal income to be taken into account:

$30\% \text{ of } 2,489.54 = 746.86 \text{ euros.}$

Reduced survivor's pension:  $4,500 - 746.86 = 3,753.14 \text{ euros}$

## 5.2. THE RULES FOR THE ORPHAN

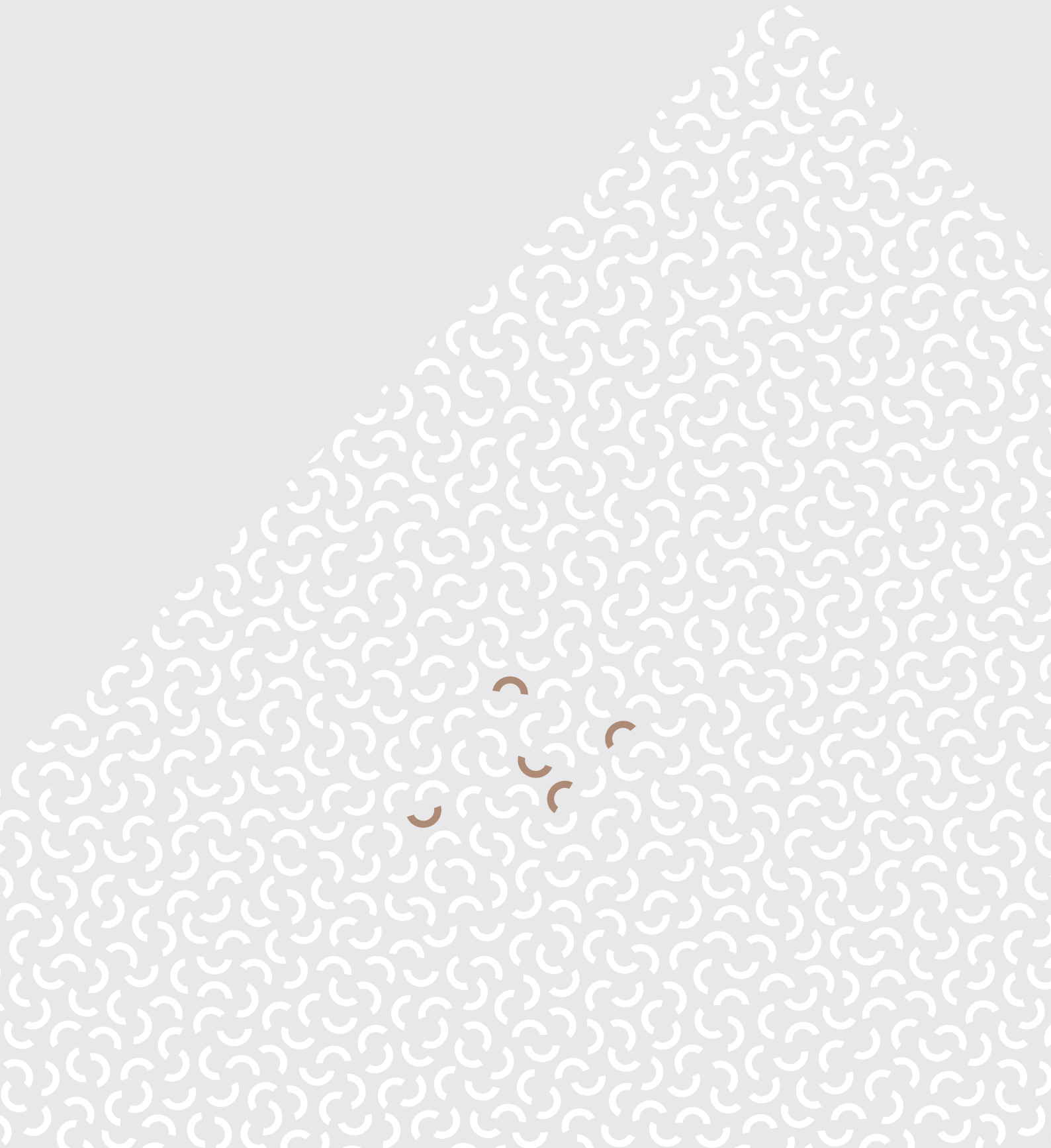
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In the event of the cumulation of an orphan's pension with an accident pension granted to the orphan for an accident or occupational disease declared before 1 January 2011, the pension is reduced insofar as it exceeds, together with the accident pension <sup>150</sup>:


- Where an orphan of both father and mother is concerned:
  - either 3/4 of the average of the 5 highest annual contributory incomes of the career, without this average being less than the reference amount increased by 20% (3,168.83 euros per month as at 1 January 2026);
  - or 3/4 of the professional income which served as the basis for calculating the accident pension, if this other method of calculation is more favourable.
- Where an orphan of father or mother is concerned:
  - either 1/3 of the average of the 5 highest annual contributory incomes of the career, without this average being less than the reference amount increased by 20%;
  - or 1/3 of the professional income which served as the basis for calculating the accident pension, if this other method of calculation is more favourable.

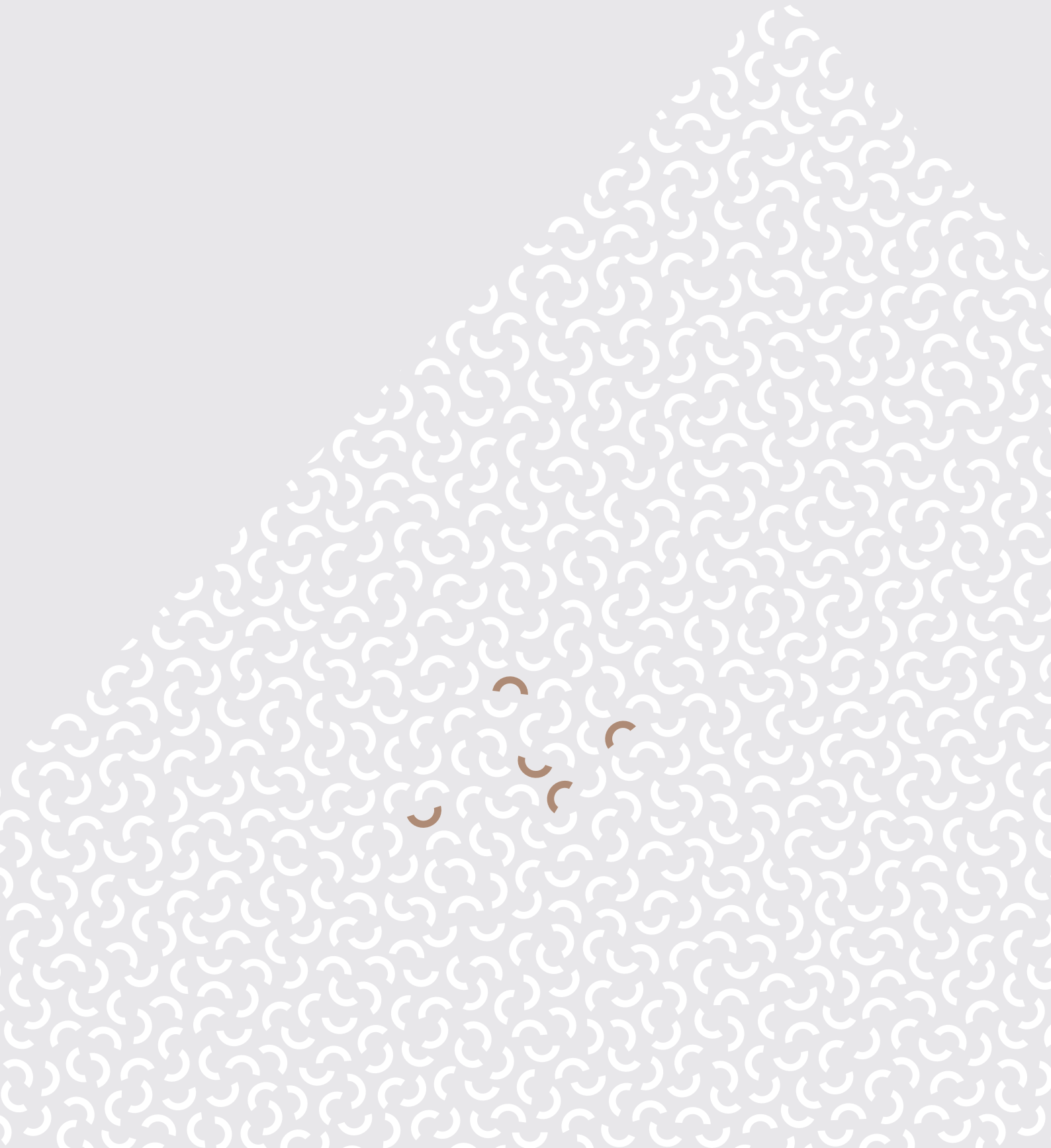
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<sup>150</sup> Article 228 of the Social Security Code



V.  
**IMPORTANT  
QUESTIONS -  
EASILY  
EXPLAINED**





# 1. I AM PREPARING MY PENSION APPLICATION...

## Question 1. What can I do to better prepare my pension application?

From the age of 55, insured persons have the possibility of submitting a pension estimate request to the CNAP<sup>151</sup>. Insured persons are strongly advised to make use of this possibility, which enables them to: 1) know the first date at which a departure is possible, 2) know the level of the future pension, and 3) accelerate the future pension application procedure.

## Question 2. When should I submit my pension application?

The processing time for pension applications depends on the availability of the data at the disposal of the CNAP.

In order to avoid delays, it is advisable to submit the old-age pension application<sup>152</sup> several months before the commencement of the entitlement. Whilst periods of between three and six months are generally sufficient for purely Luxembourg careers, for careers in several countries it is preferable to submit the pension application between six and nine months before the start of the pension.

## Question 3. How should I indicate my years completed abroad?

It is sufficient to indicate in the pension application form in which countries you worked and to record your social security number for the country in question.

## Question 4. What elements should I pay attention to?

Find out whether you are entitled to baby-years (see question 6 and following); this is the last moment at which you can apply for them. Make sure to attach all the necessary documents in order to avoid prolonged application processing times.

# 2. I HAVE CHILDREN...

## Question 5. What impacts can my children have on my pension?

Children can have an impact on the pension in two ways.

If you did not pursue a professional activity (continuously) after the birth of the child, these periods may nonetheless be recognised for you to determine whether you have a career of 40 years or not – certain ‘gaps’ in the professional career are therefore not ‘gaps’ in the insurance career by virtue of children.

If you did not interrupt your professional activity after the birth of the child, the taking into account of children does not allow you to retire earlier. However, the taking into account of children under baby-years (see question 7) can increase your pension.

## Question 6. What are baby-years?

Baby-years are a period of two years that can be taken into account if, during the 3 years before the birth of the child, you were insured for at least 12 months under compulsory insurance [*worked for at least 1 year during the 3 years preceding the birth of the child*]. For non-residents at the time of birth, reference is made to question 8.

If you interrupted your professional activity after the birth of the child, the baby-years allow the two years directly following the birth of the child to be taken into account as working years – the ‘gaps’ in the professional career are therefore not ‘gaps’ in the insurance career by virtue of the baby-years. Despite the interruption of the career

<sup>151</sup> The application form can be found at: <https://cnap.public.lu/en/documentation/formulaires.html>

<sup>152</sup> The application form can be found at: <https://cnap.public.lu/en/documentation/formulaires.html>

for 2 years, you can therefore retire at the same time as if you had not interrupted your career immediately after birth.

Irrespective of whether you interrupted your professional activity after the birth of the child or not, the baby-years furthermore allow you to increase your future pension by at least 140 euros.

The period of baby-years is increased to 4 years if, at the time of the birth of the child, two other children are living in the household, or if the child suffers from a disability.

Baby-years must be applied for via the dedicated form <sup>153</sup> – the application thus made is irrevocable. The two-year period of baby-years may be shared between the two parents of the child.

#### Question 7. Can I benefit from baby-years even if I continued to work?

Yes, even if you did not interrupt your professional career, the baby-years allow your future pension to be increased by at least 140 euros. However, the taking into account of baby-years does not allow you to retire earlier if you continued to work.

#### Question 8. Can I benefit from baby-years as a non-resident at the time of birth of the child?

If you were compulsorily insured in Luxembourg [*for example by working in Luxembourg*] during the two years following the birth of the child, then as a non-resident you are entitled to baby-years under the same conditions as residents.

If you were not compulsorily insured in Luxembourg during the two years following the birth of the child, then baby-years can be taken into account only if you do not benefit from other child-raising periods for that child from another country.

#### Question 9. Can I share the baby-years with the other parent of the child?

Yes, the baby-years period may be shared (50% - 50%) between the two parents of the child.

#### Question 10. Can I modify the taking into account of baby-years?

No, the application for taking baby-years into account is irrevocable and cannot be subject to subsequent modification.

#### Question 11. What are child-raising periods?

Child-raising periods are (additional) periods that allow a person who did not work during one (or several) year(s) whilst raising in their household a child under the age of six to have that year recognised for pension insurance purposes.

The 'gaps' in the professional career are therefore not 'gaps' in the insurance career by virtue of child-raising periods. These years are only taken into account for pension departures after the age of 60 of the insured person.

## 3. I WORK PART-TIME...

#### Question 12. What is the impact on the date at which I can retire?

Provided that you work at least 64 hours per month, a month is validated in full, regardless of whether you work part-time or full-time.

Thus, if you work at least 64 hours per month, being in part-time has no impact on the date from which you are entitled to the pension.

#### Question 13. What is the impact on the amount of pension I can receive?

Given that the pension amount depends mainly on the contributory income, working part-time, and thus receiving a partial salary, mechanically reduces the pension level to which you will be entitled in the future.

<sup>153</sup> The application form can be found at: <https://cnap.public.lu/en/documentation/formulaires.html>

It is not necessarily working fewer hours, but rather earning less, that implies the future pension will be lower.

In order to get an idea of the potential loss linked to the salary reduction, you can consult our pension estimator<sup>154</sup> and make a pension projection: 1) with your reduced salary and 2) with your higher salary, to compare the two results.

#### Question 14. How can I reduce the loss on my pension entitlement?

If you reduce your professional activity, you can insure yourself voluntarily by making voluntary contribution payments in order to compensate for (part of) the loss of your contributory salary. See question 19 and following for more details.

## 4. I WANT MY STUDIES TO BE RECOGNISED FOR PENSION PURPOSES...

#### Question 15. What type of studies are considered?

All studies after the age of 18 can be recognised, if during these years you were not insured on another basis.

Studies which can be recognised are secondary, higher or university studies completed in Luxembourg or abroad, evening courses, as well as internships required for obtaining a diploma.

The number of years of studies taken into account may not exceed 9.

The years of studies do not necessarily have to have been completed successfully in order to be recognised for pension purposes.

#### Question 16. How are my years of studies taken into account?

Years of studies are taken into account to determine the number of years of insurance for retiring after the age of 60 only.

They only apply if you were not insured through employment, for example, during your years of study.

#### Question 17. What is the impact of study periods on the level of the pension?

Given that during study periods you do not pay contributions, the impact on the level of the pension of the recognition of these studies is very marginal. Thus, it allows you to retire earlier, but it has hardly any impact on the level of your pension.

#### Question 18. How can I have these study periods recognised?

You must submit an application to the CNAP for the recognition of study periods. This application may be submitted at the earliest from the age of 55 and at the latest at the time of the pension application.

This application must be accompanied by the necessary supporting documents. Depending on the course of your studies, the final diploma alone is not always sufficient: it may be necessary to produce enrolment certificates for each of the years of study concerned or to present a certificate from the educational institution.

<sup>154</sup> <https://calculatrice.pensions.lu/>

## 5. I WISH TO INSURE MYSELF / PAY CONTRIBUTIONS ON A VOLUNTARY BASIS...

### Question 19. Under what conditions may I insure myself on a voluntary basis for pension purposes?

You may insure yourself on a voluntary basis if you reduce or interrupt your professional career.

If, during the 3 years preceding the interruption of the career, you were compulsorily insured [*through your work, for example*] under pension insurance and if you submit the application for voluntary insurance within 6 months following the interruption of the career, you have the possibility of insuring yourself on a voluntary basis regardless of the reason for the interruption. This is referred to as continued insurance.

If you do not fulfil these conditions, then you may insure yourself on a voluntary basis only if you have reduced or interrupted your professional activity for family reasons (periods of marriage or PACS, periods of raising a minor child, or provision of care to a dependent person). This is referred to as optional insurance.

Voluntary contributions are tax-deductible.

### Question 20. On what basis may I insure myself on a voluntary basis?

The amount on the basis of which you may insure yourself on a voluntary basis depends on your objective.

If you wish to insure yourself at the lowest possible cost so that the months during which you are not insured are taken into account as insured months, then it is in your interest to insure yourself at the minimum amount possible. For 5 years, the minimum on the basis of which you may insure yourself corresponds to one-third of the unskilled minimum wage. If you opt for this minimum, for the future pension calculation, all the months of voluntary insurance will be considered as if you had earned one-third of the minimum wage. After these 5 years, the minimum increases to the minimum wage.

If you continue to work, even part-time, the objective of voluntary insurance is rather to increase the amount of the future pension. The maximum on the basis of which you may insure yourself on a voluntary basis corresponds to the average of your 5 best annual incomes. If, during your 5 best years, you earned 8,000 euros/month on average, it is on the basis of this amount that you may insure yourself on a voluntary basis at the maximum.

You also have the possibility, according to your personal preferences and your financial means, of voluntarily contributing on any amount between the minimum and the maximum.

Voluntary contributions are tax-deductible.

### Question 21. I reduce my working time to 50%; can I continue to contribute as if I were working full-time?

Not necessarily. The amount on the basis of which you may insure yourself on a voluntary basis depends on the average of your 5 best annual incomes. If, for your current position, you earn more than 50% of the average of your 5 best annual incomes, you cannot contribute as if you were working full-time.

### Question 22. What is the cost of such voluntary insurance?

The cost of voluntary insurance corresponds to 17% of the amount on the basis of which you insure yourself on a voluntary basis.

Thus, if you insure yourself on the basis of one-third of the minimum wage, this costs  $1/3 \times 2,703.74 \times 17\% = 153.21$  euros.

If you insure yourself on a voluntary basis on the basis of 5,000 euros, this costs  $5,000 \times 17\% = 850$  euros.

Voluntary contributions are tax-deductible.

**Question 23. What steps must I take to conclude such a voluntary insurance?**

To insure yourself on a voluntary basis, you must complete the relevant form<sup>155</sup> and send it to the Joint Social Security Centre (*CCSS – Centre commun de la sécurité sociale*). In the event that the professional reduction or interruption takes place for reasons other than family reasons (periods of marriage or PACS, periods of raising a minor child, or provision of care to a dependent person), the application must be submitted within 6 months after the interruption.

**Question 24. Is the duration of this insurance limited in time?**

No. Only the reduction of the minimum contribution basis to one-third of the minimum wage is limited to a period of 5 years.

## 6. I AM INTERESTED IN THE PURCHASE OF PERIODS...

**Question 25. What is meant by purchase of periods for pension purposes?**

If you have reduced or interrupted your professional career for family reasons (periods of marriage or PACS, periods of raising a minor child, or provision of care to a dependent person), then you can retroactively purchase one year.

For a person who has merely reduced their professional activity, the purchase primarily allows the amount of the future pension to increase. On the other hand, for a person who was not insured for a given year, the purchase of that year allows both increasing the amount of the future pension and extending the insurance career by one additional year – potentially allowing them to retire earlier.

Contributions in the context of the purchase of insurance periods are tax-deductible.

**Question 26. Can I purchase any year for pension insurance purposes?**

The years that can be purchased retroactively must be years during which you: 1) were married or in a PACS, 2) had minor children in your household, 3) provided care to a dependent person, or 4) were affiliated to a pension system with which Luxembourg does not have an agreement.

**Question 27. Can I purchase a year during which I did not yet live in Luxembourg?**

In order for you to be able to purchase a year, you must, prior to the year in question, have already been affiliated to Luxembourg pension insurance, and you must already have been affiliated, in Luxembourg or elsewhere, for at least 12 months.

**Question 28. Can I purchase years situated in the future in order to retire earlier?**

No, the purchase of insurance periods is only possible retroactively.

<sup>155</sup> The application form can be found at: <https://ccss.public.lu/en/particuliers/assures-volontaires/assurance-volontaire-pension/affiliation-volontaire-assurance-pension.html>

## 7. I HAVE WORKED IN SEVERAL COUNTRIES...

### Question 29. Do I have to submit a pension application in each country in which I have worked?

No, it is sufficient to submit the pension application in a single country – provided that the countries in which you were insured are either countries of the European Free Trade Association (EFTA, comprising the countries of the European Union, Switzerland, Liechtenstein, Iceland and Norway), or countries with which Luxembourg has a bilateral or multilateral agreement in the field of social security<sup>156</sup>.

### Question 30. In which country should I submit a pension application?

The pension application is generally to be submitted to the pension fund, either of the last country in which you were insured under pension insurance, or of the country of residence. The pension fund handles the transfer of the application to the competent bodies of the other countries concerned.

### Question 31. Can I transfer my years from abroad to Luxembourg?

No, the years completed abroad are taken into account in Luxembourg only for the purpose of determining the Luxembourg pension. The rights potentially acquired in a country cannot be transferred to the Luxembourg pension fund.

However, in the event that you have worked in countries with which Luxembourg does not have an agreement in the field of social security, you may purchase these years in Luxembourg.

### Question 32. How are my years from abroad taken into account in Luxembourg?

At the time of retirement, all contribution periods completed either in a member country of the EFTA (i.e. the European Union, Iceland, Norway, Liechtenstein and Switzerland), or in a country with which Luxembourg has an agreement in the field of social security, are taken into account for determining your entitlement to the pension.

The effect on the amount of the pension is marginal, or even nil, but the taking into account of periods from abroad may be necessary to have the right to retire on an early old-age pension.

### Question 33. From which country will I receive my pension?

Three scenarios may arise:

- if you have contributed for less than one year in Luxembourg and the rest of your career in another country, it is the pension fund of that country which pays your pension in full;
- if you have completed part of your professional career in Luxembourg and the other part in another EU or EFTA country, you receive a pension from each State;
- if you have completed the entirety of your professional career in Luxembourg, the full amount of your pension is paid by the Luxembourg fund, even if you do not reside in the country.

### Question 34. When will I receive my pension from the different countries?

If you are entitled to your pension in one country, you do not automatically have this right in the other countries – the conditions for the entitlement, particularly those related to age, may differ from one country to another. It is therefore possible that you are entitled to your Luxembourg pension at the age of 57, but that you must wait until the age of 67 to receive your pension from another country.

<sup>156</sup> The list of countries with which Luxembourg has such an agreement can be found here: <https://www.secu.lu/conv-internationales/>

## 8. THE DATE OF ENTITLEMENT TO THE PENSION...

### Question 35. When can I retire?

If you have 40 years of compulsory periods (years of work, parental leave, sick leave, etc.), you can retire from the age of 57.

If you do not have 40 years of compulsory periods, but 40 years in total (including study periods, child-raising periods and voluntary insurance, for example) after the age of 60, you can retire after having contributed, after that date, several additional months. If you have reached 40 years of insurance and 60 years of age after July 2026, you need a career extension of 1 month; if this is reached in 2027, the required extension is 2 months; in 2028, 4 months; in 2029, 6 months; and in 2030, 8 months.

If you do not accumulate 40 years of pension insurance, you can retire at the age of 65 if you have contributed for at least 10 years during your career.

### Question 36. Do I need to have worked 10 years in Luxembourg in order to be entitled to a pension?

No, the right to a Luxembourg pension is not linked to the condition that you have a career of 10 years in Luxembourg, but rather that you have contributed for 10 years in total. One year of contributions in Luxembourg, combined with 10 years of contributions in total, is sufficient to be entitled to a Luxembourg pension.

### Question 37. What is the impact of the pension reform on the date at which I am entitled to a pension?

Provided that you do not have 40 years of compulsory periods (years of work, parental leave, sick leave, etc.), but 40 years in total (including study periods, child-raising periods and voluntary insurance, for example), you will be required to extend your career in order to retire before the age of 65.

If you reach 60 years of age and 40 years of insurance after July 2026, you need an extension of 1 month; if this is reached in 2027, the required extension is 2 months; in 2028, 4 months; in 2029, 6 months; and in 2030, 8 months.

### Question 38. In my pension estimate request, I already received a date at which I can retire; am I still affected?

Yes, the information communicated by the CNAP in the pension estimate request is provided only on an indicative basis. Thus, even if you have already been communicated a date at which you could retire, you may be required to extend your career in order to retire on an early pension (see question 37).

### Question 39. Do I have to retire at the time when I become entitled to the pension?

No, you can freely decide the point from which you make use of your pension entitlement. Neither your employer nor the CNAP can impose early old-age pension upon you.

It should be noted, however, that at the age of 65 your employment contract terminates automatically and the employer is not obliged to retain you as an employee.

### Question 40. What steps must I take with regard to my employer?

The law provides that at the time you retire, your employment contract terminates automatically. It is therefore neither necessary nor recommended to resign from your employer.

Once the pension application has been accepted, it is sufficient for you to inform your employer of your retirement.

## 9. THE AMOUNT OF MY PENSION...

### Question 41. Does it depend on my last years of work?

The amount of your pension depends on two elements: a lump-sum element which depends solely on the number of years of insurance, and a proportional element which depends on the sum of all your contributory incomes.

The proportional part therefore does not depend on your last salaries, but rather on the sum of all your salaries – the first year weighs as much as the last; the only element that matters is the sum of your contributory salaries.

### Question 42. Is it affected if I reduce my salary?

Yes. Given that the pension depends mainly on the sum of all your contributory incomes, a decrease in salary leads to a decrease in the future pension.

In order to get an idea of the potential loss linked to the salary reduction, you can consult our pension estimator<sup>157</sup> and make a pension projection: 1) with your reduced salary and 2) with your higher salary, to compare the two results.

### Question 43. How does it evolve if I extend my career by one year?

Given that the pension depends mainly on the sum of all your contributory incomes, an extension of the career mechanically leads to an increase in the pension to which you will be entitled.

In order to get an idea of the pension linked to the career extension, you can consult our pension estimator<sup>158</sup> and make a pension projection at two different dates to compare the two results.

## 10. I RECEIVE A PENSION AND I CONTINUE TO WORK...

### Question 44. How many hours of work are permitted without an impact on the pension?

The law does not provide for a maximum number of hours that you can work without a reduction of your pension.

However, the law provides for a maximum level of salary that you can earn and beyond which your pension is reduced. This maximum level depends on your professional career and in particular on the average of your 5 best annual incomes. At the time of communicating the level of pension, the CNAP also communicates to you the level of salary that you can earn in addition to your pension.

In any event, you can continue to earn at least one-third of the unskilled minimum wage in addition to your pension.

### Question 45. What is the tax treatment of this cumulation?

When you have two incomes subject to withholding tax at source, namely a salary and a pension, you will need a second tax card.

### Question 46. What impact will this work have on my pension?

On the salary portion, you will pay the normal contributions, as if you were not receiving a pension. The additional salary thus earned, which is also subject to pension insurance contributions, will be taken into account for a recalculation of your pension at the age of 65. At that point, your pension will be increased to take into account the extension of your career. After the age of 65, work will no longer have an impact on the level of the pension.

<sup>157</sup> <https://calculatrice.pensions.lu/>

<sup>158</sup> <https://calculatrice.pensions.lu/>

## 11. I RECEIVE A PENSION AND I LIVE ABROAD...

### Question 47. In which country must I pay taxes?

Taxes on pensions paid by the CNAP are, in principle, due in Luxembourg – even if you also receive a pension from your country of residence.

Double taxation treaties aim, in principle, to prevent your pension taxable in Luxembourg from also being taxed in your country of residence.

### Question 48. In which country must I pay social security contributions?

It depends on your personal situation. There are three different scenarios:

- If you receive only a Luxembourg pension, then you are affiliated to the Luxembourg healthcare insurance fund (CNS) and you are therefore subject to Luxembourg social security contributions.
- If you receive a Luxembourg pension and a pension from your country of residence, then you are affiliated to the competent healthcare insurance fund of your country of residence. Consequently, you are not subject to Luxembourg social security contributions, but you are subject to the social security contributions due in your country of residence (including, where applicable, in respect of your Luxembourg pension).
- If you receive a Luxembourg pension and one or more pensions from other countries of the European Free Trade Association (EFTA, comprising the European Union, Switzerland, Liechtenstein, Iceland and Norway), without, however, receiving a pension from your country of residence, then you are affiliated in the country in which you were subject the longest to the legislation relating to healthcare insurance.

### Question 49. Can I continue to benefit from healthcare in Luxembourg?

If you pay your social security contributions in Luxembourg, you remain affiliated to the Luxembourg social security system and continue to benefit from CNS reimbursements.

Even if you are not affiliated with the CNS but were last employed in Luxembourg, you can continue to receive healthcare benefits in Luxembourg as long as this is a continuation of treatment that began before you started receiving your pension.

Furthermore, even if you are no longer affiliated with the CNS, as a pensioner who has worked as a cross-border worker in Luxembourg for at least two years during the five years preceding the start of your pension, you are entitled to receive healthcare benefits in Luxembourg provided that you reside in Germany, Belgium, France, Austria, Spain or Portugal.

## 12. I HAVE BECOME INVALID...

### Question 50. Do I have to submit an invalidity pension application?

Yes. Even if the Social Security Medical Board (*CMSS – Contrôle médical de la sécurité sociale*) declares you invalid during a medical examination, the invalidity pension is not applied for automatically. You must therefore submit an application using the relevant form<sup>159</sup>.

While it is not necessary to attach a medical file to your application form, once your application has been received the CNAP will send you a file (called R4) that your doctor must complete in order to justify your invalidity.

<sup>159</sup> The application form can be found at: <https://cnap.public.lu/en/documentation/formulaires.html>

**Question 51. Does my invalidity pension correspond to a fixed percentage of my last salary?**

No. The invalidity pension is calculated according to an approach that is very similar to that used to calculate old-age pensions. Depending on your career and on whether or not you have a career abroad, the level of your invalidity pension may be considerably lower than your last salary.

**Question 52. How is my invalidity pension determined?**

The invalidity pension is calculated according to an approach that is very similar to that used to calculate old-age pensions. It depends 1) on the sum of all your contributable incomes, 2) on the number of years of insurance, 3) on your age, and 4) on your career (number of years abroad, career breaks, etc.).

**Question 53. For how long can I receive the invalidity pension?**

In principle, and with the exception of invalidity pensions granted on a temporary basis, invalidity pensions are granted for life. They are paid until the age of 65, at which point they are converted into old-age pensions.

**Question 54. Can I combine a professional activity with my invalidity pension?**

The payment of the invalidity pension is linked to the condition that you do not receive a salary that exceeds one-third of the unskilled minimum wage. If you exceed this limit, the invalidity pension is withdrawn from you and a request for reimbursement of pension by the CNAP may follow.

**Question 55. And what if I have worked in several countries?**

If you have worked in several countries, each country is responsible on a pro-rata basis for your invalidity pension. Thus, you are, in principle, entitled to several invalidity pensions – one from each country in which you have worked.

As with the old-age pension application, it is sufficient to submit the invalidity pension application in the last country in which you have worked.

It should be noted that the invalidity criteria differ from one country to another, so that you may be declared invalid in Luxembourg but not in another country in which you have worked (or vice versa). Thus, it may be that you do not receive an invalidity pension for each country in which you have worked.

## 13. REGARDING THE SURVIVOR'S PENSION...

**Question 56. In which case can I receive a survivor's pension following the death of my spouse or my partner?**

In principle, if you married or entered into a PACS at least one year before the death of your spouse, you are entitled to a survivor's pension.

However, if the age difference between you and your deceased spouse is greater than 15 years, then the marriage or the PACS concluded during the period of receipt of a pension must have lasted at least 10 years.

**Question 57. Am I informed if I am entitled to a survivor's pension?**

In principle, no. It is essential to submit an application <sup>160</sup> in order to receive the survivor's pension.

**Question 58. Am I entitled to a survivor's pension in the event of the death of my cohabiting partner?**

No. Regardless of the duration of the cohabitation and whether or not there are children, an informal union does not give rise to an entitlement to a survivor's pension. Only marriage or PACS can generate the right to a survivor's pension.

**Question 59. Is there a difference between a PACS and marriage in respect of the survivor's pension?**

No. For the purposes of the survivor's pension, there is no difference between the two.

<sup>160</sup> The application form can be found at: <https://cnap.public.lu/fr/documentation/formulaires.html>

**Question 60. How much is the survivor's pension resulting from the death of my spouse or partner?**

The survivor's pension is calculated on the basis of the pension of the deceased or, if the deceased was not yet retired, on the basis of the invalidity pension to which they would have been entitled. Depending on the pension of the deceased spouse, the survivor's pension corresponds to 75–80% of that pension.

**Question 61. Under what conditions am I entitled to a survivor's pension following the death of my former spouse or former partner?**

If you have not remarried or entered into a new PACS before the death of your former spouse or former partner (within the meaning of the PACS), then you are entitled to a survivor's pension by virtue of their death.

**Question 62. Can I exclude a former spouse or former partner from the benefit of my survivor's pension?**

No.

**Question 63. How is the survivor's pension divided between the spouse and the former spouse?**

In principle, the survivor's pension resulting from the death of a person is divided between the spouse and the former spouse(s) eligible for the survivor's pension proportionally to the duration of the marriages.

**Question 64. For how long can I receive the survivor's pension?**

The survivor's pension for the surviving spouse and partner and/or former spouse and partner is granted for life. However, it ceases to be paid from the moment you enter into a new marriage or a new PACS.

**Question 65. Can I combine my survivor's pension with my own income?**

Yes, having your own income does not prevent the granting of the survivor's pension. However, if the survivor's pension exceeds, together with your other income, a certain level – which depends on the number of children – then the survivor's pension may be reduced.

**Question 66. For how long are children entitled to a survivor's pension?**

In principle, children are entitled to a survivor's pension until the age of 18. However, if they continue their studies, secondary or university, the survivor's pension may be maintained until the age of 27.

**Question 67. What is the amount of the children's orphan's pension?**

Just like the survivor's pension of the spouse, the orphan's pension is calculated on the basis of the pension of the deceased or, if they were not yet retired, on the basis of the invalidity pension to which they would have been entitled. The orphan's pension corresponds to slightly more than 25% of the pension to which the deceased was entitled.

**Question 68. Is the children's orphan's pension deducted from the spouse's survivor's pension?**

No. Children are, where applicable, entitled to their own survivor's pension. It is not a part of the spouse's survivor's pension, but indeed an orphan's pension belonging to the child.

This publication by the Chamber of employees (CSL) explains the general pension insurance scheme in the Grand Duchy, i.e. the provisions in force for employees under private law.

It deals with the old-age pension, describing in particular the conditions to be met in order to benefit from it. In addition to compulsory pension insurance, the concepts of continued insurance, optional insurance, retroactive purchase and additional periods are explained.

Examples of calculations for an old-age pension, an early old-age pension and the combination of pensions with other income are provided to make the complex legislation easier to understand. In addition to the old-age pension, the book also deals with the invalidity pension and the survivor's pension.

With this publication, the CSL aims to provide workers and pensioners the necessary information to better understand and cope with the pension system.

**YOU'LL  
NEVER  
WORK  
ALONE.**



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