

# Next wage indexation postponed to 1 April 2023

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On Wednesday 15 June 2022, the Bill of law 8000A, transposing certain measures provided by the tripartite agreement signed on 31 March 2022 by and between the Government and the social partners UEL, the LCGB and the CGFP, ("**Tripartite Agreement**") has been voted and should come into force soon after its publication ("**Law**").

Amongst other things, the Law provides that the first indexation on wages after 1 April 2022 will be postponed to 1 April 2023. According to Luxembourg law, when the cost of living index increases by 2.5% all wages are increased proportionally. Considering the significant recent inflation as well as the last two indexations which occurred on 1 October 2021 and 1 April 2022, it has been decided to postpone the next indexation, which was expected in mid-2022, in order to limit the excessive financial pressure on businesses in Luxembourg.

In order to compensate for the postponement of the wage indexation, the Government has opted for several compensatory measures, e.g. energy tax credit (CIE), financial aid for students, tax credit for the beneficiaries of social inclusion income (Revis) and for the recipients of the severely disabled benefit (RPGH), etc.

The Government has announced that, for any additional indexation (i.e. apart from the one already postponed to 1 April 2023) triggered until 31 December 2023, a new meeting of the Tripartite Coordination Committee would be convened in order to discuss a possible postponement of any such additional indexation and/or any other social measures.

For any further information please contact us or visit our website at **[www.elvingerhoss.lu](http://www.elvingerhoss.lu)**.

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We undertake no responsibility to notify any change in law or practice after the date of this newsletter

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