

Safer and healthier work at any age

Country Inventory: Luxembourg

Authors:

Lise Oulès (Milieu Ltd)

Reviewed by Florent Pelsy, Alice Belin and Claire Dupont (Milieu Ltd.)

Project management: Katalin Sas, Boglarka Bola, Sarah Copsey - European Agency for Safety and Health at Work (EU-OSHA)

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Abbreviations

AAA:	Accident Insurance Association
ADEM:	National Employment Agency
CMSS:	Social Security Medical Inspectorate
CNAP:	National Pension Insurance Fund
CNS:	National Health Fund
DSAT:	Ministry of Health, Department of Occupational Health
ENWHP:	European Network for Workplace Health Promotion
EU:	European Union
Eurofound:	European Foundation for the Improvement of Living and Working Conditions
EU-OSHA:	European Agency for Health and Safety at Work
GP:	General practitioner
HR:	Human resources
ILO:	International Labour Organization
ITM:	Labour and Mines Inspectorate
MSD	Musculoskeletal disorder
NGO:	Non-governmental organisation
OECD:	Organisation of Economic Cooperation and Development
OSH:	Occupational Safety and Health
P.p.:	Percentage point
RTW:	Return to work
STM:	Multi-sector Occupational Health Service
WHO:	World Health Organisation

Introduction

This report is part of the project 'Safer and healthier work at any age', initiated and financed by the European Parliament¹². The objective of the European Parliament was to further investigate possible ways of improving the health and safety of older people at work.

The project, which started in 2013,

- reviewed state of the art knowledge on ageing and work;
- investigated EU and Member States policies, strategies, and programmes addressing the challenges of an ageing workforce in the field of occupational safety and health (OSH) and policy areas that affect OSH, such as employment and social affairs, public health, and education;
- investigated EU and Member States policies, strategies, and programmes in relation to rehabilitation/return-to-work;
- and collected information on related workplace-level practices.

To review policy developments and initiatives taken in Europe to tackle the demographic change, country reports were prepared, with a specific focus on initiatives to improve the health and safety of an ageing workforce and on those aiming at promoting rehabilitation/return to work.

Methodology

The country reports were prepared in each of the 28 European Member States and EFTA countries (Iceland, Switzerland, Lichtenstein and Norway). In eight countries (Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands and the United Kingdom), the research was carried out at a more in-depth level including additional resources and the consultation of relevant stakeholders via the organisation of expert workshops.

The **information** used to prepare the reports was collected between September 2013 and June 2014 and comes from international, European and national sources, referenced in the report's bibliography.

The **indicators** presented in the first section of the reports have been selected taking into account:

- *Relevance to the topic:* In addition to data on working conditions and health, indicators related to general contextual factors such as the demographic development, labour market and employment have also been included.
- *Availability of data by age groups:* As the focus of this work is to investigate activities in the context of an ageing workforce, it is central to the project to collect data by age groups.
- *Geographical coverage:* In order to be able to compare results across the Member States, it is important to use the same indicators in all country reports. For this reason, European and international sources were favoured.

National expert workshops took place in the eight countries subject to in-depth review as well as in two additional countries, Poland and Greece between March and June 2014.

The objectives of the workshops were to:

- Confirm the findings and interpret the results of the desk research;
- Stimulate discussions between intermediaries and experts in the field of occupational health and safety and rehabilitation/return-to-work, in order to collect additional information and examples of good practices;
- Exchange views and ideas on what works well, what could be improved, and what are the drivers, needs and obstacles to address the challenges of an ageing workforce.

¹ Official Journal of the European Union, '04 04 16 – Pilot project - Health and safety at work of older workers', Chapter 0404—Employment, Social Solidarity and Gender Equality, 29.02.2012, pp. II/230 - II/231. Available at: http://bookshop.europa.eu/en/officialjournal-of-the-european-union-l-56-29_02_2012-pbFXAL12056/ (Accessed December 2014)

² The activities carried out for the European Parliament's pilot project are coordinated by the European Agency for Safety and Health at Work (EU-OSHA) and implemented by a consortium led by Milieu Ltd (other consortium partners include: COWI, IOM, IDEWE, FORBA, GfK, NIOM).

The present report describes policies and strategies in Luxembourg, addressing the ageing of workforce. Specifically, it focuses on initiatives to improve the health and safety of an ageing workforce and on those aiming at promoting the rehabilitation/return to work of workers following a health problem.

Structure of the report

The first section of the report provides background information on demographic developments, the labour market, working conditions and the health status of the older working population. The institutional and legal framework for occupational health and safety in Iceland, as of June 2014, is also described.

The second section of the report describes strategies, policies, programmes and activities initiated by the government or government-affiliated organisations, social partners and non-governmental organisations to tackle the challenges related to demographic change, and more specifically to the ageing of the workforce. These initiatives were identified primarily in the area of occupational health and safety but also in the areas of employment and public health and any other relevant policy areas.

The third section of the report focuses on the issue of the rehabilitation and return to work of workers following a health problem (accident or disease). The section starts by introducing the national system for the rehabilitation of workers following a long-term sick leave or work incapacity and considers the legal and policy framework, the actors involved and the main steps of the rehabilitation process. The second part of the section describes specific activities, programmes or strategies implemented by the government or government-affiliated organisations, social partners and non-governmental organisations for the rehabilitation of workers.

1 General context

Section I of this report starts with an overview of the most relevant facts and figures on the current situation in Luxembourg with regard to demographics, the labour market, working conditions and the health status of the older working population. It then provides background information on the institutional and legal frameworks in Luxembourg that pertain to safe and healthy work in the context of an ageing workforce. Finally, it provides a brief overview of the pension system, looking specifically at legal and actual retirement ages, early retirement opportunities and ongoing or upcoming reforms that would affect older workers.

1.1 Facts & figures

In this sub-section on facts and figures, a number of indicators introduce the current situation in Luxembourg with regard to demographic factors, the labour market, working conditions and health status of the older working population.

The following definitions aim to provide clarity on a number of terms used frequently in this section:³

- “Median age” is the age that divides a population into two groups that are numerically equivalent.
- The “old age dependency ratio” is the ratio of the number of older people at an age when they are generally economically inactive (i.e. aged 65 and over), compared to the number of people of working age (i.e. 15-64 years old)
- “Old age pension” is payment to maintain the income of a person after retirement from employment at the standard age or payment made to support the income of older persons.⁴
- “Healthy life years”, also called disability-free life expectancy (DFLE), is defined as the number of years that a person is expected to continue to live in a healthy condition.⁵

Table 1 provides a quick snapshot of selected indicators, some of which are further described in the rest of the section.

Table 1, Overview table of main indicators

	Luxembourg	EU-28
Median age 2013 (2060)	39 (42)	42 (46)
Share of population aged 55 to 64 years (2013)	11%	13%
Share of population aged 65+ (2013)	14%	18%
Old age dependency ratio (65+/15-64) 2013 (2060)	20% (35%)	28% (50%)
Employment rate of 55 to 64-year-olds (2013) (Δ since 2003)	40% (+ 10 p.p. ⁶)	50% (+10 p.p.)
Official Retirement age ⁷	65	
Effective retirement age (2012) ⁸	59.6(f)/57.6(m)	60.9(f)/62.3(m) ^{*9}

³ Definitions extracted from the Eurostat glossary (unless stated otherwise):

http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Thematic_glossaries (Accessed December 2014)

⁴ Eurostat, Methodologies and Working Papers, *The European System of integrated Social PROtection Statistics (ESSPROS)*, ESSPROS Manual and user guidelines, 2012, p. 58. Available at:

<http://ec.europa.eu/eurostat/documents/3859598/5922833/KS-RA-12-014-EN.PDF/6da3b2bf-85ba-4665-b318-a41d6a2df37f?version=1.0> (Accessed December 2014)

⁵ This indicator is compiled separately for men and women, both at birth and at age 65. It is based on age-specific prevalence (proportions) of the population in healthy and unhealthy condition and age-specific mortality information. A healthy condition is defined as one without limitation in functioning and without disability.

⁶ Break in time series

⁷ See section 1.4 on Pension system.

⁸ Source: OECD estimates on the “[average effective age of retirement versus the official age, 2007-2012](#)”

⁹ These figures refer to the EU-27

Safer and healthier work at any age – Country inventory: Luxembourg

	Luxembourg	EU-28
Share of pensioners (50-69) who quit working for health or disability reason (2012)	25%	21%
Pension expenditures (% of GDP) (2011*)		
All pensions	9.5%	13.0%
Old-age pensions	4.4%	9.5%
Disability	1%	0.9%
Life expectancy at 65 years, in years (2011)	19.8	19.7
Women	21.6	21.3
Men	17.8	17.8
Healthy life years at the age of 65 (and 50) (2011)		8.6 (17.7)
Women	11.8 (21.9)	8.6 (17.9)
Men	11.5 (21)	8.6 (17.5)
Employed persons aged 55 to 64 years reporting one or more work-related health problems in the past 12 months in 2007 (% from all employed aged 55 to 64 years)	7.5% ¹⁰	11% ¹¹
Share of employed people aged 55-64 yrs who perceive their health as in being in a bad or very bad status (and 45-54 yrs), 2012	6.8% (4.1%)	5.7% (3.8%)
Share of employed people aged 55-64 yrs who have a long-standing illness or health problem (and 45-54 yrs), 2012	25.6% (17%)	33.3%** (24.2%**)
Share of people aged 55-64 yrs who report MSDs as their most serious work-related health problem during the past 12 months (2007)	73% ¹²	60% ¹⁵
Women	73% ¹³	64%
Men	72% ¹⁴	56%
Share of workers above the age of 50 who think they could do their current job at the age of 60 ¹⁶ (2010)	56%	71% ¹⁷
Share of employed people with working experience who report that measures to adapt the workplace for older people have been put in place at their workplace ¹⁸ (2013)	32%	31%

Sources: All figures are as published by Eurostat, unless mentioned otherwise. Sources used by Eurostat include: Eurostat population statistics, Eurostat population projections, the European Labour Force Survey (EU-LFS), the European Survey on Income and Living Conditions (EU-SILC), the European System of Integration Social Protection Statistics (ESSPROS).

*figure refers to 2011; ** estimated figures only (by Eurostat)

¹⁰ Definition differs

¹¹ This figure is for the EU-26 without France. Due to different wording in the French version of the questionnaire, the results were very different in France and Eurostat recommends using the aggregate figures without France.

¹² Definition differs

¹³ Definition differs

¹⁴ Definition differs

¹⁵ This figure is for the EU-26 without France. Due to different wording in the French version of the questionnaire, the results were very different in France and Eurostat recommends to use the aggregate figures without France.

¹⁶ Source: European Working Conditions Survey 2010

¹⁷ This Figure refers to the EU-27

¹⁸ Source: European Commission, Flash Eurobarometer on Working Conditions, 2014. Fact sheet for Luxembourg. Available at: http://ec.europa.eu/public_opinion/flash/fl_398_fact_lu_en.pdf (accessed December 2014).

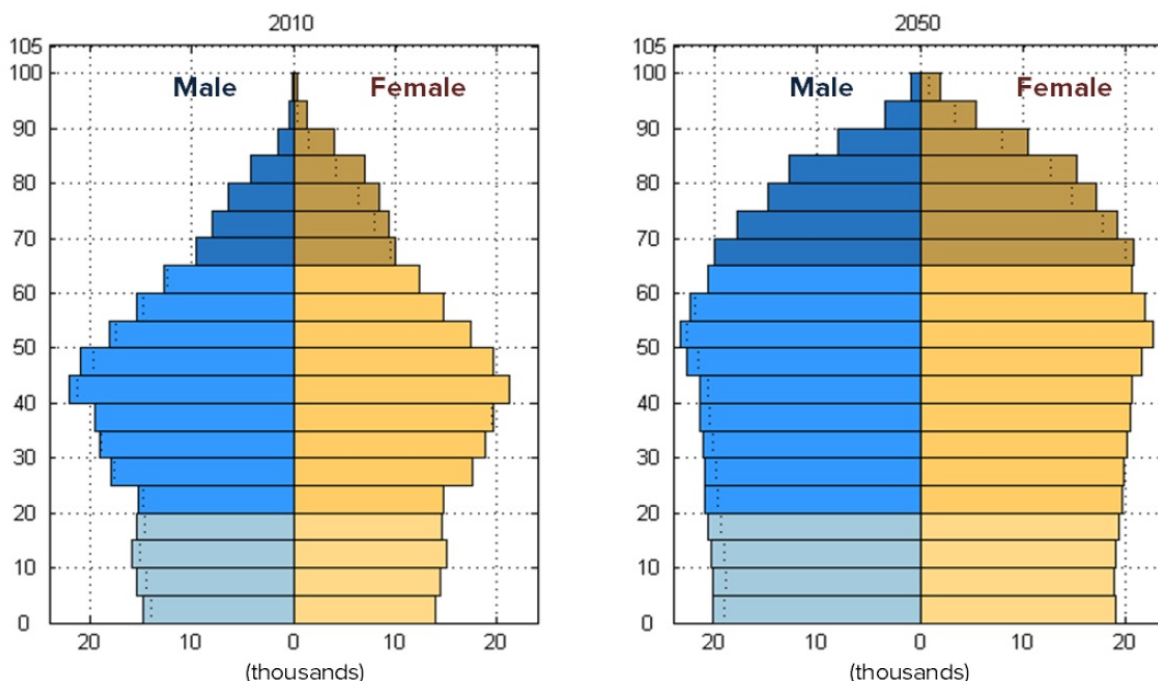
Demographic developments

Between 1960 and 1980, the median age of the population Luxembourg remained stable at around 35 years old. Since then, it has been increasing and was up to 39 years old in 2013. However, this increase was less strong than the EU average, and in 2013 Luxembourg's population was still younger than the total EU population (median age across the EU-28 was 42 years¹⁹).

Luxembourg's population ageing is also reflected in the distribution of the population across the different age groups and their development between 1990 and 2013. However, compared to many other EU Member States, the changes in the age composition between 1990 and 2013 were minimal: the share of the oldest age group (65 years and above) increased from 13% to 14% (EU-28: 18% in 2013), while the share of the age group 55 to 64-year-olds remained stable at 11% in 1990 and 2013 (EU-28: 13% in 2013). A global ageing of the workforce has also been visible since the 1990s. From 2003 to 2011, the share of workers over 50 increased by 31%. However, given the structure of its workforce, composed for a large part of frontier workers, younger than national and resident workers, the ageing of the workforce is less perceptible in Luxembourg than in other European countries.

The population ageing is predicted to continue. The age group "65+" is projected to increase from 14% of the total population in 2013 to 22% in 2060. This ageing is also shown in the age pyramid below (Figure 1) which shows that between 2010 and 2050, the age group of 20 to 65-year-olds is predicted to decrease while the age group of 65+ is predicted to increase. This is also reflected in the old-age dependency ratio (see Table 1).

Figure 1, Total population by age group and gender, 2010 and projection 2050



Source: International Conference on Population and Development Beyond 2014, Luxembourg Country Implementation Profile²⁰.

Labour market participation

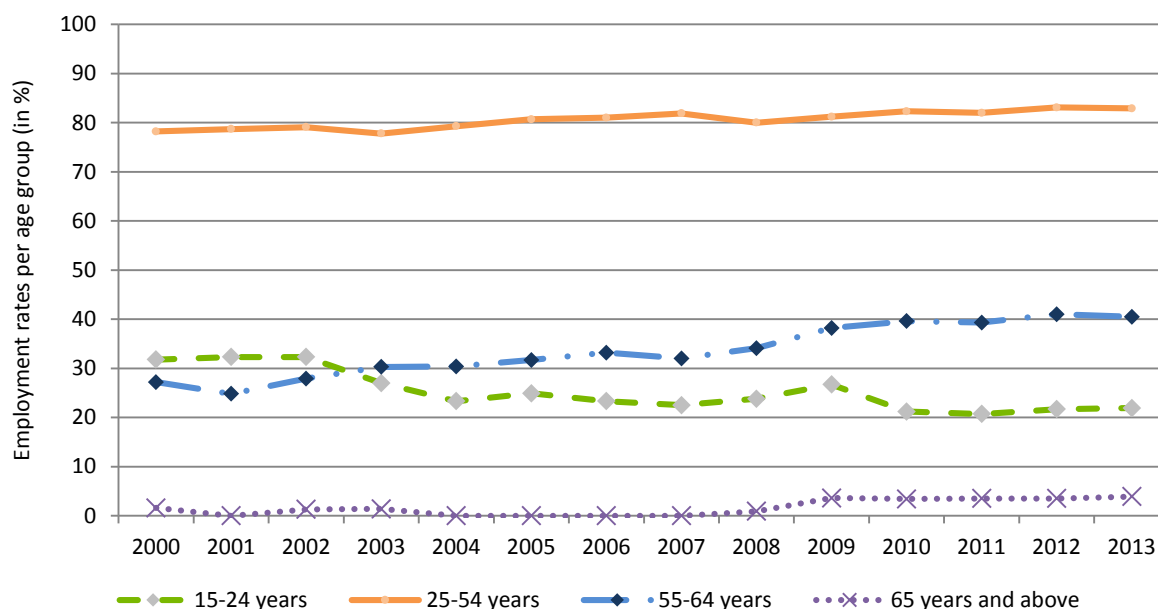
The employment rate among the 55 to 64-year-old population in Luxembourg has increased since 2002 and was at 40% in 2013. However, this is still quite a bit lower than the EU average employment rate of this age group, which was 50% in 2013. Furthermore, the employment rate of the oldest age group (65

¹⁹ Source: Eurostat population statistics 2013, structural indicators.

²⁰ International Conference on Population and Development Beyond 2014, Luxembourg Country Implementation Profile. Available at: <http://icpdbeyond2014.org/about/view/19-country-implementation-profiles> (Accessed December 2014)

years and above) in Luxembourg has been around 1 to 2 percentage points lower than the EU average throughout the past decade, although it has increased since 2009 and reached 3.9% in 2013.

Figure 2, Employment rates per broad age groups, trend 2000-2013, residents in Luxembourg, all nationalities



Source: Eurostat 2013, EU-LFS, annual detailed survey results, Employment rates by sex, age and nationality (%) [lfsa_ergan]

Working conditions

Based on the Fifth European Working Conditions Survey (5th EWCS), carried out by the European Foundation for the Improvement of Living and Working Conditions (Eurofound) in 2010,²¹ the following conclusions can be drawn with regard to the working conditions of older workers²² in Luxembourg:

- The share of older workers having to *carry heavy loads* for at least a quarter of their working time decreased from 31% in 2000 to 24% in 2010 (lower than EU average of 32%). Furthermore, the exposure to having to carry heavy loads decreases with age in Luxembourg.
- The share of older workers indicating that their job involves *tiring and painful positions* (almost) all of the time is higher in Luxembourg (19%) than on the EU average (16%).
- The share of older workers who are exposed to *shift work* during their working time in Luxembourg decreased between 2000 (19%) and 2010 (11%) and is now below the EU average (14%). Exposure to *night work* for older workers is also slightly below EU average (15%, compared to 16%).
- The share of older workers who find that their *working time fits well with their private life* decreased between 2000 (92%) and 2010 (85%) in Luxembourg (and is now at a similar level as the EU average).
- As in most other EU Member States, the number of people reporting *three or more external constraints on their work pace* (such as demands from people or production/performance targets) decreases with age in Luxembourg: 49% of young workers report that at least three external factors determine their work pace against 33% of older workers (which higher than the EU-27 average of 27%).

²¹ Unless mentioned otherwise, the figures in this paragraph relate to the EWCS from 2010. Available at: <http://eurofound.europa.eu/surveys/ewcs/2010/european-working-conditions-survey-2010> (Accessed December 2014)

²² The term "older workers" in this section refers to workers aged 50 years and above, the term "young workers" refers to workers below 30 years.

- In Luxembourg, a slightly lower share of workers from all age categories receive *on-the-job training* compared to the EU average. For older workers, however, this is higher: 29% compared to 26% respectively.
- Around 27% of older workers in Luxembourg think that their *work negatively affects their health*. The figure is lower than for the 30-49 age group in Luxembourg and is the same as the EU average.
- In Luxembourg, *satisfaction with working conditions* decreased with age in 2010: While 93% of young workers were satisfied with their working conditions, 86% of older workers reported the same (higher than EU level at 84%).
- The share of older workers who think they will *be able to do the same job at the age of 60* was lower in Luxembourg (56%) than across the EU (71%) in 2010. In Luxembourg, 32% of employed people and people with working experience indicated that *measures to adapt the workplace for older people* had been put in place at their workplace (compared to 31% at EU-28 average). Four percent of those that responded did not know whether their workplace had been adapted to older workers²³.

Health

In 2011, estimations showed that Luxembourgish men of the age of 65 years had a *life expectancy* of around 17.8 additional years²⁴, which is similar to the EU average – 17.8. 11.5 of these years were considered “*healthy life years*”²⁵, which is higher than in the EU (8.6 years). Women of the age of 65 had a life expectancy of 21.6 (21 years in the EU) additional years including 11.8 “*healthy life years*” (compared to the 8,6 at EU level).

The *perceived health status* among employed persons in Luxembourg worsens with age as demonstrated in Table 2 below.

Table 2, Self-perceived health among employed in different age groups, 2012; shares of age group reporting “very bad” or “bad” health status

	16-44 years	45-54 years	55-64 years	65 years and above
Employed	2.2%	4.1%	6.8%	1.8% ²⁶

Source: EU-SILC Self-perceived health by sex, age and labour status (%) [hlth_silc_01]

As shown in Table 3, the share of Luxembourgish workers between the age of 55 and 64 years who reported that they suffered from *work-related health problems* was lower than the EU average for the same age group in 2007.²⁷

²³ European Commission, *Flash Eurobarometer on Working Conditions – Fact sheet for Luxembourg, 2014*. Available at: http://ec.europa.eu/public_opinion/flash/fl_398_fact_lu_en.pdf (Accessed December 2014)

²⁴ Eurostat 2013 ‘Life expectancy by age and sex’ [demo_mlexpec]

²⁵ Eurostat 2013 ‘Healthy Life Years (from 2004 onwards) (hlth_hlye).

²⁶ This is for “bad” health status only, as figure for “very bad” health status is missing.

²⁷ EU LFS ad-hoc module 2007 on accidents at work and work-related health problems “Persons reporting one or more work-related health problems in the past 12 months, by sex, age and education - % [hsw_pb1]”; shares from all employed in the respective age group; a work-related health problem is defined as covering all diseases, disabilities and other physical or mental health problems, apart from accidental injuries, suffered by the person during the last 12 months, and caused or made worse by the work. This is a broad concept that covers much more than the recognised occupational diseases.

Table 3, Self-reported work-related health problems by workers in Luxembourg and EU-27, by age group

LU 25-34 yrs	2%
LU 35-44 yrs	3%
LU 45-54 yrs	5%
LU 55-64 yrs	8%
Men	9%
Women	6%
EU-27* 55-64 yrs	11%

Source: EU LFS ad-hoc module 2007 on accidents at work and work-related health problems, Persons reporting one or more work-related health problems in the past 12 months, by age - % [hsw_pb1]

*this figure is for EU-27 excluding France, since in France, the question wording was slightly different, causing a bias. Eurostat suggests using the aggregate without France.

The *most serious work-related health problems* reported among the 55 to 64-year-olds were – as in most other countries – musculoskeletal disorders (MSDs) (Table 4).²⁸ While the importance of physical illnesses (cardiovascular disorders and musculoskeletal disorders) as most serious work-related health problems increases with age, the importance of stress, depression and anxiety decreases.

Table 4, Most serious work-related health problem during the past 12 months, % of all employees who reported a work-related health problem during the past 12 months; by gender and by most prevalent types of diseases²⁹

		Cardiovascular disorders	Musculoskeletal disorders	Stress, depression, anxiety	Pulmonary disorders
35-44 yrs.	Total	0.7**	51.3**	34.5**	:
	(EU-27*)	(2.9)	(60.9)	(16.4)	(4.9)
	Women	:	43.0**	47.4**	:
	Men	1.5**	61.1**	19.3**	:
45-54 yrs.	Total	5.8**	62.6**	23.9**	1.5**
	(EU-27*)	(6.2)	(61.3)	(13.5)	(4.7)
	Women	1.2**	69.2**	22.7**	3.2**
	Men	9.7**	57.0**	24.9**	:
55-64 yrs.	Total	5.8**	72.7**	12.7**	1.4**
	(EU-27*)	(11.3)	(59.9)	(9.2)	(5.8)
	Women	4.5**	73.0**	14.1**	1.0**
	Men	6.6**	72.4**	11.8**	1.6**

Source: EU LFS ad-hoc module 2007 on accidents at work and work-related health problems, Persons reporting their most serious work-related health problem work in the past 12 months, by type of problem - % [hsw_pb5]

* this figure is for EU-27 excluding France, since in France, the question wording was slightly different, causing a bias. Eurostat suggests using the aggregate without France.

** definition differs

²⁸ EU LFS ad-hoc module 2007 on accidents at work and work-related health problems, Persons reporting their most serious work-related health problem work in the past 12 months, by type of problem - % [hsw_pb5]; the module distinguishes 8 different problems in total.

²⁹ More recent figures are available (EU-LFS ad-hoc module 2013); however, several countries have not delivered data for 2013, which is why no EU aggregates for this variable could be calculated. Due to these limitations, the 2007 data was used in this report. Data for 2013 can be obtained from Eurostat, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>

Definition

There is no official definition of an older worker in Luxembourg.

1.2 Institutional structure for health and safety at work

The following section presents the overall institutional structure related to occupational health and safety in Luxembourg.

Overall Structure

Competences over Health and Safety at work are divided between the Ministry of Health, in charge of coordinating occupational medicine services, and the Labour Inspectorate, which is under the authority of the Ministry of Employment, responsible for the enforcement of measures regarding the prevention of occupational risks.³⁰

Ministries:

- *Ministry of Health (Division de la Santé au travail (DSAT) - Department of Occupational Health):* has the general responsibility for health and safety issues in Luxembourg. It is responsible for the general coordination and control of the OSH system and in particular supervises company OSH services (see below), assesses the impacts of occupational hazards (notably by controlling the lists of workers and workplaces exposed to risks set up by employers) and ensures, jointly with the Labour Inspectorate, the implementation of OSH legislations. The DSAT is also the administration competent to decide on appeals against occupational medical services decisions. The DSAT provides medical expertise where needed as Luxembourg has no Medical Inspection service.
- *Ministry of Labour and Employment:* is responsible for drafting and controlling the implementation of labour law and legislations on working conditions and the reduction of stress, bullying, and harassment at the workplace.
- *Ministry of Civil Service:* The public sector has, since 2004, a separate OHS system, managed by the Department of Occupational Health of the Public Sector, under the responsibility of the Ministry of Civil Service.

Enforcement authorities

- *Labour and Mines Inspectorate (ITM):* The Inspectorate, which is under the authority of the Ministry of Labour and Employment, controls the enforcement of OSH legislations in companies and provides assistance to employers to fulfil their legal duties. The Inspectorate cooperates closely with the Department of Occupational Health of the Ministry of Health. Part of the mission of the ITM is to answer all questions related to health and safety at work and labour legislations through its help centre.

Social security institutions:

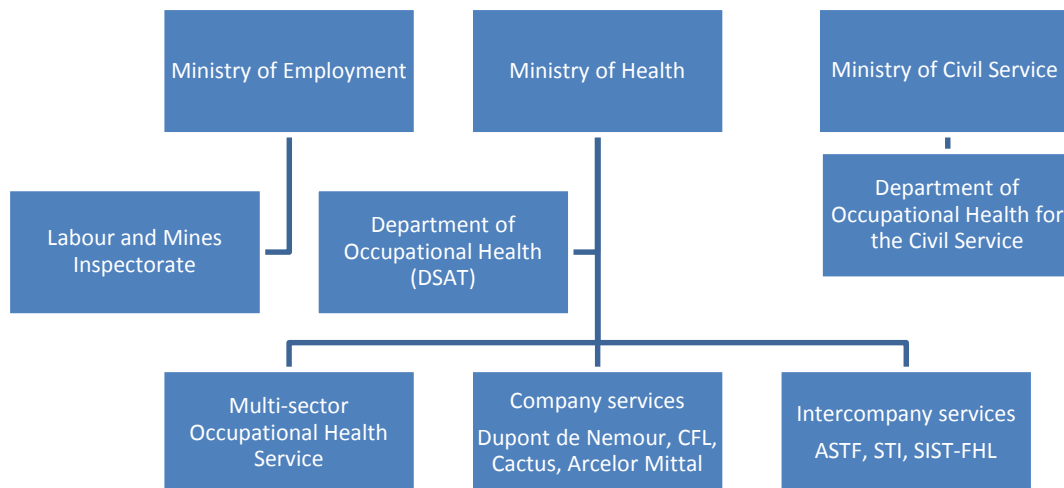
- *National Health Fund (Caisse nationale de santé – CNS):* the CNS is competent for all employees of the private sector (public sector employees are covered by other funds). It coordinates the health care system in Luxembourg and is responsible for the provision of sickness and health-related benefits (including invalidity benefits).
- *Accident Insurance Association (Association d'Assurance Accident – AAA):* the Association is responsible for the compensation of workers who have suffered from an occupational disease or accident. It was for a long time limited to the strict implementation of the legislation on occupational accidents and diseases but has now developed advisory and assistance activities

³⁰ EU-OSHA – European Agency for Safety and Health at Work, OSH WIKI, “OSH system at national level – Luxembourg”. Available at: http://oshwiki.eu/wiki/OSH_system_at_national_level_-_Luxembourg (accessed October 2014)

to help companies setting up prevention strategies. These activities have been implemented since the reform of accident insurance in 2010.

- *National Pension Insurance Fund* (Caisse nationale d'assurance pension – CNAP): the pension fund is responsible for the provision of pensions, including old-age, invalidity and survivor's pensions.

Figure 3, The OSH infrastructure in Luxembourg on an implementation level



Source: author of the report

Occupational health services:

- *Multi-sector Occupational Health Service (STM)*: is a public body under the authority of the Ministry of Health. It is the largest occupational health service covering half of the Luxembourgish workers. Companies from a large range of sectors can join the STM.
- *OSH services for private sector companies*: Employers have to set up, in accordance with the law of 1994 on the health and safety of workers, either an occupational health service in their company or an inter-company medical service with other enterprises, or join the Multi-sector Occupational Health Service (STM) created by the law. All occupational health services in companies are supervised by the Ministry of Health. In Luxembourg, only four companies (ArcelorMittal, Dupont de Nemours, Luxembourg's railway company and Cactus) have established an in-house medical service.

Three intercompany services cover specific sectors. They are managed by trade unions:

1. Occupational Health Service for Industry (STI), managed by Business Federation Luxembourg (FEDIL).
2. Association for Occupational Health in the Financial Sector (ASTF) managed by the Luxembourg Bankers' Association (ABBL).
3. Intercompany occupational health service of the Association of Luxembourgish hospitals (SIST-FHL), managed by the Luxembourg Hospital Federation (FHL).

Social Dialogue

Social dialogue on economic and social issues is organised at national level by three main bodies:

- *The National tripartite coordination committee* was created in 1977 and is chaired by the prime minister. Its main role is to build consensus on key issues.
- *The Economic and Social Committee (CES)*, provides an opinion on all legislations regarding, or having an impact on, labour. In 2003, the CES acknowledged that efforts needed to be made "by all players to increase the employability of older workers so as to maintain or improve the quality

of work while respecting the state of workers' health".³¹

- *The Economic Committee (Comité de Conjoncture)*, which was created in 1975 and is composed of three ministers and representatives from employers and workers, proposes adjustments to companies forced to resort to working time reduction, such as compensatory allowances for companies using partial unemployment.

Trade union density³² in Luxembourg was still quite high in 2012 in comparison to other OECD countries (at 32.8% against 17.1% on OECD average), despite experiencing a 12 percentage point-decrease since 1993 (44.4% in 1993)³³ But despite this relatively strong trade union presence, social dialogue on health and safety at work issues is limited in Luxembourg, whether at national level or inside companies.

- At national level, social dialogue on OSH issues occurs in the *High Council of Occupational health and safety*, that brings together representatives of employers and workers, representatives from the Ministry of Health (DSAT), occupational physicians, the Labour and Mines Inspectorate, and Social Security services The Council provides opinions on OSH legislations, but is recognised as currently being ineffective³⁴.
- Among company occupational health services, only the *Multi-sector Occupational Health Service (STM)* has a tripartite organisation, involving representatives of trade unions in the Management Committee. Other company occupational health services are managed entirely by employers' organisations.
- In companies employing more than 150 workers, OSH is discussed in a *Joint Committee (Comité Mixte)* gathering representatives of management and employees. However, health and safety seems rather marginal in the discussions³⁵.
- In medium and small companies, health and safety is discussed with the occupational safety representatives or the designated worker nominated by the employer. Health and safety is still recognised as a secondary topic in companies' joint committees. There are no obligations to set up a tripartite structure in companies dedicated to health and safety, comparable to the CHSCT (Committee for Hygiene, Safety and Working Conditions) in France or the CPPT (Committee for Prevention and Protection at Work) in Belgium.

1.3 Labour, OSH and anti-discrimination legislation

The following section provides a brief overview of the main pieces of legislation in the fields of occupational health and safety, labour and employment and antidiscrimination and whether they contain any provisions in relation to older workers.

Occupational health and safety legislation

The Framework Directive 89/391/EC was transposed in Luxembourg in 1994. All OSH legislations were integrated in 2006 in the new Labour Code under Book III: protection, safety and health of workers. Articles L.311-1 to L.314-4 are dedicated to safety at work and the role of the Labour Inspectorate. Articles L.321-1 to L.327-2 describe the organisation of occupational health services.]

³¹ Meggender O., Boukal C., *Healthy Work in an Ageing Europe – A European Collection of Measures for Promoting the Health of Ageing Employees at the Workplace*, 5th initiative of the European Network for Workplace Health Promotion, Mabuse-Verlag, Frankfurt am Main, 2005, p208.

³² Trade union density corresponds to the ratio of wage and salary earners that are trade union members, divided by the total number of wage and salary earners (OECD *Labour Force Statistics*). Density is calculated using survey data, wherever possible, and administrative data adjusted for non-active and self-employed members otherwise (OECD)

³³ OECD (Online OECD Employment database: <http://www.oecd.org/els/emp/onlineoecdemploymentdatabase.htm#union> (accessed October 2014)

³⁴ Mairiaux, P., Levêque, A., Pichault, F., *Audit de la santé au travail au Luxembourg*, 2012, p88. Available at: <http://www.sante.public.lu/fr/catalogue-publications/impacts-milieu-vie/sante-travail/audit-sante-travail-luxembourg-2012/index.html> (Accessed October 2014).

³⁵ Ibid.

The Labour Code (art. L.211-14) includes one specific clause for older workers, such as the reinforcement of the frequency of medical examinations for workers over the age of 50 and who are exposed to occupational or other risks (e.g. night workers). These examinations occur every three years instead of five years for younger workers, unless the law requires more regular examinations (especially regarding exposure to chemicals)³⁶.

Labour and employment legislation

In Luxembourg, labour legislation has been passed since the late 1990's to prevent workers from leaving the labour market too early, by reducing the attractiveness of early retirement schemes and increasing benefits for workers staying longer in employment, reducing the access to disability pensions or by enabling workers to combine pension and professional activity (see below).

- The new **Labour Code** (2006) has obliged employers since 2006 to include a specific part on older workers in the employment retention plan in case of restructuring, aiming to reduce unemployment of older workers. Other legislation, adopted in parallel, focuses on maintaining the employability of older workers. These especially relate to life-long learning in Luxembourg.
- A general **legislation on the employment of older workers** is currently under discussion in Luxembourg³⁷. The bill compels companies employing more than 150 workers to negotiate an action plan for age management (*plan de gestion des âges*) proposing actions on at least three of these topics: (1) recruiting older workers; (2) anticipating career changes; (3) improving working conditions and preventing working conditions having serious health consequences; (4) preventive health measures; (5) developing skills and access to life-long education; (6) measures relating to the end of working life and transition between employment and retirement; (7) transmission of knowledge and mentoring programmes. As the law only targets medium and large companies, it only concerns 40% of older workers. The bill aims to reduce long-term unemployment of older workers and to reduce the number of workers interrupting their career early because of health problems. The explanatory statement indicates that the increase in the number of reclassified workers is evidence of worsening working conditions. The bill is still at an early stage of the legislative procedure.

Antidiscrimination Legislation

Discrimination on the ground of age has been explicitly prohibited by the **antidiscrimination law** of 28 November 2006 transposing Directives 2000/43 on implementing the principle of equal treatment between persons irrespective of racial or ethnic origin and Directive 2000/78 on establishing a general framework for equal treatment in employment and occupation. Yet, differences of treatment on the ground of age are not considered discrimination if they are objectively justified, notably by employment policy objectives. The antidiscrimination law of 28 November 2006 also explicitly prohibits discrimination on the ground of disability. The law covers discrimination in recruitment and working conditions, trade union membership, social protection, social benefits, education and access to goods and services.

In Luxembourg, public and private sector employers have the obligation to hire disabled workers: up to 5% for public administration, 2% for private sector companies employing at least 50 workers, 4% for companies employing at least 300 workers. Companies employing between 25 and 49 workers must have one disabled employee³⁸.

³⁶ Ministère de la Santé, Chambre des Employés, *La santé au travail au Luxembourg*, 2012, p226. Available at: <http://www.sante.public.lu/fr/impacts-milieu-vie/sante-travail/> (Accessed October 2014)

³⁷ The bill 6678 'modifying the Labour Code and introducing a package of measures on age management' has been introduced in the Chamber of Deputies on 3 April 2014. The bill is available on the website of the Chamber of Deputies [here](#) (Accessed October 2014).

³⁸ Agence pour le développement de l'emploi (ADEM), 'FAQ: disabled workers'. Available at: http://www.adem.public.lu/functions/faq/service_sfh.html (Accessed October 2014).

1.4 The pension system

The latest reform of the pension system in Luxembourg in December 2012 maintained the pay-as-you go pension system (with tripartite financing of the State, workers and employers) and the pre-retirement systems.

Retirement age (pensionable and actual)

Luxembourg is a country where workers leave the labour market early: according to OECD, the average effective retirement age is 59.6 for women and 57.6 for men, which is among the lowest in OECD countries³⁹.

The 2012 reform did not modify the legal retirement age in Luxembourg, which is still 65 with at least ten years of contributions. However, workers can continue working until the age of 68. In order to secure the financial situation of the pension system for the longer term, the 2012 reform has linked benefits to retirement age; workers who retire at a later age will receive higher pensions than workers who leave at 65 and who will make the same contribution efforts by earning less instead of working more. The reform also involved an increase of the contributions (for workers and employers) by 24 to 30%.

Early retirement / Partial retirement

Two types of early retirement exist in Luxembourg:

1. The 'pension de vieillesse anticipée' (anticipated old-age pension), for workers having completed their 40 years of contributions before the legal retirement age (65): This is possible from the age of 57 or 60⁴⁰. The 2012 reform of the pension system did not modify it.
2. Early retirement (pré-retraite) for workers who have not yet reached their 40 years of contribution: This is considered as a measure of preventing unemployment and supporting solidarity between generations. Early retirement is limited to three years. These early retirement mechanisms have been maintained by the 2012 reform:
 - o *Progressive early retirement for workers of 57 and over*: this involves a shift from full-time to part-time work. Workers who accept this shift are granted the pre-retirement benefit.
 - o *Pré-retraite solidarité (early retirement for solidarity purpose)*: this implies the termination of a worker's contract. Beneficiaries are employees of the private sector aged 57 and over.
 - o *Pré-retraite ajustement (early retirement justified by the economic situation of the company)*: this is a mechanism that can be used in case of dissolution or restructuration in the company.
 - o *Pre-retirement for posted and night workers*: this mechanism is the only pre-retirement mechanism compensating for demanding working conditions. Beneficiaries are workers of 57 and over with 20 years of posted work.

Reforms of the early retirement system have already been made to reduce its financial attractiveness in 2006: the law increased the contribution of companies to the 'pré-retraite ajustement', fixing it between 30% and 75%.

Possibilities to combine part-time employment with a pension were introduced in 2009. The 2012 reform increased these possibilities: There are no restriction to the combination of pension and employment after the legal retirement age of 65. For workers benefitting from the early retirement scheme, the combination of pension and employment is allowed as long as the sum of both does not exceed the average of the five highest contributory annual wage of the whole career.

³⁹ OECD estimates on the "[average effective age of retirement versus the official age, 2007-2012](#)"

⁴⁰ Eligibility criteria are stricter for workers aged 57 (40 years of compulsory contribution) than for workers aged 60 (40 years of contribution, with at least 10 compulsory contribution).

2 Overview of policies, strategies and programmes in relation to the occupational health and safety of older workers

As life expectancy rises, it is important to create working conditions that enable healthy and active ageing and ensure that workers reach pension age in good health. The following chapter provides an overview of the various policies, programmes and initiatives put in place by governmental and non-governmental organisations in Luxembourg to address the issue of work sustainability and healthier working lives.

2.1 Initiatives from government/government-affiliated organisations

Occupational health and safety policies

The **Bill introducing a package of measures on age management** (see Section 1.3) brings forward the issue of health and safety at work of older workers. Two of the seven topics proposed in the bill for the company age management plans have a focus on health. Two other topics ‘anticipating career change’ and ‘measures related to the end of working life’ are directly related to second careers and working time arrangements. These plans should stimulate social dialogue and initiative on age management in large companies.

To assist companies in the negotiation and implementation of their action plan, the bill proposes the creation of a ‘**Committee for the analysis and the promotion of working conditions**’. This committee would be a multidisciplinary service attached to the Department of Occupational Health, in the Ministry of Labour and would include representatives of the Ministry of Labour, of the Department of Occupational Health, of the Labour and Mine Inspectorate and the Accident Insurance Association. The Committee would advise companies and employees to reduce work-related health problems. It will also be in charge of sensitisation campaigns and of the coordination of age-related measures in occupational medicine services.

The National Reform Programme of Luxembourg for 2013 reports the adoption of an **Action Plan to improve age management in the public service sector**, such as the introduction of a system for analysing and monitoring age structures, an awareness and training programme in the area of health management with an emphasis on older workers, an education programme that takes the age dimension into account, and an awareness campaign for executives responsible for the management of staff in ministerial departments, administration and services. The government approved the action plan in January 2013.

Employment policies

An **Action Plan for the employment of young workers**, announced in January 2013, proposes the creation of contracts between generations (contrats de génération), linking the recruitment of young workers to the retention of older workers in employment⁴¹. Under this contract, the hiring of a young worker must be combined with the retention of an older worker, in view of promoting employment of older workers and facilitating the transfer of knowledge between them. .

Recent measures in Luxembourg have made it easier for workers to better manage their career and to reduce their working time, regardless of their age.

- Part-time employment for civil servants for instance was introduced in 2000⁴².
- Discussions have recently focused on interim work as a potential solution to maintain older workers in employment while leaving them flexibility to organise their time⁴³.

⁴¹ Gouvernement du Grand-Duché de Luxembourg, press pack ‘La politique de l’emploi, bilan et futures mesures’, press conference of 23 January 2013. Available at: <http://www.gouvernement.lu/1791628/23-schmit> (Accessed October 2014).

⁴² ‘Service à temps partiel’ (part-time employment) information: <http://www.fonction-publique.public.lu/fr/statut/fonctionnaire/service-temps-partiel/index.html> (Accessed October 2014).

⁴³ Genevois, A.S., ‘Intérim des séniors, une piste pour favoriser le vieillissement actif ?’, *Vivre au Luxembourg*, n°85, CEPS/INSTEAD, 2012, p2. Available at: <http://www.ceps.lu/?type=module&id=104&tmp=1898> (Accessed October 2014).

- The combination of part-time employment and pension has also been facilitated in the private sector and the civil service.

All of these measures have an employment perspective rather than a health and safety focus. However, the bill on age management introduced in April 2014 (see Section 1.3) proposes to give workers over 50 with ten years employment in their company the possibility of reducing their working time by up to 50%. This measure could improve the transition between employment and retirement.

- The **working time account** (*compte épargne-temps*) enables an employee to save up paid annual leave in return for holiday periods or time off that have not been taken (only five days out of the 25 days annual paid leave additional days off or overtime compensated by additional days off), or a part of his wage (exceeding the minimum social wage, or supplements for working on Sundays, at night). These leaves can be used for instance to shift to part-time work, phased-in retirement or for training purposes. Contrary to what is happening in France, the working time account in Luxembourg can only be used to take leave; the days saved up cannot be transformed into additional remuneration. The working time account system for private sector workers is managed by approved insurance companies that administer employees' savings and make them available when employees need them. For public sector employees, the working time account is managed by the human resources department of the State administration. The working time account can be implemented rather freely as it is not strictly regulated.
- **Financial incentives:** Policies aiming at facilitating the return to work of unemployed workers over 45 include benefits for companies hiring older workers. The Fund for employment reimburses social security contributions to employers when they employ an unemployed worker aged 45 and over, until the worker perceives his pension (Labour Code, art. 54-1 and seq.). If a company hires an unemployed worker of 40 and over, the reimbursement of contributions is planned for three years. Older workers can also benefit from personalised support from the National Employment Agency (ADEM) and from vocational training financed by the agency. In return, employment benefits are allocated to older workers only if they are actively looking for a job⁴⁴.
- The bill on age management introduced in April 2014 goes beyond these measures introducing the possibility to unemployed workers over 50 to do a '**traineeship**' in certain companies proposed by the Employment Agency ADEM. At the end of the traineeship, the company will inform the Agency of the possibilities of hiring the worker. A company that hires workers after the traineeship can benefit from the financial incentives described above. As mentioned earlier, the bill is at an early stage of the legislative procedure and has not gone through consultation of the social partners.

Human resources policies

The **training leave** (*congé formation*) is a life-long learning programme which offers the possibility to all workers in the private sector to take leave, of a maximum of 80 days, for training purposes in the course of their career. The beneficiary receives a compensatory allowance paid by the employer equal to the average daily wage. The system is financed by the State, which reimburses the compensatory allowance and the employer's share of social security contributions. The State participation is up to 20% of the wage costs of the beneficiaries or 35% in case the beneficiary is over 45 years of age. Life-long learning programmes can be beneficial to employees exposed to arduous or repetitive working conditions, as they can prepare for a second career in the last years of their professional life and thus turn to less demanding jobs.

Diversity at the workplace

The **Labour inspectorate** has also been incited in past initiatives of the Ministry of Equalities to include quality standards for gender equality and diversity consultancy at workplaces and to integrate gender equality and diversity into initial training and lifelong learning for civil and local servants. However, in Luxembourg the approach focuses very much on gender equality and much less on age discrimination

⁴⁴ Leduc, K. 'Le Luxembourg face au vieillissement de sa population active: des politiques publiques aux politiques d'entreprises', *Les Cahiers du CEPS/INSTEAD*, n°2010-07, CEPS/INSTEAD, 2010, p20. Available at: <http://www.ceps.lu/?type=module&id=104&tmp=1518> (Accessed October 2014).

or age management⁴⁵.

2.2 Initiatives from social partners

No initiatives from the social partners have been identified on the health and safety of older workers.

2.3 Initiatives from other organisations

Initiatives by NGOs

Perspective 45, an NGO created in 2008 with the aim of supporting the employment of workers over 45, has set up a 'mentoring programme'⁴⁶, financed by the Ministry of Labour and Employment and the European Social Fund, to help enterprises integrating mentoring practices in their company policy. The programme assists mentors in companies to pass on experience to younger workers, through exchange of experience between mentors and trainees. It underlines the value of experienced workers, avoids loss of competences, addresses skill shortages and maintains older workers in employment.

Initiatives by companies

CEPS/INSTEAD, a public research institute on social sciences, conducted two surveys in 2004 and 2012 to measure the level of awareness in private sector companies on the ageing of their workforce and to identify the kind of measures they have implemented to face it⁴⁷. Results show that interest in age management has risen in companies, and that more companies have put in place work arrangements, especially on working time, or specific training. The survey also reveals that companies tend to adopt a broad strategy on working conditions that benefits all workers rather than arrangements targeting specifically older workers.

Some indicative examples, extracted from the surveys:

- **BGL BNP Paribas:** BNP Paribas bank has put measures in place that promote OSH among older workers and encourages them to stay in work; i.e. the introduction of training courses specifically created for workers over 45, the provision of free medical check-ups for employees aged between 45 and 55 (costs are borne by the employer) and two additional leave days for employees aged 50-54 and three additional leave days for employees over 55. Moreover, if an employee has reached the statutory retirement age or early retirement with at least 40 years of contribution, he/she will receive a supplementary occupational pension and a bonus payment upon retirement. Since 2005 it has been possible to convert this bonus into time to be used for reducing working hours in the week or for reducing total working time.
- **Société électrique de l'Our:** This electrical provider has restructured its workplace in order to adapt to the needs of workers with disabilities or slight impairments (e.g. occupational safety measures were strengthened). It also offers employees the possibility to change jobs within the company if they can no longer do certain tasks. If reclassification is not possible, the company facilitates the participation in re-training programmes. As regards older workers, regular medical check-ups are organised by the company and workers older than 50 years old can take preventive heart disease examinations.

⁴⁵ GEDplan, *Gender Equality & Diversity Planning at Workplaces: State of Art Review*, 2009. Available at: http://www.europaforum.public.lu/fr/temoignages-reportages/2009/12/ged-plan/State_of_Art_Review_GED_Plan_171109.pdf (Accessed October 2014).

⁴⁶ Perspective 45 website: http://www.perspective45.lu/mmp/online/website/menu_main/mentoring/91/index_FR.html (Accessed October 2014).

⁴⁷ Leduc, K., 'Les politiques managériales des entreprises envers les seniors', *Les Cahiers du CEPS/INSTEAD*, n°2013-01, 2013, 16 p. Available at: <http://www.ceps.lu/?type=module&id=104&tmap=1911> (Accessed October 2014)

3 Overview of policies, strategies and programmes in relation to the rehabilitation/return to work of workers

Extending working lives in healthy, safe and sustainable working conditions also means ensuring that people who suffer from an illness or an accident that leads to prolonged sick leave have the necessary support to return to work in safe and adapted conditions. By promoting the return to work of those who are suffering from a health problem, and specifically in the older age group, a number of people who may otherwise have chosen early retirement or needed a disability pension will remain employed.

The effectiveness of the rehabilitation process is therefore another important factor related to prolonging healthy working lives. Although the issue of rehabilitation and return-to-work is particularly relevant for older workers, as they are more likely to suffer from work-related health problems than younger age groups, the chapter looks at rehabilitation for all workers.

Since the end of the 1990s, Luxembourg has been restricting access to disability pensions and benefits by imposing stricter conditions to beneficiaries, reducing the overall number of disability pension granted by half, while at the same time promoting the reemployment of people with reduced working capacity.⁴⁸

The following chapter first describes the institutional system in Luxembourg for the rehabilitation/return to work of workers suffering from a health problem and then looks at specific initiatives from governmental and non-governmental organisations to promote rehabilitation and return-to-work.

3.1 The national system for the rehabilitation/return to work of sick or injured workers

Legal and policy framework

The Luxembourg OSH and antidiscrimination legislation as laid down in Labour Code (see Section 1.3) requires employers to accommodate the workplace following an assessment of the OSH risks and the needs of the workers, as per the requirements of the relevant EU OSH and antidiscrimination legislation.

The Labour Code addresses specifically the issue of workers recognised as disabled and receiving an invalidity pension:

- **Articles L.561-1 and seq. of the Labour Code** (based on the Act on Disabled Workers of 1991) regulates the employment and the protection of disabled workers. In particular, workers who are granted the status of disabled workers are entitled to counselling, training, measures promoting professional integration and vocational rehabilitation. These measures include a state subsidy for employers hiring disabled workers, compensation for workplace adaptations, purchase of specific equipment and transport costs, compensation for vocational training fees and rehabilitation costs, and an extra six days of vacation. The law defines a disabled worker as:
 - a worker who had an accident at work and has a reduction of his working capability of 30%;
 - a person who became disabled in war and has a reduction of his working capability of 30%;
 - a person who has a physical, mental or sensory disability and has a reduction of his working capability of 30% in consequence of natural or accidental causes.

In addition, since 2002, the Labour Code also addresses workers with a health problem but who are not recipients of an invalidity pension:

- **Articles L.551-1 and seq. of the Labour Code** complement the legislation on invalidity pensions. Following the reform of the invalidity pension restricting access to invalidity benefits⁴⁹, workers who did not fit the criteria to access this benefit were not covered by Social Security. To increase the protection of workers who could no longer be recognised as an invalid, but who were unable to take up their former job as a result of a disease or an accident – related or unrelated to work – the Law of 25 July 2002 introduced **internal and external reclassification procedures**. The

⁴⁸ Meggender O., Boukal C., *Healthy Work in an Ageing Europe – A European Collection of Measures for Promoting the Health of Ageing Employees at the Workplace*, as above, p213.

⁴⁹ The reforms in 2002 and 2005 made the conditions stricter by introducing an obligation of reemployment of workers within the company or on the labour market, as described below.

procedures laid down in the Labour Code are currently being revised. The bill is in the process of being adopted⁵⁰; therefore the procedure described below is the one described in the 2013 bill.

Main actors and steps in the rehabilitation process

The new bill of 2013 aims to simplify and accelerate procedures and improve the protection of the worker who has suffered from a health problem (whether occupational or not) during the reclassification procedure. The bill provides for:

- An obligation of internal reemployment for all companies employing at least 25 workers, without conditions;
- Mandatory reassessment of working capacities of reemployed workers by the occupational physician;
- A specific status granted to workers following the external reclassification procedure (*personne en reclassement professionnel externe* – ‘person in external reclassification’), maintaining their rights to indemnification in case their new work contract signed under the reclassification procedure is not being renewed after its term.
- The creation of an allowance provided to workers for whom no reclassification solution has been found (*indemnité professionnelle d’attente*) at the end of the procedure until they find a new job, equivalent to 80% of their former revenue.

The **Social Security Medical Inspectorate** (Contrôle médical de la Sécurité sociale – CMSS): after ten weeks of sickness leave, the CMSS checks the status of the insured on the basis of a medical report (R4 form) drafted by the person’s doctor and decides on a suitable solution. At this stage of the procedure, the medical rehabilitation is completed or ongoing:

- prolong the sickness benefit if the insured is still sick;
- refer to the disability pension service (see below) if the insured is considered as potentially invalid;
- if the insured is considered potentially unable to take up his former job, the CMSS launches the reclassification procedure and refers both to the occupational physician responsible for the particular case and to the Joint Commission (see below). The procedure is similar for occupational and non-occupational accidents or diseases.

The **occupational physician/ health services**: the occupational physician responsible for the case provides an opinion on the working capacity of the person on the basis of a medical examination and a detailed study of the work station. This should include a site visit with the employer and the employee. In his/her reasoned opinion, the occupational physician determines the worker’s residual work abilities and whether the current incapacity is temporary or permanent, and advises on the need of working time reduction and workplace adaptations. The occupational physician also establishes the date for reassessment of the worker’s capacities. The occupational physician submits his/her reasoned opinion to the Joint Commission. If the company employs fewer than 25 employees, the occupational physician can launch the procedure and refers to the Mixed Commission with the agreement of both the employer and the employee.

The **Joint Commission**: The Joint Commission is composed of two representatives of the insured, two representatives of the employers, one representative of the Social Security Medical Inspectorate (Contrôle médical de la Sécurité Sociale), one representative of the Ministry and two representatives from the National Employment Agency, ADEM. The Commission can ask a medical advisor from the Department of Occupation Health in the Ministry of Labour to reassess the opinion of the occupational physician. The Commission takes the final decision on the appropriate reclassification procedure – internal or external reemployment – and on the allowance provided if the person is reemployed outside the former employer (*indemnité professionnelle d’attente*). The Joint Commission can prescribe rehabilitation measures or vocational training in view of the worker’s reemployment.

- **Internal reclassification**, i.e. the worker can be reintegrated in a different position within the same company. Companies that employ more than 25 employees are obliged to reemploy the worker within their company. If the worker loses income in taking up a new position, he/she receives compensation equal to the difference between his former and new income. This allowance is paid by the Employment Fund. In case of internal reclassification, the *‘Mi-temps*

⁵⁰ New procedure as described in the bill on internal and external reclassification no 6555 presented to the Chamber of Deputies in March 2013. The bill is available [here](#).

thérapeutique' (*half-time sick leave*), granted by social security services, can help workers readapt to their previous position in view of returning to work full time. The half-time sick leave requires the recommendation of the worker's General Practitioner, the validation by the social security medical inspectorate (CMSS), and the agreement of the employer. During that time, the employee receives sickness benefits, from which his wage is deducted. The need for a part-time work arrangement is reassessed by the occupational physician at a given time agreed prior to a return to work. If the occupational physician considers that part-time work is no longer a medical requirement, he refers to the Joint Commission that decides to stop or extend part-time work. Similarly, if the occupational physician considers that the worker has recovered his working capacity, he refers to the Joint Commission who decides whether to withdraw the specific status and compensations.

- **External reclassification**, i.e. internal reclassification is not possible or would be prejudicial to the worker. When the Joint Commission decides on an external reclassification procedure, the worker is granted the status of 'person in reclassification procedure' and is automatically registered to *the national employment agency*, ADEM and receives employment benefit. If the worker has not found a job when his/her rights to employment benefit expire, he/she will receive an allowance – *indemnité professionnelle d'attente* – equal to 80% of his/her former revenue until he/she finds a new position. The allowance is paid partially by the pension insurance fund and the Employment Fund through the ADEM.

The **National Employment Agency**: a department for workers with reduced capacities was created in the ADEM to improve the support to workers with health problems or disability in finding a new position. The aims of the department include rehabilitation measures, including training and vocational guidance⁵¹. The ADEM also subsidises workplace adaptations for disabled workers.

The **external occupational health services**: the inter-company occupational medicine services described in section 1.2, such as the STM, provide, in addition to medical examinations and workplace risk assessment, advice on ergonomics and workplace adaptations.

The **Disability Pension Service**: If a worker is declared unable to take up his former job or any other job on the labour market by the Social Security Medical Inspectorate (CMSS), he/she can be granted a disability pension. The CMSS refers the insured to the Disability pension service; the insured has to make the request to access disability pension.

Compensation system

Compensation system for sickness absence

While on sick leave, the employer continues to pay the worker's wage for 13 weeks. After this period, the insured worker receives a **sickness benefit** paid by the Medical Insurance. This benefit is limited to 52 weeks (in a reference period of 104 weeks). However, beyond ten weeks the payment of the benefit is on condition of the presentation of a medical report to the Social Security Medical Inspectorate (R4 form).

In case of occupational accidents and diseases, after the end of the sickness benefit, a benefit is paid until complete recovery.

Compensation system for disability or reduced capacity to work

The **invalidity pension** is granted to workers declared invalid within the meaning of the law, which means workers having lost their full working capacity, and who are unable to take up their former job position or any other job position corresponding to their strength or abilities. To be eligible to the invalidity pension, a worker must have been insured for at least one year during the last three years prior to invalidity. If the worker's invalidity results from an occupational accident or disease, this last condition does not apply.

⁵¹ EU-OSHA, *Work-related musculoskeletal disorders: back to work report*, Luxembourg: Office for Official Publications of the European Communities, 2007.

3.2 Specific initiatives or programmes

The Multi-Sector Occupational Health Services (STM – see section 1.2) created in 2000 the **Centre for the Prevention of Back Problems ‘Prevendos’** as an answer to the high number of back problems reported by occupational physicians. Originally financed by the European Social Fund, since 2008 the Centre has been funded by the State and the Medical Insurance (Caisse Nationale de Santé – CNS).

Prevendos provides trainings for three categories of workers: a one day prevention course for workers without back problems; a prevention course for workers with back problems to avoid dangerous postures or gestures; and a *rehabilitation training course for workers with chronic and serious back problems* to reintegrate these workers into the work environment. Training courses are reimbursed by the Accident Insurance Association (AAA) or the Medical Insurance (CNS) and the Ministry of health. The STM does a follow up by mail one year after the training with all trained workers⁵².

No other initiatives by social partners or other organisations have been identified on rehabilitation/return-to-work in Luxembourg.

⁵² Confédération Luxembourgeoise du Commerce, CLC Connect 3 May 2012.

4 Conclusions

General context

Facts and figures

- Although the Luxembourgish population is ageing, the median age of the population in Luxembourg is still lower in 2012 than the EU-27 average. However the ageing of the population is predicted to continue and the old-age dependency ratio will increase from 20% in 2012 to 35% in 2060. This will still be substantially lower than the EU average (50% in 2060).
- *Life expectancy* in Luxembourg is quite similar to that of the overall EU population when both genders are considered together. However, both men and women in Luxembourg are estimated to have more “*healthy life years*” at the age of 65 than the overall EU population (around two additional years).
- The *employment rate* of workers between 55 and 64 in Luxembourg remains one of the lowest in the EU – 41% in 2012. In addition, the average effective retirement age has increased but is still 59.6 for women and 57.6 for men, one of the lowest of OECD countries.
- In general, older Luxembourgish workers report a slightly better situation than EU workers with regard to certain aspects of their *working conditions* (carrying heavy loads, shift work, work-life balance) and consequently older workers in Luxembourg are slightly more satisfied with their working conditions than older workers in the EU. In addition, national studies comparing working conditions in different age groups show that older workers in Luxembourg are exposed to similar working conditions and less exposed to strenuous working conditions than workers below the age of 50⁵³.
- *Retirement age* is set at 65 years but workers can keep working until the age of 68 (and consequently receive a higher pension) and also combine work revenues and pension. A number of early retirement schemes exist in Luxembourg, although they were reformed in 2006 to reduce their financial attractiveness.

Legal and institutional framework

The recent audit of the OSH system⁵⁴ in Luxembourg concludes that the coordination between the main governmental services and social security works well. However, social dialogue on health and safety issues is very limited, either because existing structures at national level do not function properly, or because bipartite structures in companies are lacking or, when they exist, tend to consider OSH as a marginal topic.

OSH and older workers

In the wake of the Lisbon Strategy setting an objective of increasing the employment rate of older workers and to guarantee the viability of the pension system, Luxembourg has adopted policies to encourage longer careers, especially by reforming the pension system, providing incentives for the recruitment of older workers and promoting vocational training at any age. Most measures already in place aim to influence the participation of older workers in the labour market without considering the sustainability of the work or health aspects. However, a draft legislation, encouraging companies that employ more than 150 workers to negotiate an action plan on the employment of older workers, is under negotiation in the Parliament. If passed, this legislation would concern 40% of the older workers in Luxembourg. Working conditions and anticipating career management are two of the five topics that these action plans could cover (only three topics are compulsory). No indication is however provided as

⁵³ Hautet, L., ‘Les séniors et leurs cadets partagent-ils les mêmes conditions de travail ?’, *Vivre au Luxembourg*, n° 84, September 2012, CEPS/INSTEAD, 2012.

⁵⁴ Mairiaux, P., Levêque, A., Pichault, F., *Audit de la santé au travail au Luxembourg*, 2012. Available at: <http://www.sante.public.lu/fr/catalogue-publications/impacts-milieu-vie/sante-travail/audit-sante-travail-luxembourg-2012/index.html> (Accessed October 2014).

for when the law will be adopted. The absence of social dialogue structure on OSH in companies could be an obstacle in the negotiation of such agreements.

In addition, several measures are in place to offer opportunities for better career management in the last working years:

- Possibilities to combine part-time employment and pension or save paid leaves to shift to part-time work or phase-in retirement.
- Vocational training compensated by the State, which can offer possibilities of retraining.

Overall, initiatives related to older workers are part of a general policy which is more orientated towards promoting their employment than improving health and safety at work and/or working conditions. However, the draft legislation making company agreements mandatory for large companies would be an interesting attempt at integrating the improvement of working conditions into the overall employment policy.

No initiatives from social partners have been identified while companies appear to show more interest recently for age management, putting in place measures on working time or specific training. These initiatives on working conditions tend to address all workers rather than specifically targeting older workers.

Rehabilitation/return-to-work

In order to restrict the number of beneficiaries of disability pensions, Luxembourg introduced in 2002 in the Labour Code a new procedure for employees returning to work after a long sick leave, including the reclassification of employees declared unable to take up their former position. In this procedure, the occupational physician is the first person of contact for the employer to get advice on how to accommodate an employee who returns to work. He/she provides recommendations regarding workplace or working time adaptations in his/her reasoned opinion recognising the ability or inability of the employee to take up his previous job.

The possibility of combining part-time employment and sick leave also exists in Luxembourg (mi-temps thérapeutique), which offers the possibility for an early reintegration into the workplace.

However, financial support for workplace adaptations is only provided by the State to support the employment or reemployment of disabled workers or workers who have lost more than 30% of their work ability because of an occupational injury or disease. It seems that no other type of support, financial or otherwise, is provided to employers to facilitate the reintegration of workers suffering from a non-work-related health problem.

General conclusions

In Luxembourg, recent legal reforms have created the conditions for a more sustainable approach to the working life, with a new bill encouraging companies to think about age management and a reform of the reclassification procedures encouraging workers to go back to work following a period of sick leave. The policy framework however does not yet fully reflect these changes in the legislation, with most policy initiatives still focused on increasing the employment rate of older workers, and the main actors involved in this process, and in particular the social partners, have not yet developed concrete activities to implement these changes.

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The European Agency for Safety and Health at Work (EU-OSHA) contributes to making Europe a safer, healthier and more productive place to work. The Agency researches, develops, and distributes reliable, balanced, and impartial safety and health information and organises pan-European awareness raising campaigns. Set up by the European Union in 1994 and based in Bilbao, Spain, the Agency brings together representatives from the European Commission, Member State governments, employers' and workers' organisations, as well as leading experts in each of the EU Member States and beyond.

European Agency for Safety and Health at Work

Santiago de Compostela 12, 5th floor
48003 Bilbao, Spain
Tel. +34 944794360
Fax +34 944794383
E-mail: information@osha.europa.eu

<http://osha.europa.eu>



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