



Luxembourg profile

2018 Edition



Introduction to Luxembourg

A tiny country full of surprises

With a population of just over half a million, Luxembourg can't help but be an underdog in most categories. And yet, it's the second largest investment fund centre in the world (following the US), and boasts one of Europe's liveliest fintech scenes. It's third worldwide on the index of growth promise indicators according to a KPMG Global study, and is the most productive country in the world according to Expert Market.

None of this is accidental: Luxembourg's government proactively updates its legal and regulatory frameworks to remain competitive, reliable, and forward-looking. This reputation, together with a tradition of openness, has attracted banks, insurance providers, fund promoters, service providers, and innovative tech companies from all over the world.

Luxembourg's capital is a beautiful medieval city overlooking the Alzette and Pétrusse valleys, and the rest of the country offers idyllic landscapes dotted with towns and villages. The city's modest size offers convenience to many businesses: the airport is only a few minutes away; bus networks are good; and two huge marketplaces, France's and Germany's, are just across the border. Multilingualism is the norm, not the exception, and the country is very foreigner-friendly, with nearly half (47.9%) of the country's population being non-Luxembourgish as of 2018. The country's history, culture, and high standards tend to charm newcomers—and this is only to mention a few of its many attractive features.

Quality of life

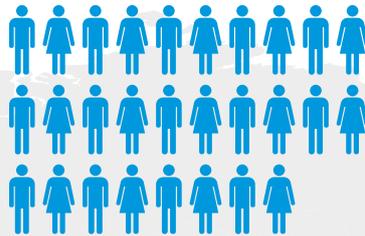
Luxembourg is a synonym for high-quality living. Innumerable international surveys, including the prestigious Mercer Quality of Living Survey, regularly confirm that Luxembourg is an agreeable place to live. Wages and salaries are high, and an extremely rich cultural life is on offer. Luxembourg has also been ranked as the safest country in the world for expatriates, and enjoys both great political stability and quite low levels of corruption and criminality. Furthermore, Luxembourg's employment market is among the EU's most attractive, and has the lowest gender pay gap in the EU.

As a result, the inhabitants of the Grand Duchy feel happy—a conclusion made in a recent Eurostat survey. And the ultimate proof of a good quality of life: Luxembourg has a high life expectancy. So, it's good to live in Luxembourg!



Overall population

602,005



Capital's population

116,328



Foreign nationality

288,234



Official languages

Luxemburgish,
French, German

Renting in Luxembourg



Key facts and trends

Rental housing market overview

Rental market in Luxembourg City

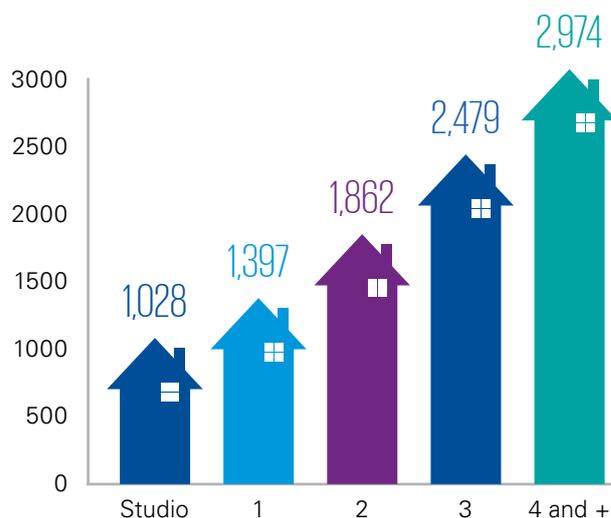
- Around 50% of foreigners prefer to rent.
- Luxembourg City is the most expensive and desired location in the country: in 2017, the average private rental price was €1,657/month for apartments and €3,688/month for houses.
- There is a significant shortage of housing in Luxembourg. This shortage is due to socioeconomic and demographic factors: rising prices, a shortage of new housing, and population growth (immigration).
- Because of the country's size, commuting is rather easy and many people decide to live in neighbouring countries—Belgium, France, or Germany—to avoid high rents.
- Flat-sharing has developed in Luxembourg under the influence of new residents and in response to financial imperatives for young professionals.

Future trends

Rental prices have been soaring for years, and are projected to continue doing so until the housing supply increases. The government has taken measures to promote the construction of affordable housing and to increase the supply of subsidised rental housing.

Average monthly rent (apartments) by size in Luxembourg city

October 2017



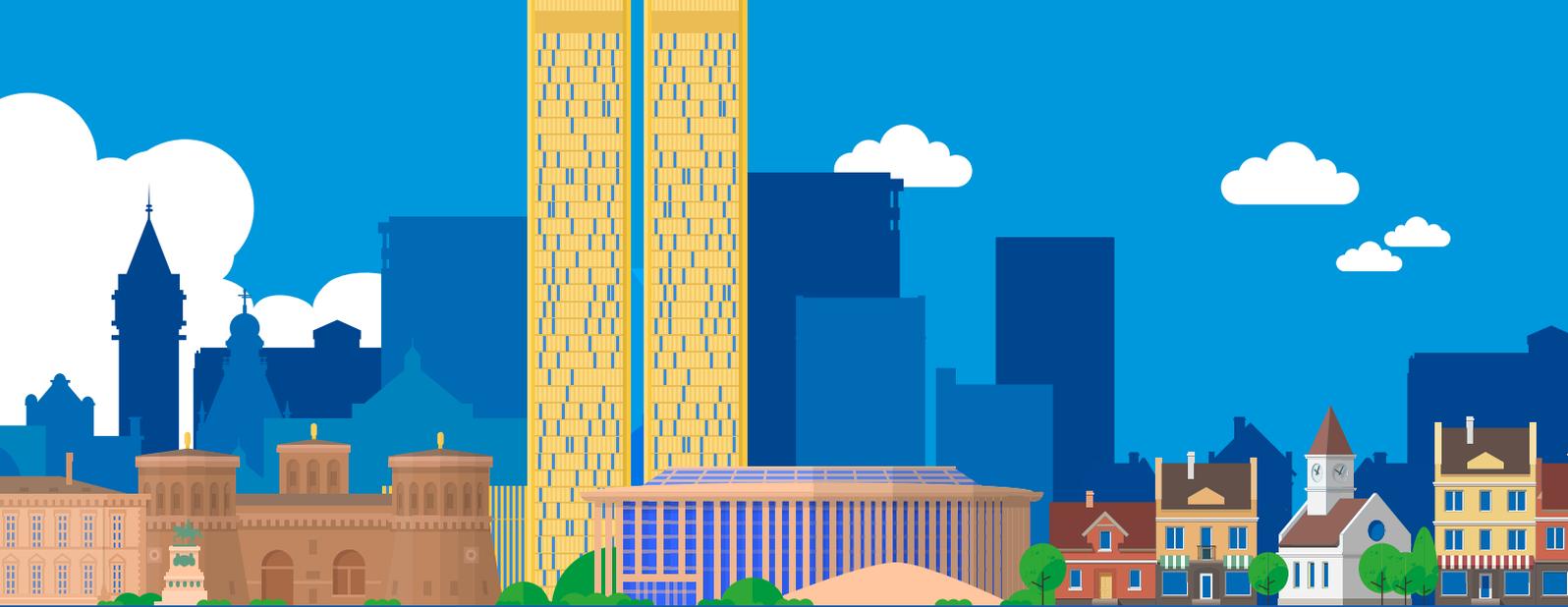
Flat and house rental

Most expensive (€ 25.01/m² and more)

- Ville haute
- Limpertsberg
- Quartier Gare
- Rollingergrund

Most Accessible (less than € 21.50/m²)

- Cessange
- Hamm
- Clausen
- Cents
- Weimerskirch
- Mühlenbach
- Eich
- Beggen



Good-to-know facts on renting

- Demand is high in Luxembourg City.
- Rental properties are typically unfurnished, though sometimes tenants sell appliances and fixtures before moving out. Furnished properties can be rented, though cost more. Rental contracts for unfurnished space normally last for 3 years (6-12 months for a studio), and are renewable every year thereafter. There is a 3-month notice period, which can be shortened if you have to leave for professional reasons.
- Standard requirements often apply such as guarantors, references, agency fees (usually 2-3 months' rent equivalent), 1-3 months' deposit, and sometimes a security deposit (which cannot exceed 3 months' rent equivalent).
- Rental charges are usually included within the rent price, and are adjusted once a year. The tenant pays the expenses of related building/housing services (e.g. tax on household waste, electricity in the common areas, or building maintenance).
- It is mandatory to have rental insurance.
- By law, the landlord is required to give you a copy of the rented property's "energy passport."
- Owners often avoid using "for rent" or "for sale" signs, and estate agencies are often closed on weekends. The expatriate community is strong in Luxembourg, and may have further guidance on finding housing.

Where to live in Luxembourg City

Some popular areas:

Belair – Beautiful and expensive, great location near the city centre.

Beggen – Attractive and affordable, good location behind the business neighbourhood of Kirchberg.

Bonnevoie – Exciting, "up-and-coming" vibe, good location behind the train station, affordable.

Hollerich – Northern half: attractive and moderately expensive, great location near the city centre; southern half (especially towards the east): less attractive in terms of the area.

Limpertsberg – Charming and expensive, great location near the city centre and the business neighbourhood of Kirchberg.

Luxembourg city



Buying in Luxembourg



Flat and house sale

Per square meter, apartments in Luxembourg City are more expensive than houses.



Apartment

€ 7,303/m²



House

€ 6,325/m²

Utilities

Renters and buyers both face additional expenses:

Average heating, electricity, gas costs



- 45m² flat for 1 person: €130/month
- 85m² flat for 2 people: €229/month

Average TV and internet costs



- Smartphone: €40/month
- Internet and telephone (20 mbps): €40/month
- TV/internet bundle: €50/month

Sources: www.expatisan.com, www.numbeo.com, www.public.lu

Key facts and trends

Housing market overview

- Despite high house prices, around 70% of Luxembourgers own instead of rent.
- Luxembourg City is an expensive city. The average mortgage is 20 years, though financial institutions are increasingly extending mortgages to make home loans more accessible (25-30 years, or 40 years under certain conditions).
- The 1 January 2017 tax reform encourages property-buying: the taxable rental value was set to zero, mortgage interest deduction related to a taxpayer's primary residence was increased, and the home saving contributions ceiling tax deductible was doubled.
- Because of Luxembourg's small size, commuting is easy: many people live in Belgium, France, or Germany to avoid high house prices.

Good-to-know facts on buying

- There are no special restrictions for foreign buyers.
- Buying via a real estate representative generally means fees of 2%-5% of the purchase price.
- A written sales agreement is not mandatory in Luxembourg, but is recommended.
- By law, the seller must give you a copy of the property's "energy passport."
- Buyers are legally required to use a notary; fees (fixed by law) are around 1.5% of the property value.
- A deposit of around 20-25% is typically required to attain a mortgage.
- Additional property taxes (incl. a registration tax which is 6% of the property value, and a 1% transcript tax) apply on top of the purchase price. This charge only applies if you exceed the tax-free allowance of €20,000 (for a single person) or €40,000 (for a married couple).
- Before granting you a mortgage, the bank will ask for insurance that covers the outstanding balance of the loan in the event of death.
- The sale agreement, which is legally binding, must be registered with the Administration of Registration within three months of signing.
- Applying for mortgage loans in Luxembourg has become common practice for purchases in Belgium, France, and Germany, provided that you work in Luxembourg.

Future trends

In 2017, STATEC stated that the national and European indicators continued to send out very positive signals. The EC forecasts that the 2017 tax reform will significantly improve households' disposable incomes this year, causing a rebound in domestic demand.

Key areas

Bonnevoie – Exciting, "up-and-coming" vibe, good location behind the train station, affordable.

Cessange – Residential, very affordable, location a little further from the city centre.

Dommeldange – Affordable, good location behind the business neighbourhood of Kirchberg.

Gasperich – Booming area with lots of investment, good location not far from city centre.



Getting around Luxembourg



Transport and infrastructure

Public transport in Luxembourg City is quite good, with buses, bikes, taxis, and a brand new tramway. Travelling within the city is convenient, and connections with neighbouring regions are good. Going further afield, however, usually requires a car. Over 50% of commuters drive to work.

Luxembourg city

31  Bus routes

1  Tram line

~€2 Single journey in Luxembourg City



Bus

The bus network is divided into three major sub-networks: the AVL operates 30+ routes within Luxembourg City; the RGTR operates nationally; and the TICE covers nine municipalities in the country's southwestern region. Increasingly, there are inter-municipal city buses as well.

Night buses operate on weekends until 3:30am.



Tramway

The first section of the tramway opened in December 2017, with eight stations in Kirchberg. Sixteen additional stations are planned, spanning 16 kilometres, to open by 2021.



Foreign workers

Every day, around 189,592 commuters from Belgium, France, and Germany come to work in the Grand Duchy. Many bus routes, rail links, and Park-and-Ride car parks are actively maintained to accommodate them.



Biking

Luxembourg City's bike share programme, *vélo'oh !*, has 75+ docking stations and nearly 1,500 bikes. Country-wide, the network of cycle-paths spans 600 km, with plans to expand it to 900 km.



Taxis and rideshares

Taxis and rideshares are present in Luxembourg City. Kussbuss, a new rideshare specially for commuters, was launched in February 2018. There is also an electric-car-sharing programme, Carloh.



Traffic

Luxembourg City suffers from traffic congestion, especially during rush hour, up to 40 minutes can be added to commute times. The new tram is expected to improve this.



Information

The *mobilitéit.lu* app offers real-time information on public transport. Many bus stops (and all tram stops) have signs with real-time updates as well.



Public transport fares

- single journey: €2
- single all-day ticket: €4
- country-wide transport ticket: €50/month

The *Mobilitéitspass*, or *mPass*, is an annual pass that can be acquired through your employer, offering unlimited use of all public transport in the country, as well as some cross-border features. Discounts are granted depending on company size and number of employees.



Cross-border transport fares

- **RégioZone 1** (most locations near Luxembourg's border) bus ticket: €5 (single), €85 (month-long pass)
- **RégioZone 2** (further locations, e.g. Dillingen) bus ticket: €9 (single), €135 (month-long pass)
- **Flex Pass Regio bus pass** (combination of *mPass* and *RégioZone*): €310 (Zone 1), €750 (Zone 2)



International travel

Train connections

Nestled in the heart of Western Europe, Luxembourg is well-placed for rail travel, with trains to Paris (2 hours), Frankfurt (3.5 hours), and Brussels (3 hours).

Air travel

Luxembourg airport

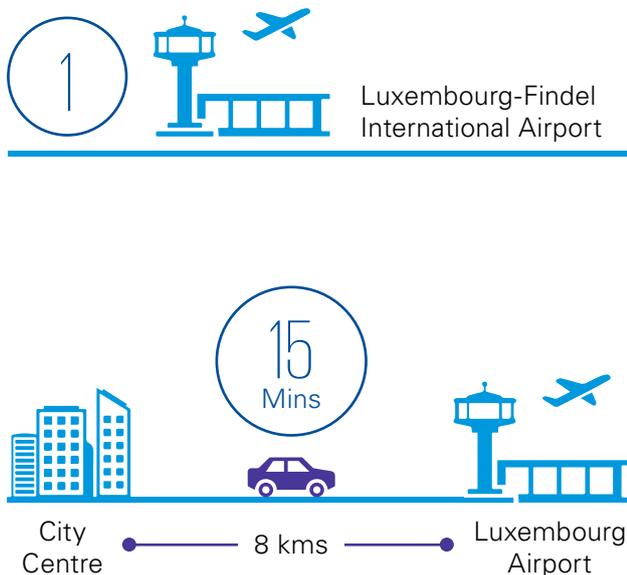
The Luxembourg-Findel International Airport has 16 airlines flying to 75+ locations in 24 countries. It came eighth in the Skytrax World Airport Awards (category: best airports under 5 million passengers), and is the sixth largest cargo hub in Europe.

Nearby airports

There are convenient shuttle/bus transport services from Luxembourg to Frankfurt-Hahn airport (113 km away) and to Brussels South Charleroi Airport (189 km away). Lorraine airport is also only 90 km away.

Weekly Flight Connectivity

Non-stop flights from Luxembourg Airport



Education in Luxembourg city



Luxembourg has an excellent system of state-funded public schools as well as fee-paying private and international schools. It also has many institutes, tertiary programmes, and an internationally competitive university.

Schools

Luxembourg has state, international, and privately run school options. School is compulsory from ages 4-16.

Most young people are enrolled in a free public school, nearly all of which are multilingual melting pots of Luxembourgish, French, German, and other European languages. Some private and international schools offer an education in the same style as the public system, while others differ in language(s) spoken or teaching methodology—but only the public schools are free.

In public schools, most pupils speak Luxembourgish amongst themselves, but the language of instruction is usually German in primary school and parts of secondary school, before switching to French for the final years. Some schools have recently introduced English streams as well.

The following bodies will have more information on the schooling of foreign children:

- The Department of Schooling for Foreign Children (*Service de la scolarisation des enfants étrangers*)
- CASNA
- Intercultural mediators

State school system in Luxembourg

Education type	School type	Age	Comment
Primary	Fundamental school (Cycle 1)	3	— optional pre-school-equivalent year (age 3) — mandatory (ages 4-6)
Primary	Fundamental school (Cycles 2-4)	6	— 3 cycles of 2 years each
Classical secondary education (ESC)	Lycée classique (classical secondary school)	12	— 7 years — prepares students for university and higher educational studies
General secondary education (ESG)	Lycée technique (technical secondary school)	12	— 6-8 years — prepares students for working life



Travelling to school

There are school buses of course, but additionally public transport is free for anyone under 12 (no ticket required). Around one third of parents drive their children to school.

Secondary schools also issue a school card ("myCard") to their pupils, which permits them free travel on public transport to school and back.



Back-to-school allowance

A lump-sum back-to-school allowance is paid every August to eligible parents whose children are at least 6 years old and haven't yet finished secondary school:

- €115 per 6-12-year-old child
- €235 per >12-year-old child



International and private schools

International schools cost around €8,000-€15,000 per year, though three free ones are due to open in 2018, respectively in Junglinster, Mondorf, and Clervaux. Well-regarded, established institutions include:

1. International School of Luxembourg – ISL (English-speaking)
2. St George's International School Luxembourg (English-speaking)
3. Ecole et Lycée français de Luxembourg (French)
4. Over the Rainbow International School
5. École Internationale de Differdange (English, French, and German streams)



University of Luxembourg

Luxembourg's only university features among the world's top 200 (according to Times Higher Education). Located in Belval, near the country's second city of Esch-sur-Alzette, it welcomes nearly 6,200 students from 120 different nationalities every year. It has three research and interdisciplinary centres, and three faculties:

- The Faculty of Science, Technology and Communication (FSTC)
- The Faculty of Law, Economics and Finance (FDEF)
- The Faculty of Language and Literature, Humanities, Arts and Education (FLSHASE)

The university offers 12 bachelor degree programmes and 42 master degrees, as well as 13 vocational training and lifelong learning courses and four doctoral schools.



Availability

Waiting lists for both private and international schools can be long: applying earlier is better.

Finding childcare in Luxembourg



In Luxembourg you are entitled to 20 weeks' maternity leave (8 weeks prior to the estimated delivery date and 12 weeks after delivery) and 4-6 months parental leave. Under certain conditions you can take part-time parental leave instead, for a longer duration. Fathers are entitled to up to 10 days' paternity leave.



Day care (crèches)

- From 3 months to 4 years old, and before its compulsory schooling starts, a child can be placed in a crèche, or day care centre. These can be run by the municipality, privately, or under a state agreement.
- Municipal crèches are open from 7:30am-6:30pm and children who are ill may not attend.
- Crèches vary in educational concept: there are organic-approach crèches, company crèches, multilingual crèches, woodland crèches (Béschrèche), and others.
- There are no night-time crèches in the Grand Duchy; legally it is not allowed.
- A new concept of “mini-crèches” is expected soon to be validated legally.



Day nurseries

- Day nurseries take children aged 2 months to 8 years, for up to 16 hours/week. Like crèches, they can be municipally run, operated under a state agreement, or private.
- A multilingual educational programme for 1-4 year olds has recently been introduced.



Day centres

- Day centres offer care for pupils aged 4-12 before and after school. They also offer days of activities during school holidays.



“Maison relais” for children

More flexible in terms of conditions than crèches and day nurseries, maison relais look after children aged 3-12 (and in some cases up to 18). They are open from 7:00am-7:00pm, offering supervision, meals, activities, and help with homework.



“Au pair” placement

Au pairs live with a family, minding children and helping with chores for around 5 hours/day. A legal framework regulates au pair placement in Luxembourg.



Parental assistants

Parental assistants are licensed to, in their own homes, look after children ages 0-12 during the day and/or at night. In Luxembourg there are 700+ of them, with an average cost of €4/hour.



Child benefit

All children are entitled to a monthly allowance payable from birth until the end of schooling (up to age 25).

- €265/month per child under 6
- €285/month per child 6-11
- €315/month per child 12 and over



Child service vouchers

The Chèque Services Accueil (CSA) is the state's contribution towards childcare costs (for children up to 12), paid directly to approved care providers. It is calculated using the family's income, number of children, and number of childcare hours needed. Cross-border workers can also benefit from the CSA system.

Local leisure and cultural attractions



Luxembourg punches far above its weight class in terms of art, food, and leisure.

Luxembourg city

563 
Bars

885 
Restaurants

Average prices

Lunch

Average meal cost:

€15

Nice restaurant cost:

€49

Dinner

Basic dinner out for two in neighborhood pub:

€46

Sources: <http://www.visitluxembourg.com/en>



Restaurants and nightlife

- Luxembourg's range of authentic cuisines mirrors the diversity of its residents: there are traditional Luxembourgish restaurants, as well as Japanese, Italian, Greek, Portuguese, and more.
- High-end diners will appreciate the 12 Michelin-starred restaurants (the highest concentration per capita in the world).
- Famous local dishes include Judd mat Gaardebounen (smoked and salted pork with broad beans and potatoes in a creamy sauce) and Gromperekichelcher (potato pancakes).
- There are plenty of bars, pubs, and nightclubs in Luxembourg. Enjoy DJs, bands, open mics, pub quizzes, and loads more. You'll find no shortage of happy hours, locally dubbed "afterworks."



Green spaces

Around 25% of Luxembourg City is green space. Dog-walkers, pram-pushers, leaf-peepers, evening-strollers, and commuters all enjoy the parks and gardens.



Sports and films

Luxembourg offers many opportunities for the sporty: football, tennis, cycling, and ice-skating are all quite popular, and additionally there are 38 swimming pools, 6 golf courses, 4 rugby clubs, and several major gymnasiums. In Luxembourg City alone there are 160 sport and fitness courses for all ages.

Movie-going is also popular in Luxembourg. Most films are shown in their original version with subtitles in French, German, Dutch, or English.



Attractions

Families with children will enjoy the country's many playgrounds and adventure parks, as well as "Le parc merveilleux," a theme park and zoo in Bettembourg.



Shops (retail stores)

In the City, the shopping hubs are in the Ville Haute (upper city) and the Gare (the train station neighbourhood). There are also several large shopping centres in the outer parts of the city, notably the Belle Etoile (in Bertrange), the City Concord (also in Bertrange), and Auchan (in Kirchberg). The nearest IKEA is just across the Belgian border.

Most shops in Luxembourg City are closed on Sundays and on Monday mornings, with occasional holiday exceptions. For the rest of the week, they generally close at 6pm on weekdays and 7pm on Saturdays.

65

Museums in
Luxembourg

12

Museums in
Luxembourg city



Museums

For its modest size, the capital has an impressive concentration of museums spanning both history and art. The seven main ones, whose locations form a smile on the map, are Villa Vauban, Casino Luxembourg, Lëtzebuerg City Museum, Musée National d'Histoire et d'Art, Natur Musée, Draï Eechelen, and MUDAM.

The Luxembourg Card permits access to 60+ museums and attractions—as well as public transport—in the country. An individual card is €13/day, a family card (2-5 persons) €28/day.

Special events are organised annually, such as *The Night of the Museums* (an evening when all the museums are free) and *L'invitation aux musées* (an open-doors weekend).



Music venues

The Philharmonie is home to the Orchestre Philharmonique Luxembourg, and hosts many other orchestras, ensembles, solo musicians, plays, movie screenings with live soundtrack, and more.

The Rockhal is Luxembourg's biggest concert venue, its Main Hall accommodating audiences of up to 6,500. Bands and artists of many genres play here, as well as stand-up comedians and other acts.

Den Atelier has been an institution of live music since 1995, offering a diversity of musical acts.

The Rotondes is a one-of-a-kind venue consisting of two abandoned railway roundhouses. The cultural centre hosts musicians and visual art exhibitions, as well as conferences and workshops.



Big events

Luxembourg's National Day is celebrated on 23 June, in commemoration of the birthday of His Royal Highness the Grand Duke. The main celebration, however, takes place on its eve, and takes the form of partying, live music, fireworks, and dancing in the streets.

The Schueberfouer, the biggest funfair in Luxembourg, takes place every year for three weeks in August/September in the Glacis (near the city centre). The fair has been held annually since 1340.

The Grande Braderie takes place in Luxembourg City on the first Monday of September. The streets are closed to traffic and are filled with food, games, and discounted shop items.

During the city's Christmas Markets in December over a hundred wooden chalets are set up, selling handicrafts, clothes, toys, and delicious culinary treats—from traditional Gromperekichelcher and Glühwein to more exotic flavours from far-flung destinations.

The Luxembourg Marathon, which is held annually, is more than just a marathon: there are team runs, partial length runs, food stands and partying, and a huge influx of visitors and supporters.



Religion and culture

Luxembourg City is a highly diverse and international centre of free thought.

The country's predominant religion is, and has traditionally been, Catholicism. The main religious building in the City is the Cathedral of Notre-Dame de Luxembourg. As of 2017, religion is no longer taught in public schools.

Many other religions are prevalent as well, including Protestantism, Judaism, Islamism, and Anglicanism. (As the law prohibits questions about religion in population censuses, there are no recent statistics on this subject).

Luxembourg City has around 74 places of worship spanning all the religions above.

Typical package components

Luxembourg is well-known for offering highly flexible remuneration packages. In Luxembourg, a remuneration package comprises three elements: base salary (fixed salary), variable salary (e.g. performance bonus, sales bonus), and fringe benefits (e.g. company car, meal allowance). The proportions of these elements varies per sector as well as the grade of the employee.



Fixed salary

Salaries are paid in twelve monthly payments. An additional month's salary (dubbed "the 13th month's salary") is a common component of fixed pay, typically paid in December.

Luxembourg has the highest minimum wage in the EU, ranging from €1,998.59/month for low-skilled employees to €2,398.30 for highly-skilled ones (as of 2018). Age is also taken into account.



Benefits in kind

Luxembourg's top four fringe benefits are meal allowances, company cars, parking slots, and company pension schemes (2nd pillar).

Besides these, companies are investing more and more in employee happiness and health, and workplace quality-of-life (e.g. fruit baskets, Sympass cards, internal fitness facilities, crèches, and concierge services).



Work and vacation

The Labour Code has fixed the workweek at 40 hours (8 hours/day). Excess of this qualifies as overtime, which is governed by strict rules.

All employees are entitled to 25 days' annual leave, minimum. Additionally there are 10 public holidays every year (those falling on weekends or public holidays becoming paid days of leave to be used another time).

Additional days off are granted for special events (marriage, death of a close relative, etc.)



Healthcare benefits

Luxembourg's healthcare system ranks among the best in the world, and its national health insurance scheme among the broadest.

Employees, if ill enough to miss work, must inform their employers on the day, and if illness continues a medical certificate must be submitted on the third day. Employers will pay full salary from the first day missed.

Taxation in Luxembourg

Luxembourg has maintained competitive tax policies within the EU, with attractive rates for individuals, a reliable and affordable social security system, and a top VAT rate of only 17%. These advantages can go a long way in keeping your hard-earned cash in your pocket.

Tax rates vary between 0% and 45.78%. The highest bracket, 45.78%, is applicable on income above €200,004 for single taxpayers (€400,008 for couples taxed jointly). The deadline for tax returns is 31 March following the year-end, but an extension is easily available until 30 June.



Below are some highlights of Luxembourg's tax and social security systems. Find more details in our free [online tax calculator](#), our [Taxation of individuals](#) brochure, or our [Taxation of international executives](#) database.



Types of income

Luxembourg taxes incomes differently according to their type. The main categories are:

- employment income (progressive tax rates)
- income from independent activities, including director's fees (progressive tax rates)
- pension income (progressive tax rates, conditional exemptions available)
- investment income (20% if conditions are met; otherwise progressive tax rates)
- rental income (progressive tax rates, conditional partial exemptions available)
- capital gains (progressive tax rates, conditional [partial] exemptions available)

Luxembourg also allows certain limited deductions from taxable income, including alimony, debit interest, mortgage interest, pension contributions to a company or private pension plan, and donations to qualifying charities. Contributions to a mandatory social security system are fully deductible.



Resident versus non-resident taxation

Luxembourg residents are taxable on their worldwide income, whereas non-residents are, in principle, only taxable on income from Luxembourg sources (and eligible for only limited deductions). Luxembourg's many tax treaties with other countries prevent many cases of double taxation.

Special provisions apply for those living in Belgium or Germany and working in Luxembourg: the lower Luxembourg tax rates apply on your full employment income as long as no work is done outside Luxembourg for 24+ days (if Belgium-resident) or 19+ days (if Germany-resident).

If you earn 90%+ of your taxable income in Luxembourg (for residents of Belgium, 50%+ of the household's professional income), you can opt for Luxembourg-resident treatment and benefit from all the corresponding deductions.



Impatriate tax regime

Qualifying international employees could benefit from the impatriate tax regime. The main condition is that they must live at least 150 km away from the Luxembourg border at the time they are hired. Under the impatriate tax regime, certain expenses can be reimbursed tax-free (some of them up to a limit), including relocation costs, rent/ utilities, school fees, and cost-of-living allowances



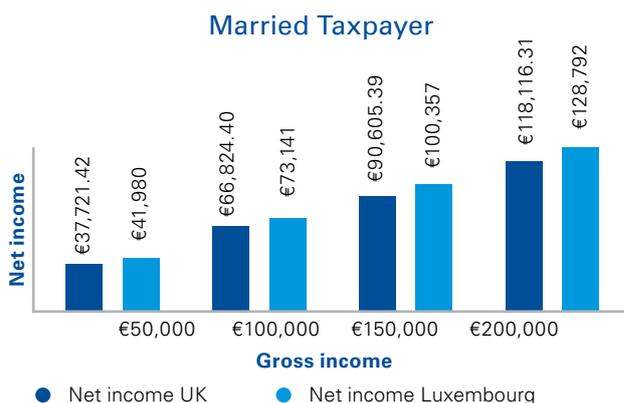
Tax relief

Luxembourg offers many tax credits and allowances. A general tax credit of €300-€600 is available for those whose income is €936-€80,000 and who are employees, self-employed, or pensioners. Tax credits for single parents, as well as allowances for children's education and extraordinary charges, are also available.



Social security

Luxembourg has a comfortable and reliable social security system that covers sickness, pays (state) pensions, and offers mutual insurance, accident insurance, workplace health insurance, and dependence insurance. Employers (at a rate of 12.27%-15.01%), employees (12.20%-12.45%), and the self-employed (24.47%-27.46%) all pay into the system. Most contributions are capped at a maximum income (€119,915/year in 2018)—only dependence insurance contributions are payable on the full income.



Helpful websites



Government websites

- <http://www.guichet.lu>
- <http://www.luxembourg.public.lu>
- <http://www.cc.lu/en/home/>



Informational

- <http://www.visitluxembourg.com/>
- <https://www.lcto.lu/>
- <http://www.luxembourg.public.lu/en/index.html>
- <https://www.expatica.com/lu/>
- <http://www.justarrived.lu/en/>



News

- <https://luxtimes.lu> (English)
- <http://paperjam.lu/> (French)
- <http://www.delano.lu/> (English)
- <http://www.chronicle.lu/> (English)
- <https://www.siliconluxembourg.lu/>



Expat communities

- <http://www.luxembourg.public.lu/en/vivre/sinstaller/associations-expat/index.html>



KPMG web sites

- KPMG Luxembourg
- KPMG Luxembourg Tax Calculator
- Taxation of international executives
- Taxation of individuals
- Luxembourg Tax alerts



Banks

- <https://www.bcee.eu/en/expats/>
- <https://m.bgl.lu/en/individuals/>
- <https://www.ing.lu/webing/content/siteing/en/Individuals.html>
- <https://www.post.lu/en/particuliers/ccp/compte-courant-ccp>



For executives and HR professionals: Relocation

Relocating (part of) a workforce seems daunting, but it does not have to be. Sound planning—and borrowing the expertise of KPMG Global Mobility Services and KPMG People & Change Advisory—can go a long way in easing the process.



Planning

Many stakeholders are involved in the decision to relocate. It is important to bring them together, keeping in mind the diversity of interests and responsibilities they bring, and cover key items including:

- confirmation of each stakeholder's buy-in
- workshops for HR/mobility managers covering the chosen approach
- plenary presentation to employees with Q&A
- cost-projection of the move and its effect on the budget
- overview of compliance requirements
- social security comparison (to guide policy decisions)
- pension comparison (to guide policy decisions)
- relocation policy drafting, considering the priorities of the organisation
- VIP support (additional services or enhanced packages)

- sourcing immigration support (for work visas, residence permits, etc.)
- on-site or digital help with settling-in issues (e.g. registration, personal taxes, social security)
- estimated net income calculations for employees



After-care

Following the move, after-care should be available, such as:

- ongoing tax compliance support
- refresher presentations to employees
- more extensive VIP support (if such a package was opted for)



Communication

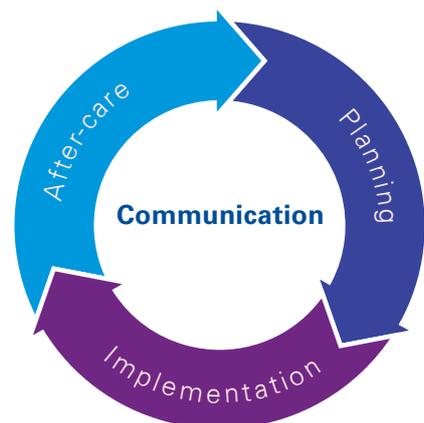
Throughout the process, clear and timely communication is a must.



Implementation

Once the policies are drafted and the affected employees identified, the implementation phase begins. This entails:

- setting up a new HR administration
- engaging and coordinating third-party vendors (e.g. relocation services, language support)



Contact



Sebastien Labbe

Head of Tax

T: +352 22 51 51 5565

E: sebastien.labbe@kpmg.lu

kpmg.lu



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