

Operating declaration

Any new employer (natural or legal person) wishing to hire employees on the territory of the Grand Duchy for the first time, must first file an **operating declaration** with the *Centre commun de la sécurité sociale* (CCSS) [Social Security Office]. This formality concerns also companies established outside Luxembourg that employ staff subject to Luxembourgish social security.

Following this statement, the CCSS will issue a **certificate of affiliation** and give a **registration number** so that the company can be recognised as an employer and be affiliated with the social security office. It should be noted that a company already affiliated in Luxembourg will have to file a new operating declaration if it undergoes a change in legal form.

The data to be indicated in the operating declaration are divided into three parts: the first concerns the employer, the second the company and the third the responsible person in the Grand Duchy.

The publication number of the deed of incorporation in the *Mémorial C* [Official Gazette] should be indicated in the first part. On 1 June 2016, the *Mémorial C* was replaced by a list of publications available online on the *Registre du Commerce et des Sociétés* (RCS) [Trade and Companies Register]: www.rcsl.lu. If the public number cannot be entered (more particularly for foreign companies) a copy of the company's articles of association should be appended to the declaration.

The operating declaration must be filed at the latest within **8 days as of the start date of the 1st employee**. If this declaration has not been filed, it will not be possible for employees to be affiliated with the social security office. In practice, to speed up the processing, declarations of hiring new employees can be appended directly to the operating declaration.

During this process, the CCSS will moreover affiliate the company to the **Mutualité des employeurs** [Employers' Mutual Insurance Fund]. This fund is financed particularly by a contribution from employers, the rate of which is fixed every year, according to 4 classes.

The "Mutual Insurance" contribution rates for 2017 are as follows:

- Mutual insurance class 1: 0.51%
- Mutual insurance class 2: 1.23%
- Mutual insurance class 3: 1.83%
- Mutual insurance class 4: 2.92%

Every new employer will fall under class two until the end of the second financial year following his affiliation. A new mutual insurance class will then be determined every year based on the absenteeism rate during the previous year.

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