

PINBOARD

JULY 2022

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1 TELEWORK AND SOCIAL SECURITY: TRANSITION PERIOD UNTIL 31 DECEMBER 2022

Whereas the derogatory agreement on social security linked to COVID was due to end on 30 June 2022, the Administrative Commission for the Coordination of Social Security Systems has finally decided to extend this arrangement **until the end of the year**.

In March 2020, at the beginning of the COVID-19 pandemic, Luxembourg and its neighbouring countries had decided that periods of telework performed on their territories by their border residents due to the coronavirus would not be taken into account when determining the applicable social security legislation. This neutralization measure was to end on 30 June 2022.

More specifically, in principle, when an employee works **at least 25%** of his working time and/or receives 25% of his remuneration in his country of residence, all the remuneration received in the different countries is subject to a single social security system, that of his country of residence.

Teleworking days therefore add to this 25% figure, thereby limiting the possibilities for frontier workers to telework if they want to remain affiliated to the Luxembourg social security system.

Nevertheless, the members of the Administrative Commission for the Coordination of Social Security Systems in the European Union have decided to establish a **transition period of 6 months starting on 1 July 2022 and ending on 31 December 2022**. During this transitional period, an **administrative** tolerance will be applied, allowing frontier workers to continue to carry out their work in the form of teleworking from home, without fear of changing their social security affiliation if the 25% threshold provided for in the European legislation is exceeded.

2 TELEWORK AND TAXATION: NO EXTENSION OF FREEZE AGREEMENTS

*Contrary to social security, the tax agreements by and between Luxembourg and the border countries concerning the freezing of tolerance thresholds officially ended on **30 June 2022**.*

Thus, after a little more than 2 years in force, the competent authorities of Luxembourg, Germany, Belgium and France have decided to terminate the tax agreements providing for the freezing of the tax tolerance thresholds relating to the health crisis.

From now on, these thresholds are fully applicable again and it is therefore no longer possible for frontier workers to telework beyond these thresholds if they wish to remain taxed at 100% in Luxembourg. If these thresholds were to be exceeded, all the days of activity provided in the country of residence within the framework of telework would be taxable in that country (and no longer in Luxembourg).

By way of reminder, the thresholds are the following:

- ▶ **19 days** for German residents;
- ▶ **29 days** for French residents;
- ▶ **34 days** for Belgian residents.

For this year 2022, cross-border workers will therefore be able to use all of these quotas between 1 July and 31 December. In the case of part-time work, the tax tolerance thresholds are to be prorated for cross-border workers residing in Belgium and France. The rounding off into a number of full days is done upwards for Belgian residents and downwards for French residents. For Germany, the tolerance threshold of 19 days does not have to be prorated in case of part-time work.

3 ENTRY INTO FORCE OF THE ENERGY TAX CREDIT (ETC) AND POSTPONEMENT OF THE NEXT INDEXATION TO APRIL 2023

*In view of price inflation, and following the decision to postpone the indexation to April 2023, a new **Energy Tax Credit (ETC)** is applicable as of this month of July to help Luxembourg and cross-border households.*

This ETC will be paid directly by the employer to the employee via the salary slip and will benefit both residents and cross-border commuters. Depending on the employee's gross salary, the amount can be **up to €84 per month**. Like the employee tax credit, this tax credit does not represent an additional cost for the employer since it is deducted from the withholding tax.

The ETC is to enter into force **as of July until the next indexation which will take place in April 2023** following the postponement decided by the government this year. This tax credit will therefore be applicable for 9 months, from July 2022 to March 2023.

Here are the concrete terms of application:

- ▶ for salaries between €936 and €44,000 gross per year, the ETC will amount to €84 per month;
- ▶ for salaries between €44,001 and €68,000 gross per year, it will amount to at least €76 per month for this income bracket, and will then be gradually reduced to 0 for salaries above €100,000 per year.

The exact figures per month are as follows (based on gross monthly salary):

Gross monthly salary (in EUR)	Amount of ETC (in EUR)
78	84
100	84
500	84



Gross monthly salary (in EUR)	Amount of ETC (in EUR)
1 000	84
1 500	84
2 000	84
3 000	84
3 500	84
3 667	84
4 000	82,67
4 500	80,67
5 000	78,67
5 500	76,67
5 667	76
6 000	66,52
6 500	52,27
7 000	38,02
7 500	23,77
8 000	9,52
8 334	0



4 COVID-19: REDUCTION OF THE ISOLATION PERIOD FROM 10 TO 7 DAYS

While the previous version of the COVID Act provided for a 10-day isolation period in case of contamination, the new consolidated version reduces the period to 7 days.

The new consolidated version of the Measures to Combat the Pandemic Act of 17 July 2020, applicable since 1 July, has reduced the isolation period for people infected with COVID-19 from 10 days to **7 days**.

In addition, the isolation period may be terminated before the 7-day period has elapsed if the person concerned performs two rapid antigen tests within 24 hours of each other with negative results.

Certificates of incapacity for work and isolation or quarantine orders should be sent directly to the e-mail address saisieCIT.cns@secu.lu, specifying the insured's social security number in the subject line.

5 CERTIFICATE OF AFFILIATION NOW AVAILABLE ON MYGUICHET!

Many administrative procedures require the submission of a certificate of affiliation to the Centre Commun de la Sécurité Sociale (CCSS) [Joint Social Security Centre]. From now on, this certificate will be available directly on MyGuichet in your personal space.

The eDelivery function for the certificates of affiliation and of income can now be **activated** on MyGuichet.lu, courtesy of the Joint Social Security Centre. **The employee can now obtain** these certificates in electronic form in his or her private space on MyGuichet.lu. To benefit from this new service, he or she must:

- 1. Subscribe to the eDelivery function** specifically for the CCSS through his or her private space of MyGuichet.lu under the heading «My data» by selecting «Health/Social», then «Joint Social Security Centre (CCSS)». This step is **essential** to be able to receive the documents in the private space;
- 2. Then order the certificate** on the CCSS website via the «Commande de certificats» -> «Particuliers» section

Instead of receiving a letter by post, the insured person will be informed by e-mail as soon as the certificate is deposited in his private space.

It should be noted that this certificate of affiliation is essential for the employer for certain claims for reimbursement, in particular for paternity leave or training leave.

Another service now available is the **consultation of data relating to affiliation** with the social security system. The insured person can consult his or her affiliations, updated daily, in the CCSS section of MyGuichet.lu.

6 FLEET: AID TO COMPANIES TO INVEST IN CHARGING STATIONS FOR ELECTRIC VEHICLES

On Tuesday 5 July 2022, the Chamber of Deputies adopted a new law under the terms of which companies investing in charging infrastructure for electric vehicles can obtain state aid.

The aim of this new aid scheme is to **stimulate the development of electromobility** in Luxembourg and to **encourage companies to convert their fleet gradually to zero-carbon vehicles**. In addition, it will accelerate the deployment of charging points for electric vehicles in the country in order to expand the network and thus meet the public's need as the number of electric cars increases.

The new grants apply to the installation of publicly accessible charging points and private charging points in companies.

- The first aid instrument is reserved for small and medium-sized enterprises (SMEs) that wish to install charging stations in their car parks for the benefit of their employees or customers. On simple request, SMEs can receive a **grant** of up to:
 - ▶ **50% of the costs relating to the charging stations** (with a limit of €40,000);
 - ▶ **60% of the costs relating to the connection to the electrical network** (with a limit of €60,000).
- The second type of aid, which benefits all companies regardless of their size, is awarded following an **invitation to tender** for projects to create or expand one or more publicly accessible and private charging facilities with a charging capacity of at least 175 kilowatts. The projects selected will be eligible for a **subsidy of up to 50% of the investments relating to the deployment of charging stations**. The projects that are most accessible to the public will be favoured in the selection procedure.

In order not to penalize companies that use leasing solutions for the deployment of publicly accessible or private charging stations, they will also be able to benefit from the above-mentioned aid in the form of a discount on the leasing contract.

Luxinnovation, the national innovation agency, provides a first point of contact for companies interested in investing in a charging infrastructure, at the following e-mail address: aides@luxinnovation.lu. The agency offers support on the administrative side, in particular for the verification of eligibility criteria and the use of aid application forms.

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