

## What is the mutual insurance class?

All companies recently received a letter from the Employers' Mutual Insurance indicating the mutual insurance class attributed to them for 2018.

This mutual insurance enables employers to get back 80% of the wage costs they support for their employees who are absent due to illness. In fact, the employer must keep paying these employees during their illness.

This scheme is financed in particular by a contribution by the employers, the rate of which is fixed every year in accordance with 4 classes. A class is attributed on the basis of the employee absenteeism rate over an observation period of 3 years. Thus, the rate attributed in 2018 is based on the absenteeism recorded between 1 January 2014 and 31 December 2016.

The "Mutual Insurance" contribution rates for 2017 are given below:

- Class 1 : 0.51%
- Class 2 : 1.23%
- Class 3 : 1.83%
- Class 4 : 2.92%

The applicable contribution rates in 2018 are not yet known. They will be disclosed presently by the Social Security Office.

Any company that hires personnel must necessarily be affiliated with the Employers' Mutual Insurance. This affiliation is carried out through the operating declaration.

Every new employer falls under class 2 until the end of the second financial year following that of his affiliation. A new mutual insurance class is then determined every year according to the employee absenteeism rate over a period of observation of 3 years.

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