

## The cost of work-related disability for the employer

By way of reminder, in the event of an employee's incapacity for work, the employer has the obligation to keep paying the employee's full salary for the first 77 days of disability. The employer will get 80% of that burden reimbursed by the mutual benefit insurance. Beyond these first 77 days, the National Health Fund takes over from the employer and compensates the employee in case of work-related disability.

According to the principle of "wage continuation," in the event of an employee's incapacity for work because of occupational accident or illness, the employer is required to keep paying that employee's full salary for the first 77 days of work-related disability.

These are calculated in terms of calendar days over a sliding reference period of 12 successive months. Once the number of days is reached, the employee's salary will be assumed fully (100%) by the National Health Fund, and the employer will therefore no longer pay the salary of the person unable to work.

In reality, it is only as of the month following the occurrence of that 77<sup>th</sup> day that the National Health Fund will start paying for the employee, and will inform the employer accordingly in writing. The employer therefore need not worry about the calculation of the 77 days which is done automatically by the fund.

When a person comes under the purview of the National Health Fund, s/he will be paid by the latter only for the days s/he is sick. The employee must then normally be paid by the employer for days when s/he actually comes to work.

The National Health Fund draws up a statement of work-related disabilities based on the monthly declarations of disability by the employer as well as the medical certificates it receives. It is therefore necessary to proceed rigorously with all the notifications of illness. On this basis, the National Health Fund informs the employer when an employee falls under its purview and when s/he reverts to the employer's purview.

It is worth noting that the days of illness during which the employee is in charge of the National Health Fund are not counted in the 77 days. Thus, it is well conceivable that an employee reverts to the employer's purview even though he had been ill whilst under the purview of the National Health Fund, because the number of 77 days booked over a sliding period of 12 months would no longer be reached.

The 77 days are counted individually for each employer. So in the event of a change of employer, the tally is reset to zero.

When the National Health Fund compensates the employee directly, it assumes the highest basic salary in the three months prior to the commencement of payment of compensation. Remuneration in kind such as accommodation provided by the employer, company car or meal vouchers, is not taken into account.

During the period of continued remuneration when the employer is required to keep paying the full salary of the employee with work-related disability (i.e. before the employee falls under the purview of the National Health Fund), the Employers' Mutual Insurance automatically reimburses the employer for 80% of the overall wage burden (gross remuneration + employer's charges).

On the basis of monthly statements of periods of work-related disability and gross remuneration, the Joint Social Security Centre (Centre Commun de la Sécurité Sociale - CCSS) calculates automatically the amounts to be reimbursed to the employer. This reimbursement will be carried out by means of a social security invoice referenced "mutual insurance reimbursement." This amount will be credited to the Joint Social Security Centre's invoice and offset with contributions due for the various risks.

By way of exception, work-related disabilities that occurred during the first 3 months of the trial period, leaves for family reason, and family hospice leave are reimbursed fully (100%) by the Employers' Mutual Insurance.

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