

## Financing adult learning database

<b>Name of the instrument - Local language</b>	Co-financement de la formation (du plan de formation de l'entreprise)
<b>Name of the instrument - English translation</b>	Joint funding of training (of the company training plan)/ support and development of continuing training
<b>Scheme ID</b>	142
<b>Country</b>	 Luxembourg
<b>Reporting year</b>	2015
<b>Type of instrument</b>	Tax incentive for companies
	Grant for companies
<b>Type of entry</b>	Single instrument

<b>Short description</b>	This scheme allows major employers in Luxembourg to receive funding for providing vocational training and also extends this right to SMEs. Companies either receive a premium (20% of the taxable yearly amount invested) or a reduction of the tax due (14% of the total cost vocational training costs for the financial year). The scheme also aims at facilitating the provision of training for workers with low or no qualifications and for older workers (through higher State funding).
<b>Short description of the related instruments</b>	nap

<b>Level of operation</b>	National
<b>Name of a part of the country</b>	nap
<b>Name of the region (for regional instruments)</b>	nap
<b>Name of the sector (for sectoral instruments)</b>	nap
<b>Relevance</b>	Key scheme
<b>Legal basis</b>	Section 2 of chapter II from title IV of book V of the Labour code (Introduced originally by the Grand Ducal Regulation of 30 December 1999 made pursuant to the law of 22 June 1999 aimed at the support and development of

	continuous vocational training; subsequently modified by the Act of 28 March 2012 amending the Law of 19 December 2008 on the reform of vocational training and the Labour Code).
<b>Objective(s) and target(s)</b>	Adaptation of the qualifications of the employee and the company director by upgrading their skills in consideration of new organizational, production and marketing techniques and technologies; reskilling employee and entrepreneur for access to another occupation; promoting employees through their preparation for tasks or positions of increased responsibility or greater responsibility and the development of skills and potential non or incompletely used.
<b>Year of implementation</b>	2000
<b>Year of latest amendment</b>	2012
<b>Operation/management</b>	Ministry of Education and Vocational Training; National Institute for Continuing Vocational Training (INFPC): checking the applications, updating the tools (e.g. web portal).
<b>Eligible group(s)</b>	<p>Private sector companies established in Luxembourg. Employees affiliated with Luxembourg's social security system and bound by an employment contract (permanent or fixed) as well as those working as sub-contractors for the applicant company. Self-employed are also eligible.</p> <p>Exceptions: temporary staff, apprentices, students, young graduates/non-graduates, personnel representative, those in liberal professions and included in the establishment of the company are not eligible as they are bound by other than employment contract (NB: If those in liberal professions are bound by employment contract, their training is eligible).</p>
<b>Group(s) with preferential treatment</b>	Companies with low qualified employees with less than 10 year tenure; companies with 45 years old and older employees with more than 10 years of tenure
<b>Education and training eligible</b>	<p>Continuous education and training. At least 50% of training time should be scheduled within normal working hours.</p> <p>External and internal training, firm/sector specific and transferable.</p> <p>Workplace adaptation training.</p> <p>On-the-job training, self-learning and e-learning.</p> <p>Conferences, fairs and exhibitions.</p> <p>Training not cumulable with training provided under the 'individual training leave' scheme.</p>
<b>Source of financing and collection mechanism</b>	State (Ministry of Education and Vocational Training) company
<b>Financing formula and allocation mechanisms</b>	Article L. 542.13: Private sector companies legally established in Luxembourg and performing main business operations in the country can obtain a training aid from the State amounting to 20% of the taxable yearly amount

	<p>invested. The financial participation of the State is increased to 35% for the salary costs of participants meeting the following criteria on the start date of the training plan: participant has no recognised qualifications and has been with the company for less than 10 years; participant is over 45 and either holds a recognised qualification or has been with the company for more than 10 years.</p> <p>Article L. 542.14: Companies that have incurred continuous vocational training expenses and that did not opt for a direct financial aid from the State (in accordance with Article L. 542-13) are entitled to a tax rebate (Act of 28 March 2012). The tax rebate is 14 percent of the total cost vocational training costs for the financial year. The tax rebate, calculated on the basis of wage (labour) costs, is increased by 11 percentage points if the training is for beneficiaries that have no recognised qualifications and have been with the company for less than 10 years; or that are over 45 and either hold a recognised qualification or have been with the company for more than 10 years. The tax rebate is deductible from the income tax due for the financial year in which the training costs were incurred.</p> <p>Art. L. 542-11. (Act of 28 March 2012): Upon written request, the companies' training plan exceeding a total of 75,000 euros, get the approval of the Ministry. Training plans totaling less than 75,000 euros fulfill the co-financing rate set by the State. The state contributes to continuous training costs, according to the company's preferred option, either in the form of a direct financial aid (in accordance with Article L. 542 -13) or in the form of an income tax rebate (pursuant to Article L. 542-14).</p>
<b>Eligible costs</b>	Fees and other costs related to education and training
<b>Frequency of the use</b>	Each year
<b>Volumes of funding</b>	The volume of State funding was EUR 25 000 000 in 2010, EUR 27 000 000 in 2009, EUR 32 500 000 in 2008. Estimations for 2011 go up to EUR 41 000 000.
<b>Beneficiaries/take up</b>	<p>In 2013, 1 569 companies received benefits (1 070 obtained a certification, 499 did not). In 2012, 2 169 companies were counted.</p> <p>Respective figures for previous years are:  2011: 1095 (700 annual reviews and 395 approved applications and final reports)  2010: 963 (697 annual reviews and 356 approved applications and final reports)  2009: 851 (481 annual reviews and 370 approved applications and final reports)  2008: 742 (278 annual reviews and 464 approved applications and final reports).</p>
<b>Organisation responsible for monitoring/evaluation</b>	Ministry of Education and Vocational Training.
<b>Monitoring/evaluation reports available</b>	na

<b>Most relevant webpage - in English</b>	na
<b>Most relevant webpage - local language</b>	<a href="http://www.lifelong-learning.lu/Detail/Article/Aides/cofinancement-de-l...">http://www.lifelong-learning.lu/Detail/Article/Aides/cofinancement-de-l...</a>
<b>Recent changes</b>	Changes relate to the Act of 28 March 2012. In summary, the recent changes give companies incurring training costs the choice between getting a State financial aid or a tax rebate covering part of the costs incurred. The financial aid and tax rebate are both increased for specific categories of workers.
<b>Sources</b>	<a href="http://www.legilux.public.lu/leg/textescoordonnes/codes/co_de_travail/Co...">http://www.legilux.public.lu/leg/textescoordonnes/codes/co_de_travail/Co...</a> <a href="http://www.men.public.lu/catalogue-publications/professionnel/formation...">http://www.men.public.lu/catalogue-publications/professionnel/formation...</a>