

# GMS Flash Alert



2023-039 | February 17, 2023

## Luxembourg – Social Security Parameters Adjusted for 2023

The Luxembourg Social Security authorities have announced<sup>1</sup> the 2023 minimum and maximum bases for social security contributions for employees (an adjustment that takes place annually) as from 1 February 2023:

- minimum annual wage base is set at EUR 29,364 (12 x EUR 2,447.07), rounded off for individuals 18 years and up (“non-qualifiés”);
- for employees over the age of 18 who have completed a qualifying level of education, the minimum annual wage base is EUR 35,237 (12 x EUR 2,936.48 per month, rounded off) off for individuals 18 years and up (“qualifiés”); and
- the maximum annual contribution for employees is EUR 146,824 (12 x EUR 12,235.34, rounded off). This applies for all insurance regimes except “assurance dépendance”).

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### WHY THIS MATTERS

International assignment cost projections and budgeting for assignments to Luxembourg and for assignees outside Luxembourg still subject to Luxembourg taxation should take into account the changes in the social security wage ceiling and wage base. Where called for, employers may need to make payroll adjustments and update hypothetical tax calculations for tax-equalised assignees.

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## KPMG INSIGHTS

Adjustments to the so-called social security parameters are largely routine. Nevertheless, given the impact of these changes to the operation of Luxembourg payroll/shadow payroll, these changes should be communicated to relevant stakeholders as soon as possible to help ensure that payroll processes and software can be updated in a timely fashion. Pre-departure conversations with assignees who will be subject to Luxembourg social security should include mention of applicable rates, ceilings, and wage bases and the impact on the assignee.

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## FOOTNOTE:

1 For the updated base and rate table issued by the Ministère de la Sécurité Sociale, click [here](#) (in French).

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## Contact us

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**The information contained in this newsletter was submitted by the KPMG International member firm in Luxembourg.**

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