

Luxembourg: Automatic indexation postponed

August 2022

The government of Luxembourg has decided to pause the automatic indexation of wages against the cost of living in an attempt to reduce inflation. Two indexations were planned in 2022, the first in April and the second in July. This decision is in line with a tripartite agreement signed on 31 March without the OGBL, the country's trade union.

As a result, there will be no wage increases until 1 April 2023. With the exception of Belgium, which has a similar system in place, Luxembourg is the only country that automatically indexes all wages and pensions against inflation as soon as it exceeds 2.5%.

Luxembourg is experiencing its highest level of consumer price increases since 1984.

Edited by industriAll Europe