

Seizure and assignment

Seizures (also called attachment of earnings)

An attachment of earnings is the judicial procedure through which a creditor blocks, in the hands of the employer, a legally determined part of the sums due by a salaried worker who does not honour his financial commitments.

When an attachment of earnings order has to be made, it is notified to the employer by the magistrate's court.

During the suspension phase, i.e. the period between the **notification of the attachment order** to the employer and the validation of judgement, the employer must:

- **within 8 days** of the notification of the attachment order, send a **positive declaration** to the court and confirm to the magistrate that the salaried worker concerned is indeed in his employ and indicate:
 - the monthly net remuneration paid;
 - any assignments of salaries;
- deduct the seized legal amount from the salaried workers net salary;
- retain the seized amount whilst awaiting final validation of the judgement.

After validation of the judgement, i.e. when the judge has confirmed that the salaried worker owes the requested amounts, the employer must:

- continue to deduct the seized amounts from the worker's salary;
- transfer the seized amounts to the seizing creditor until the debt is repaid in full.

If the salaried worker no longer works for the employer, the employer must send a **negative declaration** to the court within 8 days of notification of the attachment of earnings order.

Any employer who does not send a declaration to the court and/or does not seize the legal deductions may be convicted purely and simply as the debtor to repay the amount of debt.

Assignment

The assignment is a voluntary act by the employee whereby he authorizes his employer to transfer a portion of his salary to another person; the validity of the assignment is subject to the drafting of a prior written agreement between the employee (assignor) and the creditor or assignee (eg bank, credit institution, etc.).

When an assignment order is called, it is notified to the employer by the creditor.

An employee can only have one applicable assignment at a time.

Calculating the seizable/assignable share of salary

The seizable/assignable part of a salary is determined on the basis of the **net monthly salary** divided into **5 levels**. A **new Grand Ducal regulation of 7 March 2023** will enter into force on **1 April 2023**. On that date, **new earnings brackets** will apply in accordance with the following table. These have been modified to take into account the increase of the sliding wage scale. For each earnings bracket, an attachable portion is defined by law.

Level	Monthly limits per salary level	Percentage of deduction
1	up to EUR 850 (inclusive)	unattachable portion of wages
2	from EUR 850.01 to EUR 1,300 (inclusive)	10%
3	from EUR 1,300.01 to EUR 1,600 (inclusive)	20%
4	from EUR 1,600.01 to EUR 2,600 (inclusive)	25%
5	from EUR 2,600.01	unlimited

Example

a debt of EUR 4,000 must be repaid by a worker earning a monthly net salary of EUR 3,000. In order to determine the monthly amount that can be seized, it is first necessary to determine the different levels of the net monthly salary and then calculate the total seizable amount:

Level 1: unseizable

Level 2: $(1,300 - 850.01) \times 10\% = \text{EUR } 45$

Level 3: $(1,600 - 1,300.01) \times 20\% = \text{EUR } 60$

Level 4: $(2,600 - 1,600.01) \times 25\% = \text{EUR } 250$

Level 5: $(3,000 - 2,600.01) = \text{EUR } 399.99$

The monthly amount that can be seized according to the different levels is $45 + 60 + 250 + 399.99 = \text{EUR } 754.99$. This amount will be seized each month from the salaried worker's salary until the debt is repaid in full.

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