



Telework by cross-border commuters: tolerance thresholds with regard to social security and taxes

Social security: transition period from July 1st, 2022 to June 30th, 2023

The Administrative Commission for the Coordination of Social Security Systems in the EU has decided a transitional period from July 1st, 2022 (end of Covid agreements) to June 30th, 2023. During this transitional period, an administrative tolerance applies in the event that the 25% threshold for social security affiliation is exceeded.

Thus, the cross-border worker will not be retroactively deregistered from Luxembourg social security if the telework performed in his country of residence exceeds the 25% threshold during this period (July 1st, 2022 - June 30th, 2023).

Taxes: Covid-19 period from March 20th, 2020 to June 30th, 2022

Telework days performed exclusively as a result of COVID-19 pandemic response activities are not taken into account for the period ending June 30th, 2022.



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Taxes: Basic principle outside the Covid-19 period

As of July 1st, 2022, the following tax tolerance thresholds will again apply to cross-border workers:

Country	Tolerance thresholds	Proratization of the tolerance threshold	Capture/Taxation
France	<ul style="list-style-type: none"> » 29 days for 2022 » 34 days from January 1st, 2023* 	<ul style="list-style-type: none"> » Proratization for part-time employment » Prorating, if the employment contract does not cover a whole calendar year 	<p>Calculation of the Tolerance threshold: A started day (e.g. 1 hour) is counted as a full day.</p> <p>Taxation if the tolerance threshold is exceeded: Taxation limited to the hours worked in the country of residence</p>
Belgium	<ul style="list-style-type: none"> » 34 days since January 1st, 2022 	<p>Differences in interpretation between the Belgian and Luxembourg tax administrations:</p> <ul style="list-style-type: none"> » Clarification by the Luxembourg tax administration of 26 August 2022: No proratisation of the tolerance threshold in case of part-time employment or if the employment contract does not cover the whole calendar year. » Belgian tax circular of 1 June 2015 : Proratisation of the tolerance threshold in case of part-time employment or if the employment contract does not cover the whole calendar year. <p>In view of these two different interpretations and since the country of residence decides in the event of a dispute, it is recommended that the interpretation of the Belgian tax authority be applied as long as the administrations have not agreed on a common interpretation.</p>	
Germany	<ul style="list-style-type: none"> » 19 days 	<ul style="list-style-type: none"> » No proratatization for part-time employment » Application of a monthly prorata portion of 2 days if the employment contract does not cover a full calendar year 	

* amendment signed in autumn 2022, the new tolerance threshold is applicable as soon as the ratification procedure has been completed by Luxembourg and France



Telework