



Wage indexation: applicable provisions from 2012 to 2014

Following the measures adopted last January¹ in the context of the financial crisis, the traditional automatic wage indexation mechanism is suspended during the years 2012 to 2014.

During this period, the system of wage indexation is modulated as follows:

- The indexation (which should have taken place in March 2012) is postponed to 1 October 2012 and
- A minimum period of twelve months must elapse between two indexations, postponing future indexations at the earliest to 1 October 2013 and to 1 October 2014.

As a matter of fact, wage indexation will take place once a year during the three years concerned.

The cost of living index will increase by 2.5% to 756.27 points as of 1 October 2012.

As a consequence, the monthly gross salaries will increase by 2.5%. Social parameters such as the minimum and maximum social security ceilings as well as the care insurance deduction will also increase by 2.5%.

¹ Law of 31 January 2012 “adaptant certaines modalités d’application de l’échelle mobile des salaires et traitements et modifiant l’article 11 de la loi modifiée du 22 juin 1963 fixant le régime des traitements des fonctionnaires de l’Etat”.

**NEW SOCIAL PARAMETERS
AS OF 1 OCTOBER 2012****INDEX: 756.27****MINIMUM SOCIAL WAGE (MSW)**

€244.16 at index 100

Employee		% of the MSW	Monthly gross MSW	Hourly gross MSW
18 years and more	Non qualified	100%	€1,846.51	€10.6735
	Qualified	120%	€2,215.81	€12.8082
17 years and more		80%	€1,477.21	€8.5388
15 years and more		75%	€1,384.88	€8.0051

SOCIAL SECURITY CONTRIBUTIONS

Insurance branches		Employer's part	Employee's part
Pension insurance		8.00%	8.00%
Health insurance ⁽¹⁾	Benefits in cash	0.25%	0.25%
	Benefits in kind	2.80%	2.80%
	Total	3.05%	3.05%
Mutualité des employeurs	Additional premium (blue collar workers)	-	1%
	Class 1 (absenteeism rate < 0.65 %)	0.48%	-
	Class 2 (absenteeism rate < 1.60 %)	1.42%	-
	Class 3 (absenteeism rate < 2.50 %)	2.05%	-
	Class 4 (absenteeism rate ≥ 2.50 %)	2.74%	-
Accident insurance		Single contribution rate: 1.15%	
Occupation health		STI: 0.10% / STM: 0.11%	
Care insurance ⁽²⁾		-	1.40%

(1) Occasional allowances and indemnities as well as bonuses and benefits in kind are subject to health insurance contribution at a rate of 2.80% (employer's part) and 2.80% (employee's part)

(2) 1.4% of gross earnings after deducting an allowance of a quarter of the MSW for non-qualified employees (€461.63). Full reduction for 150 hours worked per month.

**SOCIAL SECURITY CEILINGS**

Monthly minimum ceiling	1 x MSW for non-qualified employees	€1,846.51
Monthly maximum ceiling	5 x MSW for non-qualified employees	€9,232.54
Annual maximum ceiling for 2012 (except for care insurance)	€108,764.49	

REMUNERATION OF STUDENTS during school holidays

Age of the Student	% of the MSW according to the age	Monthly gross salary	Gross hourly rate
18 years and more	80% of €1,846.51	€1,477.21	€8.5388
17 years and more	80% of €1,477.21	€1,181.77	€6.8310
15 years and more	80% of €1,384.88	€1,107.91	€6.4041

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