



## COLLECTIVE BARGAINING AGREEMENT FOR BANK EMPLOYEES Frequently Asked Questions

### 1. Are senior managers covered by the collective agreement?

No, senior managers are not covered by the collective agreement. Senior managers are defined as employees whose salary is significantly higher than other employees covered by the agreement, and whose roles involve genuine managerial authority, substantial independence in organizing their work, and freedom in managing their working hours.

### 2. An employee is leaving one bank to join another. What are his/her rights?

When an employee changes employers within the banking sector and remains in the same function, his/her basic salary must stay the same. However, as an employer, you are not obliged to recognize the employee's seniority from his/her previous bank.

In addition, article 21 of the Collective Bargaining Agreement regarding annual leave provides that an employee who changes employer in the course of the month, and who would thus lose the recreational leave days for that month, will be entitled to those leave days from his/her new employer.

### 3. An employee is being dismissed with notice for reasons lying in the person. What are his/her rights?

In cases of dismissal for cause, the employee is entitled to a notice period based on the length of service:

- Less than 5 years: 2 months
- Between 5 and 10 years: 4 months
- More than 10 years: 6 months

His/her entitlement to severance pay is determined by his/her years of service. The severance pay is calculated as follows:

- Less than 5 years of service: No severance pay
- 5 to 9 years of service: 1 monthly salary
- 10 to 14 years of service: 2 monthly salaries
- 15 to 19 years of service: 3 monthly salaries
- 20 to 24 years of service: 6 monthly salaries
- 25 to 29 years of service: 9 monthly salaries
- 30 years or more of service: 12 monthly salaries

#### **4. An employee is being dismissed for economic reasons. What are his/her rights?**

The notice period is extended depending on the years of service:

- Less than 5 years: 4 months
- Between 5 and 10 years: 8 months
- More than 10 years: 12 months

In terms of severance pay, it is calculated based on the years of service as follows:

- 1 monthly payment after 1 year of service
- 2 monthly payments after 8 years
- 3 monthly payments after 13 years
- 7 monthly payments after 18 years
- 11 monthly payments after 23 years
- 15 monthly payments after 28 years
- 18 monthly payments after 33 years

If the employee is within 12 months of being eligible for retirement (65 years), the notice period must be extended until he/she reaches retirement age.

Additionally, to help the employee find new employment and maintain their employability, the employee is entitled, upon request, to either an outplacement service or a training budget of between EUR 5,000 and EUR 8,000. The outplacement budget cannot be paid out in cash and the measure will be set up by a specialized provider in accordance with the employee. It should be noted that the employee must make the request for the outplacement service or training budget within one month after receiving the notification of the economic redundancy.

#### **5. What is the skill acquisition assumption and how does it work?**

The skill acquisition assumption is a guarantee for new employees joining the financial sector to reach the salary threshold of the group in which they were classified when they were hired, within 10 years. To achieve this, they will receive a minimum annual salary increase of 1% for the first 10 years of employment.

Once an employee reaches the threshold of their group, the skill acquisition assumption no longer applies.

*Example 1: If you hire an employee in group C with a salary that is already higher than the group C threshold (since the threshold is not a maximum), the skill acquisition assumption does not apply.*

*Example 2: If you hire an employee in group B and reclassify them into group C after 4 years, they will receive a salary increase (reaching the start of the C scale). At that point, they will have already reached the threshold of group B, and the assumption of skill acquisition will no longer apply.*

## 6. What is the purpose of the table showing the start of scale and thresholds?

The table shows the start of scale and thresholds for each function group (A, B, C, and D). The start of scale is the minimum amount an employer can offer to an employee within a specific group. The threshold, however, is not a maximum salary for the group but rather the amount every employee has to earn after 10 years of service within that group, thanks to the skill acquisition assumption.

<b>Groups</b>	<b>Start of scale</b>	<b>Threshold</b>
<b>A</b>	<b>364</b>	<b>402.08</b>
<b>B</b>	<b>397.8</b>	<b>439.42</b>
<b>C</b>	<b>494.9</b>	<b>546.68</b>
<b>D</b>	<b>595.9</b>	<b>658.24</b>

## 7. What is the salary increase for 2025 and how should I apply it?

As of 1 January 2025, a salary increase must be granted in the form of an overall envelope of 0.5%. This 0.5% increase is distributed to the employees covered by the CBA at the employer's discretion. Index-linked increases and the increases for skill acquisition are not included in this envelope.

This increase is calculated based on the reference salary bill as defined in the collective agreement. The amount of the increase cannot be less than EUR 5 (index 100).

## 8. What is the salary increase for 2026 and how should I apply it?

As of 1 January 2026, a salary increase must be granted in the form of an overall envelope of 1%. This 1% increase is distributed to the employees covered by the CBA at the employer's discretion. Index-linked increases and the increases for skill acquisition are not included in this envelope.

This increase is calculated based on the reference salary bill as defined in the collective agreement. The amount of the increase cannot be less than EUR 5 (index 100).

## 9. How is the loyalty bonus calculated and when is it paid out?

The loyalty bonus is paid out as an annual payment and is based on seniority. It is presented as a percentage of the basic salary, as follows (for the bonus of June 2026):

Employees hired on or after	But at the latest on	Years of service	% basic salary
16 June 2024			no loyalty bonus
16 June 2023	15 June 2024	2	25%
16 June 2022	15 June 2023	3	30%
16 June 2021	15 June 2022	4	40%
16 June 2020	15 June 2021	5	50%
16 June 2019	15 June 2020	6	60%
16 June 2018	15 June 2019	7	60%
16 June 2017	15 June 2018	8	65%
16 June 2016	15 June 2017	9	65%
16 June 2015	15 June 2016	10	70%
16 June 2014	15 June 2015	11	75%
16 June 2013	15 June 2014	12	80%
16 June 2012	15 June 2013	13	80%
16 June 2011	15 June 2012	14	85%
16 June 2010	15 June 2011	15	85%
	Before 15 June 2010	16	90%

The loyalty bonus is paid out together with the June salary to staff employed on 15 June, and whose employment contracts are not subject to a notice of termination on that date. Years of service means full years of service until 15 June.

Employees are paid pro rata to their working time during a reference period extending from 1 June of the preceding year to 31 May of the current year.

The maximum bonus amount is limited to 755 EUR (ind.100).

**10. The previous CBA foresaw a social leave. The new CBA doesn't. Does this mean the concept has now been included in other concepts and is obsolete?**

Social leave had the same function as carer's leave (newly inserted into the Labour Code, Art. 233-16) and was therefore replaced by the latter (article 23, 14).

**11. What is the individual training allocation of 16 hours per year, and how does it work?**

Each employee is entitled to a minimum individual training allocation equivalent to a minimum of 16 hours of training per year. This allocation covers all types of training,

excluding compulsory training and retraining training (which are provided in addition to the 16 hours).

By "mandatory training," we mean any training required by Luxembourg regulators to ensure compliance with legal and regulatory obligations.

By "retraining training" we refer to training aimed at ensuring the employability, both within the company and in the banking sector generally, of employees falling within the scope of the collective bargaining agreement whose job may change significantly, or even be abolished.

These 16 hours of individual training are non-cumulative, meaning they cannot be carried over from one year to the next. If not used by the end of the year, employees cannot claim any financial compensation for unused hours.

Furthermore, Luxembourgish language courses may also count towards these 16 hours.

It is important that employees take a proactive approach in managing their employability. They should submit training requests relevant to their current or future roles, with the support of their hierarchical superior or HR. The responsibility for skills development is shared, with both the employee and the employer collaborating to ensure the employee's professional growth.

## **12. How is the 1.65% training budget calculated, and how is it allocated?**

For the years 2024-2026, each employer is required to allocate an annual training budget equivalent to 1.65% of the reference salary bill, as defined in article 15 of the collective bargaining agreement.

This reference salary bill includes the total annual gross salaries paid to all employees covered by the agreement. Although the 1.65% is calculated annually, it can be distributed flexibly over the three-year period. This allows employers to adjust the allocation of training resources according to the company's evolving needs while ensuring that the average annual allocation over the three years remains 1.65%.

The budget is intended exclusively for the development and training initiatives of employees covered by the collective bargaining agreement. It covers all training programs, such as those aiming at regulatory compliance, improving employability, acquiring new skills, and ensuring the adaptability of employees in the face of technological and industry changes.

## **13. New articles have been created, what are they about?**

Two new articles have been introduced in the Collective Bargaining Agreement.

One article (Art. 13) addresses safeguarding employees' careers. It establishes that, before any restructuring or reorganisation, banks must discuss with the staff delegation the measures to be implemented to maintain employment and avoid any dismissals.

Another article (Art. 41) focuses on background checks. It specifies that companies may verify the identity and credentials of employees, either during recruitment and/or during the course of the contractual employment relationship where such checks are required by the regulator in the performance of its supervisory role (e.g. in the case of a candidate for a post involving the performance of key functions).

#### **14. Under which conditions is the €250 training bonus granted?**

The CBA provides for a training bonus of EUR 250 (not index-linked) per 40 hours of training attended outside normal working hours, within a reference period from 1 September to 31 August of the following year. Payment is made at the end of the reference period, normally via payroll.

The training bonus is due only when the training is part of the individual training plan, meaning that it is related to the employee's profession and has been accepted and validated by the employer. If the employee follows a training purely on their own initiative without validation, the bonus is not due.

The state training leave (congé individuel de formation) is not cumulative with either the €250 training bonus or the training leaves under Article 33 of the CBA.