

Reform of the Labour Code by the law dated 8 April 2018

Posted on Monday 23rd of April 2018 in Employment, Pensions & Immigration

In our previous Newsletter dated 8 February 2018^[1] regarding the latest modifications of the Labour Code and ongoing projects, we reviewed the progress of parliamentary proceedings of the Bill n°7086 aiming at the modification of several provisions of the Labour Code.

This Bill, now the law of 8 April 2018^[2], was passed by the Luxembourg Chamber of Deputies and published on 11 April 2018 at the Luxembourg Memorial A n°242 and came into force on 15 April 2018. It reforms some specific provisions of the Labour Code, among which the main changes are:

- Modification of Article L. 121-6: clarification of the base of calculation regarding the obligation of the employer to maintain the full salary and other benefits of incapacitated employees;
- Modification of Article L. 124-6 : an employee who resigns with immediate effect because of the employer's serious misconduct will have the right to compensation in lieu of notice if his resignation is found to be justified by the Labour Court^[3];
- Modification of Article L. 124-7 regarding the severance pay:
 - An employee who resigns with immediate effect because of the employer's serious misconduct will have the right to severance pay if his resignation is found to be justified by the Labour Court³;
 - Removal of the reference to the eligibility criteria for regular old-age pension^[4];
- The conditions under which the dismissed or resigned employee and/or the employer would be ordered to reimburse to the Luxembourg State all or part of the unemployment benefits he had been authorized to receive (Article L. 521-4 and new Article L. 521-4bis);
- Introduction in the Labour Code of Articles L. 541-7 to L. 541-13 regarding the new and stricter conditions of the re-employment support (now called the "temporary re-employment support").

If you would like to find out more about the reform, please consult our [previous newsletter](#) dated 8 April 2018, or feel free to contact us if you have any question.

[1] <http://molitorlegal.lu/reform-labour-code-latest-modifications-ongoing-projects/>

[2] "Loi du 8 avril 2018 portant modification

- du Code du travail ;
- de la loi modifiée du 24 décembre 1996 portant introduction d'une bonification d'impôts sur le revenu en cas d'embauchage de chômeurs ;
- de la loi modifiée du 12 septembre 2003 relative aux personnes handicapées."

[3] In accordance with the decisions handed down by the Constitutionnal Court on 8 July 2016 (n°123/16 and 124/16).

[4] In accordance with the decision handed down by the CJEU on 9 April 2016 (Industrie (DI) c/ Succession Karsten Eigil Rasmussen).

Your contact(s)

**Régis MULLER****Partner**

Avocat à la Cour, Member of the Luxembourg Bar, 2003

regis.muller@molitorlegal.lu

**Clément SCUVEE****Associate**

Avocats, Member of the Luxembourg Bar, 2017