

## **Trade union mobilisation forced the government to revise its proposal — but it is still not enough!**

The “Union des syndicats OGBL-LCGB” notes, with regret, the failure of negotiations begun in July with the government and the employers’ federation UEL on:

- the future of our pension system,
- collective labour agreements,
- Sunday working in the retail sector and shop opening hours.

On 3 September 2025, the government decided to end the negotiations without reaching an agreement, announcing immediately afterwards a number of unilateral measures.

**OGBL and LCGB continue to condemn the deterioration planned by the government, but the unions note that their collaboration and the success of the march on 28 June, which brought more than 25,000 people onto the streets of Luxembourg, have nevertheless forced the government to reconsider its plans.**

### **Collective labour agreements will not be sold off**

The government has confirmed that it is abandoning its plan to sell off the right to negotiate and sign collective agreements. This means that trade unions with national representation will retain

their exclusive rights in this area. The legal content of collective agreements will be maintained and no collective agreement may be weakened or replaced.

### **Progress for pensions thanks to trade union action**

#### Length of contribution periods

The government remains committed to gradually increasing the length of compulsory contribution periods for pensions. However, the government is no longer planning to increase the contribution period by an additional 3-5 years, but only by a total of 8 months (i.e. 1 additional month per year in 2026 and 2027 and 2 additional months per year in 2028, 2029 and 2030).

57 (480 months of contributions) as well as the current early retirement scheme for shift workers and the early retirement scheme due to corporate restructuring.

#### Incentives for voluntary extension of working life

A tax allowance is being considered for insured persons who are eligible for early retirement but who voluntarily continue working until the age of 65, as well as the introduction of a gradual retirement scheme based on the terms and conditions in force in the public sector.

#### Early old-age pension & early retirement

The government has finally decided to maintain the conditions for early old-age pensions from the age of



#### Preservation of the end-of-year allowance

The government has agreed to correct a deterioration introduced by the 2012 reform by maintaining the end-of-year allowance.

#### Pension readjustment

Regrettably, the reduction in adjustments will remain in place if pension fund expenditure exceeds revenue, meaning that pensions will no longer be adjusted outside the index.

#### Social assistance instead of an adjustment of the minimal pension

The government refuses to increase small pensions, but instead plans to

introduce a social assistance scheme for people receiving a modest pension. However, the "Union des syndicats OGBL-LCGB" considers that all people who have worked all their lives and contributed to the pension system are entitled to a pension that allows them to live a decent life.

#### Increase in pension contributions

The government has finally decided to increase the contribution rate from 24% to 25.5% from 2026 (+0.5% for employees; +0.5% for employers and +0.5% for the State), thereby also involving employers in the effort to ensure the sustainability of our pension system.

### **Sunday working in retail and shop opening hours: some improvements to note**

The government is also revising its plans regarding Sunday working and shop opening hours. The government is not abandoning its plan to increase the authorised working time on Sundays from 4 to 8 hours, but is now making it conditional on the conclusion of a collective labour agreement or an inter-professional agreement, at least for companies with more than 30 employees at group level.

The government's initial proposal regarding shop opening hours has been also slightly amended: instead of allowing shops to open between 5 a.m. and 10 p.m., the new proposal is to allow them to open only until 9 p.m. unless a collective agreement has been concluded.

### **A paradigm shift**

The "Union des syndicats OGBL-LCGB" acknowledges the improvements made to the package of measures initially proposed by the government – improvements that could only be achieved thanks to the consistent opposition of the OGBL and LCGB and the massive turnout at the march on 28 June.

However, the OGBL and LCGB cannot accept the unilateral deterioration decided by the government, and even less so the method used by the government in terms of social dialogue.

Under this government, we are witnessing a paradigm shift in which the tripartite social model based on equal negotiations in search of compromise is being replaced by the Prime Minister's 'I consult and I decide' approach.

**This paradigm shift, which amounts to the end of our social model, is now forcing the trade unions to adapt their working methods as well.**

**OGBL and LCGB will quickly bring their structures together to consider how to respond to the package of measures adopted by the government.**

