

Alliant Global Services

Global Knowledge Center

LUXEMBOURG – Statutory Annual Leave Guide

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Statutory Annual Leaves

Employers are required to provide 26 working days of annual leave per calendar year. One full week of annual leave accounts for maximum five working days, even if an employee's weekly working hours are spread of more than five days. Unless otherwise specified, annual leave is paid by the employee. (Labor Code Art. L. 233-4 and Art. L. 233-5)

Certain categories of employees are entitled to additional annual leave days, namely:

- Six additional government-paid leave days per year for disabled employees, those suffering from war injuries, or occupational injuries. To be reimbursed for these six additional days employers must contact Disabled Workers Department of the National Employment Agency (*ADEM*);
- Three working days per year for mine and mining sector employees; and
- One additional day of leave for each period of eight weeks, successive or not, during which the employee did not get an uninterrupted rest period of 44 hours per week.

A collective agreement or an individual agreement between the employer and the employee may provide for additional annual leave days.

Annual leave entitlement

All employees, regardless of working hours or the type of employment contract are entitled to paid annual leave.

Employees working part-time (including part-time parental leave) are entitled to a prorated annual leave based on their weekly working hours.

An employer may refuse to grant annual leave to an employee who has unjustified absences greater than 10% of their normal working time during the part of the calendar year already elapsed. (Labor Code Art. L. 233-6)

Payment during annual leave

The employer must continue to pay the employee during their annual leave. The payment amount corresponds to the employee's salary, including overtime and incidental bonuses, averaged over:

- the three months preceding the leave; or
- the last 12 months for employees whose pay is highly variable. (Labor Code, Article L. 233-14)

Non-periodic elements of compensation (e.g., performance bonuses) are not taken into account.

Payment during annual leave must account for salary increases during the three (or 12) reference months or during the leave, resulting from:

- wage indexation,
- the collective agreement, or
- the terms of the employment contract. (Labor Code, Article L. 233-14)

Accrual rules

The rate of annual leave accrual is one-twelfth per full month of work, i.e. 2.167 days per month, starting from the first day of work. (Labor Code Art. L. 233-7)

If the fraction of a month worked exceeds 15 calendar days, it is counted as full working months. Partial days exceeding a half day are considered as a full day of work. (Labor Code Art. L. 233-7)

Employees who are on sick leave or on extraordinary leave, maternity leave, acceptance leave, leave for family reasons, leave to support a person at the end of life, individual training leave, language leave, training leave for employee representatives, political leave, leave for corporate office, sports leave, special leave for emergency service volunteers, development cooperation leave, youth leave, leave to look for a new job, are also entitled to annual leave.

However, an employee on full-time parental leave does not accrue annual leave during the parental leave period. During full-time parental leave, the employment contract is suspended.

Drawing on the leave

New employees may draw on annual leave, which they start accruing immediately upon employment, only after three continuous months of service with the employer. (Labor Code Art. L. 233-6)

An employee is free to set their annual leave dates, while considering the employer's business needs, and any justified prioritization of other employees (e.g., employees with school age children).

An employer cannot impose annual leave dates without the employee's agreement, nor force an employee to take unpaid leave.

Requesting the leave

The employee must request annual leave at least one month in advance. (Labor Code Art. L. 233-10)

Minimum leave period

Annual leave can be taken all at once. If for business-related needs or a justified employee request require splitting the entitlement, one of the segments of annual leave must correspond to at least two calendar weeks. (Labor Code Art. L. 233-8)

Carryover rules

In principle, annual leave must not be carried over from one calendar year to another. (Labor Code Art. L. 233-9)

Nevertheless, annual leave may be postponed:

- until 31 December of the following year, at the request of the employee, if it relates to leave accrued during the first year of work with the employer, which could not be taken in full; or
- until March 31 of the following year:
 - if the employee was unable to take his leave due to the needs of the service or the justified wishes of other employees;
 - if the employee still benefited from days of annual leave at the time of his departure on maternity leave, adoption leave or parental leave.
- after the date of resumption of work if the employee has not been able to take their leave due to incapacity for work (illness, accident at work or occupational disease).

Company agreements may provide for more flexibility in terms of annual leave carryover rules.

Unused annual leave

The employee cannot give up annual leave days to which they are entitled, not even for payment in lieu, unless the employment agreement is terminated. (Labor Code Art. L. 233-18)

Illness during annual leave

If an employee falls ill during their annual leave, they must inform their employer and provide the employer a medical certificate within three working days if the employee is in Luxembourg, or as soon as possible if they are abroad. The days covered by a medical certificate are then no longer considered as annual leave days. However, the employee must return to work on the initially agreed date (if they have recovered). The employee and the employer must then mutually agree on a new annual leave period for the employee. (Labor Code Art. L. 233-11)

Annual leave upon termination

Annual leave is not an employment protected leave.

In the event of a termination of the employment agreement, the employer must pay an employee any unused annual leave entitlement. When the employment contract ends during the calendar year, the employee is entitled to one-twelfth of their annual leave per month worked. Fractions of working months exceeding 15 calendar days are counted as full working months. (Labor Code Art. L. 233-12)

The employer may not force the employee to take unused annual leave days during their notice period.

Medical appointments during working time

With the exception pregnant employees' who are exempt from work for prenatal examinations the labor code does not provide for special leave time for medical appointments during working hours. If an employer does not consent to an employee's absence for medical appointment purposes, the employee would have to schedule medical appointments outside of working hours.

Certain CBAs provide for a special leave or an authorized absence from work for a medical appointments and examinations.

Working during annual leave

An employee may not perform any remunerated work during their paid annual leave, under the penalty of being deprived of their salary during the annual Leave period. (Labor Code Art. L. 233-15)

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