

NEWSLETTER

“MUTUALITÉ DES EMPLOYEURS”: COMPENSATION FOR THE SALARY INDEXATION

As of the 1st January 2024, the contribution rates to the “Mutualité des Employeurs” will be reduced to offset the cost of indexation linked to the index introduced in September 2023.

On the basis of the law of 26 July 2023, the contribution rates for each of the 4 classes will be reduced for this purpose. The cost of indexation will be represented by the total salary and will not be capped at the current CCSS ceiling. The (planned) reduction in rates will be equivalent to 1.34 percentage points in each class.

Since this reduction could result in negative contribution rates for some classes, it is possible that the reduction will be spread over the next few years.

ATTENTION

As the reduction of 1.34 percentage points and the definitive classes for the coming years are not yet known, the contribution rates below may be subject to adjustments.

Contribution rates over the next three years:

	2024	2025	2026
Class 1	0.01%	0.04%	0.35%
Class 2	0.01%	1.10%	-
Class 3	0.42%	-	-
Class 4	1.36%	-	-

The final calculation of the contribution rates for 2024 will take place at the end of 2023. The "-" in the table indicates that there will be no reduction in the final rate applicable to this class in the year in question.



DIGITAL MEAL VOUCHERS IN 2024

Announced on 9 June 2023, the new meal voucher system will come into force as of **1 January 2024**.

The main changes:

- The paper format of meal vouchers will be phased out in favour of a card format. Employers will have until 31 December 2024 to make the necessary adjustments.
- Increase in face value to €15. However, the employee contribution will remain at €2.80. As this increase is voluntary, the employer may maintain the current face value or increase it.
- Use limited to the purchase of **food products** or **meals** and a **maximum of 5 meal vouchers per day** (equivalent to €75 per day). However, meal vouchers may be used after work, including weekends and days off.

NEW TAX SCALE IN 2024: CORRECTION

In our October newsletter, we mentioned **tax cuts as of January 2024 onwards**.

According to the coalition agreement published by the new government, this tax cut will no longer correspond to 2.5 indexes but to **4 indexes**. Although it is still planned to apply as of the 1st January 2024, this latest adjustment has not yet been voted.

Simulation of the new impact in class 1 (single):

Taxable monthly income	Monthly tax old scale	Monthly tax new scale (2,5 indexes)	Monthly tax new scale (4 indexes)
3.000 €	344.70	313.70	295.40
5.000 €	1,124.20	1,065.10	1,028.00

VAT RATES: REMINDER

The year 2023 benefited from an "anti-inflation" package reducing most VAT rates by 1%. This change was planned for a limited time (2023). Unless the Luxembourg Government decides otherwise, the old VAT rates will once again apply as of the **1st January 2024**:

- Goods and services subject to the standard rate: **17%**.
Examples: cigarettes, petrol, beer and other alcoholic beverages (except wine at 13°), travel agencies, etc.
- Goods and services subject to the intermediate rate: **14%**. Examples: wines with an alcohol content of 13° or less, solid mineral fuels, cleaning products, advertising material, custody and management of securities, etc.
- Goods and services subject to the reduced rate: **8%**.
Examples: gas, electrical energy, wood for heating, hairdressing, home cleaning, etc.



CHOCOLATES AWAIT YOU

The festive season is rapidly approaching. To thank you for your trust, we would like to offer you a moment of exquisiteness.

Don't forget to get your chocolates the next time you visit us **as of the 1st of December**.