

Luxembourg Tax Alert

Germany, France and Belgium cross-border personal tax measures during the COVID-19 crisis: further extensions confirmed for 2021

11 March 2021

Personal income tax

Since the COVID-19 crisis began in March 2020, many Luxembourg non-resident cross-border employees have worked from their homes in Belgium, Germany or France.

To mitigate the risk that these employees are taxed in their home state during this exceptional situation, Luxembourg has made amicable tax agreements with Belgium, Germany and France. Please refer to our previous tax and social security alerts for further information.

The Luxembourg tax authorities have now confirmed the extension of these amicable tax agreements as follows:

- **Belgium:** on 5 March 2021, the amicable tax agreement of 19 May 2020 was extended for the fourth time by the Luxembourgish and Belgian competent authorities. The agreement now applies from 11 March 2020 until 30 June 2021.
- **Germany:** from 1 January 2021, in the absence of any objection from both Luxembourg and Germany, the amicable tax agreement of 3 April 2020 will be automatically extended for another month. This monthly automatic extension will continue until both parties officially renounce the agreement.
- **France:** on 9 and 10 March 2021, the Luxembourgish and French competent authorities concluded a fourth amicable tax agreement. The COVID-19 measures will apply from 14 March 2020 until 30 June 2021.

As such, the above-mentioned non-resident cross-border employees working from home due to the COVID-19 crisis will continue to remain taxable in the Member State where they would have normally worked (i.e., Luxembourg).

Social security

As a reminder, the social security measures remain applicable until the end of June 2021. This is good news for Luxembourg-based employers and Luxembourg cross-border workers living in France, Belgium or Germany.

For more information, please view:

Belgium:

<https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl19052020.html>

<https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl22062020.html>

<https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl24082020.html>

<https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl09122020.html>

<https://mfin.gouvernement.lu/fr/actualites.gouvernement%2Bfr%2Bactualites%2Btoutes%2Bactualites%2Bcommuniqués%2B2021%2B03-mars%2B05-be-lu-teletravail.html>

France:

<https://mfin.gouvernement.lu/fr/actualites.gouvernement%2Bfr%2Bactualites%2Btoutes%2Bactualites%2Bcommuniqués%2B2020%2B06-juin%2B24-accord-teletravail-france.html>

<https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl21072020bis.html>

https://gouvernement.lu/fr/actualites/toutes_actualites/communiqués/2020/08-aout/25accord-teletravail-france.html

<https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl08122020.html>

<https://impotsdirects.public.lu/fr/archive/newsletter/2021/nl10032021.html>

[COVID-19: Prolongation de l'accord franco-luxembourgeois concernant le télétravail des frontaliers jusqu'au 30 juin 2021 - Ministère des Finances // Le gouvernement luxembourgeois](#)

<https://impotsdirects.public.lu/dam-assets/fr/legislation/legi21/2021-03-15-LG-Conv-DI-62-du-15032021.pdf>

Germany:

<https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl06042020.html>

[Newsletter du 13 octobre 2020 - Archives - Administration des contributions directes - Luxembourg \(public.lu\)](#)

Social security:

https://www2.deloitte.com/lu/en/pages/tax/articles/germany-france-belgium-cross-border-social-security-response-covid-19-crisis.html?id=lu_direct-email_lta_crossborder-social-security-measures_18082020_internal_%3Atax%3A

[Prolongation de l'accord sur l'affiliation à la sécurité sociale des travailleurs frontaliers concernant le télétravail jusqu'au 30 juin 2021 - Ministère de la Sécurité sociale // Le gouvernement luxembourgeois](#)

[Corona: Keine Änderung des anwendbaren Sozialversicherungsrechts für Grenzgänger, Entsandte und in mehreren Mitgliedstaaten Erwerbstätige - GKV-Spitzenverband, DVKA](#)

Your contacts

Pierre-Jean Estagerie

Partner – Global Employer Services Tel

: +352 45145 4940

pjestagerie@deloitte.lu

Marleen Vandenput

Managing Director – Global Employer Services

Tel : +352 45145 4216 mavandenput@deloitte.lu

Frederic Scholtus

Director – Global Employer Services

Tel : +352 45145 3368

fscholtus@deloitte.lu

Deloitte Luxembourg
20 Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

Tel: +352 451 451 Fax:

+352 451 452 401

www.deloitte.lu

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