

Financing adult learning database

Name of the instrument - English translation	Payback clause
Scheme ID	146
Country	 Luxembourg
Reporting year	2015
Type of instrument	Payback clause
Type of entry	Single instrument

Short description	Employers and employees can agree on a payback clause for training related costs. Employees can be requested to reimburse the cost of employer-financed training incurred in the last 3 years if the employment contract is terminated on the initiative of the employee or by the employer due to a serious instance of employee misconduct. The employee cannot be obliged to reimburse training that benefits the company directly (compulsory or firm-specific training).
Short description of the related instruments	nap

Level of operation	National
Name of a part of the country	nap
Name of the region (for regional instruments)	nap
Name of the sector (for sectoral instruments)	nap
Relevance	Key scheme
Legal basis	Labour Code, 2011, Book V, Title IV, Chapter 2, Section 2, Art. L.542-7 to 19. Also Article 105 of legislation on income tax (Loi modifiée du 4 décembre 1967 concernant l'impôt sur le revenu - L.I.R
Year of implementation	1999
Year of latest amendment	2009

Operation/management	<p>The law establishes minimum standards that should be considered for the design of agreements between social partners or within companies.</p> <p>Conditions on payback clauses established in the Labour Code can be amended or replaced by collective agreements at sectoral or company level provided that such conditions are less strict than the national regulations.</p> <p>Regulations at national level are applicable and enforceable when no other agreement applies.</p>
Eligible group(s)	All employees affiliated to the social security in Luxembourg and bound by an employment contract to a company.
Group(s) with preferential treatment	None
Education and training eligible	<ul style="list-style-type: none"> - Adaptation of the qualifications of the employee and the company director by upgrading their technical skills and organizational skills, production or marketing; - Retraining of the employee and the company manager for access to another occupation; - Promoting the employee through his preparation for tasks or positions of increased responsibility or greater responsibility and the development of skills non or incompletely used. <p>The training provided applies to the private sector without distinction of professional activity.</p>
Source of financing and collection mechanism	Employer, employee
Financing formula and allocation mechanisms	<p>Employees can be requested to reimburse the cost of employer-financed training incurred in the last 3 years if the employment contract is terminated on the initiative of the employee or by the employer due to a serious instance of employee misconduct. The employee cannot be obliged to reimburse training that benefits the company directly (compulsory or firm-specific training)</p> <p>Redemption: the employee has to reimburse 100% of the cost incurred in the current year; 60% for the second year and 30% for the third year; the amount to be reimbursed is reduced by EUR 1 240 per year and the training cost must be higher than this figure for payback clauses to become applicable.</p> <p>For a contractual retention period of 2 years the cost of training would have to amount to at least EUR 2 480 and for 3 years - at least EUR 3 720.</p> <p>The longest period of payback clause validity is 3 years and the amount owed to the company can be paid in one or in several instalments, according to the stipulations in the Labour Code.</p>
Eligible costs	Fees and other costs related to education and training
Volumes of funding	na

Beneficiaries/take up	na
Organisation responsible for monitoring/evaluation	Ministry of Labour and Employment, Ministry of Education.
Monitoring/evaluation reports available	Ministry of Employment
Most relevant webpage - in English	na
Most relevant webpage - local language	https://www.llc.lu/uploads/documents/files/vers-def-guide.pdf
Sources	http://www.legilux.public.lu/leg/textescoordonnes/codes/code_travail/Co...
	http://www.lifelong-learning.lu/View/Document-Cofunding/notice-explicat...
	http://www.impotsdirects.public.lu/legislation/LIR/Loi_modifi__e_du_4_d...
	http://www.impotsdirects.public.lu/legislation/LIR/Loi_modifi__e_du_4_d...