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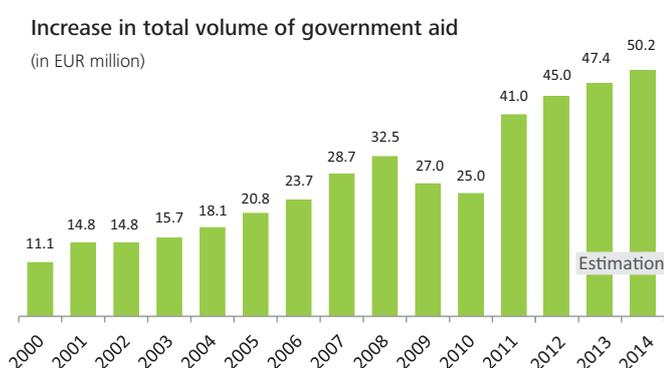
Subsidy for
vocational training
Get your fair share!

December 2015



Continuous vocational training legislation enables companies legally based in Luxembourg and with their main business activity there to benefit from support in funding their training plans.

The national institute for the development of continuous vocational training (INFPC), a public body under the supervision of the Ministry of National Education and Vocational Training, is in charge of dealing with applications for co-funding made by companies wishing to obtain a government subsidy.



Source: INFPC



Average co-funding by company size

Size of company	Average co-funding
1-9	2,700€
10-19	5,000 €
20-49	9,600 €
50-99	18,500 €
100-249	34,700 €
250-999	114,400 €
1000-...	711,600 €

Source: INFPC



Annual investment in training

≤ 75 000€

① Annual report (retrospective)

- Qualitative and quantitative description of training plan carried out
- Implementation schedule: 5 months after the end of the financial year
- Actual amount of investment in training
- Payment after acceptance by the Ministry

> 75 000€

① Approval (forecast)

- Qualitative and quantitative training plan forecast
- Implementation schedule: 3 months after the start of the financial year
- Actual amount of investment in training
- Payment after acceptance by the Ministry

② Final report (retrospective)

- Qualitative and quantitative description of training plan carried out
- Implementation schedule: 5 months after the end of the financial year
- Actual amount of investment in training
- Payment after acceptance by the Ministry

Annual investment in training includes the following eligible expenses:

- Payroll costs for the participants and in-house training officers
- The expenses incurred for the external trainers
- Travel, accommodation and subsistence expenses
- Educational preparation expenses
- Expenses incurred for premises and training equipment
- Subscription fees relating to training institutes
- Auditor/consultant fees
- "Training management" software fees
- Administration fees and follow-up expenses (5%)



Our services

① Certification

In our capacity as auditors (*réviseur d'entreprises*) we can certify your final or annual report. The review is performed in accordance with the international standard on related services applied on the basis of agreed-upon procedures (ISRS 4400) and the professional standard issued by the Institute of auditors (IRE – *Institut des Réviseurs d'Entreprises*).

Your benefits

- The applications we review are processed as a matter of priority by the Ministry. Furthermore, our review of the final report or annual report results in faster payment of subsidies (thus giving you a 4 to 16-month improvement in cash flow).
- There will be no exhaustive review carried out by the Ministry on files reviewed by Deloitte.
- You will not be required to provide related supporting documents with your file.
- The added value provided by our review will allow you to apply for co-funding to cover as many of the eligible costs as possible and therefore maximise the amount of subsidies granted.
- The amount of the auditor's invoice for certifying the final report or annual report is eligible for reimbursement.

② Assistance

Alternatively, Deloitte can help you in **preparing your final report or annual report**. Our training experts can help **assess the organisation of the function and training management process** (implementation of a service model tailored to suit your organisation, support in developing a syllabus and designing training programmes as well as in developing content) or provide **advice in the definition of your Human Resources Information System (HRIS)** or the implementation of specialist solutions.



Types of aid

The government contributes to the cost of investing in training in the following 2 ways, as preferred by the company: either through **direct aid** (20% of the taxable cost of the investment), or through **tax credits** (14% of the cost of the investment, offset against income tax for the current year, which can be carried forward if there is insufficient annual income tax).

The financial contribution to payroll costs amounts to 35% if training is intended for participants meeting specific criteria (employees holding no diploma certified by public authority and whose employment time in the company is less than 10 years, or employees older than 45 years).

It is worth noting that the government Council has adopted a draft law substantially modifying the conditions for the co-funding of vocational training. The new measures will most probably come into force starting from the year 2016 and it would result in subsidies granted cut by half.

The categories of projects are predefined:

1. Languages
2. IT/Office automation
3. Management/Human Resources Management
4. Finance/Accounting/Law
5. Quality/ISO certification/Security
6. Technical/Job-related
7. Adaptation in the workplace (in the case of a newly hired employee, an internal transfer, or a skills update)

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Useful links

www.infpc.lu

www.lifelong-learning.lu
(co-funding calculation simulator available)

www.men.public.lu

Sources

Luxembourg Labour Code (section 2 of chapter II of title IV of Volume V) as subsequently amended

Grand-Ducal regulation of 22 January 2009, as amended

Explanatory notice, 'Access to government financial subsidy for Continuous Vocational Training' (November 2013, Version 12) prepared jointly by the INFPC and the Ministry of National Education and Vocational Training

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