

Tripartite measures to strengthen purchasing power

What you need to know

On June 15th, 2022, the Chamber of Deputies adopted the measures of the national Tripartite agreement to strengthen the purchasing power of households in the face of the rapid inflation resulting from the crisis.

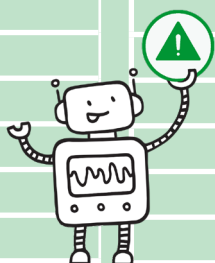
Thus, the next index increment announced for July 2022 will be immediately applied to the amount of family allowances (+2,5%). For other social benefits as well as wages and pensions, the +2,5% increase will be postponed to April 2023.

Due to this index postponement on wages and pensions, the Tripartite agreement provides for compensation for the loss of purchasing power of low- and middle-income households through an energy tax credit (CIE) granted in addition to the existing tax credits.

No action is required as each employee receives the CIE with their wages. For employees working in private households, the CIE is paid by the “Centre Commun de la Sécurité Sociale” (CCSS) based on the total gross monthly income. Pensioners receive the CIE with the monthly pension, paid by the CNAP.

During the 9-month deferral period (July 2022 to March 2023), the CIE is due for all resident and cross-border employees and pensioners with a gross annual income up to €100.000.

Gross monthly income	Net monthly amount	Gross monthly income	Net monthly amount
Fixed amount		Degressive amounts (income from €68.001 to €100.000)	
78 € - 3.666,67 €	84 €	5.833,33 €	71 €
Degressive amounts (income from €40.001 to €68.000)		6.000 €	67 €
3.750 €	84 €	6.250 €	59 €
4.000 €	83 €	6.500 €	52 €
4.166,67 €	82 €	6.666,67 €	48 €
4.500 €	81 €	7.000 €	38 €
4.583,33 €	80 €	7.083,33 €	36 €
5.000 €	79 €	7.500 €	24 €
5.416,67 €	77 €	7.916,67 €	12 €
5.500 €	77 €	8.000 €	10 €
5.666,67 €	76 €	8.333,33 €	0 €



Energy tax credit (CIE)

For low- and middle-income taxpayers, the loss of purchasing power will be overcompensated with the CIE compared to the application of the index.

Tax class I

Gross monthly income	Indexation Net increase	CIE Net increase	Net monthly gain
2.313,38 €	42,22 €	84,00 €	41,78 €
2.500,00 €	44,31 €	84,00 €	39,69 €
2.776,05 €	45,62 €	84,00 €	38,38 €
3.000,00 €	47,86 €	84,00 €	36,14 €
3.500,00 €	51,10 €	84,00 €	32,90 €
4.000,00 €	53,75 €	82,67 €	28,92 €
4.500,00 €	56,99 €	80,67 €	23,68 €
5.000,00 €	63,74 €	78,67 €	14,93 €
5.500,00 €	70,48 €	76,67 €	6,19 €

Tax class IA

Single parent

Gross monthly income	Indexation Net increase	CIE Net increase	Net monthly gain
2.313,38 €	43,53 €	84,00 €	40,47 €
2.500,00 €	46,01 €	84,00 €	37,99 €
2.776,05 €	46,96 €	84,00 €	37,04 €
3.000,00 €	46,66 €	84,00 €	37,34 €
3.500,00 €	44,10 €	84,00 €	39,90 €
4.000,00 €	50,15 €	83,00 €	32,85 €
4.500,00 €	56,99 €	81,00 €	24,01 €
5.000,00 €	63,74 €	79,00 €	15,26 €
5.500,00 €	70,58 €	77,00 €	6,42 €

Tax class 2

1st tax card

Gross monthly income	Indexation Net increase	CIE Net increase	Net monthly gain
2.313,38 €	46,43 €	84,00 €	37,57 €
2.500,00 €	50,11 €	84,00 €	33,89 €
2.776,05 €	54,76 €	84,00 €	29,24 €
3.000,00 €	58,36 €	84,00 €	25,64 €
3.500,00 €	67,40 €	84,00 €	16,60 €
4.000,00 €	74,25 €	83,00 €	8,75 €

Tax class 2

2nd tax card

Gross monthly income	Indexation Net increase	CIE Net increase	Net monthly gain
2.313,38 €	43,13 €	84,00 €	40,87 €
2.500,00 €	46,66 €	84,00 €	37,34 €
2.776,05 €	51,21 €	84,00 €	32,79 €
3.000,00 €	55,36 €	84,00 €	28,64 €
3.500,00 €	64,80 €	84,00 €	19,20 €
4.000,00 €	74,26 €	83,00 €	8,74 €

Should the country's socio-economic situation deteriorate or if an additional index increment is due before December 31st, 2023, the national Tripartite will meet again to decide on new compensations to strengthen purchasing power.