

# KEY POINTS FOR CONCLUDING AN APPRENTICESHIP CONTRACT

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This is a good time to think about the apprenticeship contract. This type of contract can be concluded only in a single period of the year, in fact: between 16 July and 1 November. The initial apprenticeship (for young people) is often overlooked by employers who are still too often inclined to think that this concerns only manual occupations. However, apprenticeship concerns administrative positions also as well as sales or management occupations. This contract enables young apprentices to acquire real work experience, while employers may be eligible for financial aid from the State.

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## 1) WHAT IS INITIAL APPRENTICESHIP?

Initial apprenticeship is for young people who wish to learn an occupation through vocational training that comprises :

- Periods of **school-based** training geared to obtaining specific knowledge of the occupation studied;
- Periods of **work-based practical training** organized by a host company (providing the training) geared to enabling the apprentice to acquire key skills linked to the occupation in question.

The apprenticeship contract prepares apprentices to earn different diplomas:

- Technician's Diploma;
- Vocational Aptitude Diploma;
- Vocational Capacity Certificate.

This apprenticeship may also be cross-border. In such a case, the practical part of the training is undergone in a company situated in Luxembourg whereas the school-based training is provided by an institution in a neighbouring country.

## 2) WHAT ARE THE SPECIFIC FEATURES OF THE APPRENTICESHIP CONTRACT?

### > TERM?

The term of an apprenticeship contract varies depending on the occupation but it is generally 3 years. Apprentices will be employed on a part-time basis since they will spend part of their time at school. Nevertheless, apprentices may in principle be present in the company on a full-time basis during the school holidays.

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## > REMUNERATION?

The apprenticeship allowances have been fixed by the Grand Ducal Regulation of 4 August 2022 and vary according to the profession, diploma sought (one of the three above) and year of apprenticeship. The allowance may thus vary from €480 to €1450. It should be noted that the employer will be partially reimbursed by the State.

## > TRIAL PERIOD?

As in the case of an employment contract, the parties can agree to fix a trial period in the apprenticeship contract. Conversely, such a period may not exceed 3 months. The parties may terminate the contract without notice or justification during this period.

If the apprenticeship contract is terminated after the trial period, a 15-day period of notice has to be observed.

## > APPLICATION OF THE LABOUR CODE?

In addition to the provisions on health and safety at work, apprentices will be protected from dismissal in the event of incapacity for work and will be entitled to paid holidays in proportion to the length of time spent in the company.

## 3) HOW TO CONCLUDE THE INITIAL EMPLOYMENT CONTRACT?

### > WHO ARE THE STAKEHOLDERS?

The different stakeholders are:

- The apprentice;
- The Employment Development Agency (known by the French acronym ADEM), and in particular its Career Counselling Office;
- One of the Employers' Professional Chambers: the Chamber of Employees, the Chamber of Agriculture, the Chamber of Commerce or the Chamber of Trade;
- The employer, and more specifically the host company (providing the training).

### > HOW TO BECOME A HOST COMPANY?

To offer apprenticeship contracts, the host company must earn the **"right to train"** beforehand and to file a written application with the competent employers' professional chamber. This application is in principle unique and need be reiterated for each apprenticeship for the same occupation.

To obtain this authorization, the company has to be established in Luxembourg and have **at least three years of experience in the occupation concerned**. This occupation must figure in the list contained in the Grand Ducal Regulation of 4 August 2022. This list can be consulted on [www.winwin.lu](http://www.winwin.lu).

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The host company must then appoint a **tutor** who will be responsible for the practical training and supervision of the apprentice in the company. This tutor must be a specialized person who has the qualifications required for the apprentice's field of study. He must have undergone specific training of 2 full days and 2 half days. If one of the company's employees has not already undergone such training, the future tutor may undergo this training within 6 to 9 months after the start of the apprenticeship contract.

On the basis of the file submitted by the company, the competent professional chamber will ascertain whether it can host the apprentice and will inform the ADEM accordingly.

## > WHAT ARE THE STEPS TO FOLLOW?

From March onwards, the host company must contact the Career Counselling Office of ADEM to **report an apprenticeship position**. This office will then refer potential suitable candidates. The host company can take on an apprentice who is not on that list provided it informs the ADEM before the contract is concluded. The ADEM will issue an assignment card to the selected candidate, which the latter will have to come and pick up at the ADEM. It is a "precontract" of sorts. Once the employee has obtained this card, s/he can start the apprenticeship at the employer.

The ADEM will in parallel inform the competent chamber which will then send the final apprenticeship contract to the employer. This is a unique model drawn up in five original counterparts by the professional chambers.

It is important to note that such contracts can be concluded only **between 16 July and 1 November** of each year.

## > WHAT ABOUT A CROSS-BORDER APPRENTICESHIP CONTRACT?

Cross-border apprenticeship entails an additional step. In fact, once the apprentice has found a host company, s/he must first file a written application with the Vocational Education Department of the Ministry of National Education, Children and Youth.

The aim is to obtain an exemption from said Ministry **from having to attend the theoretical training in a Luxembourgish school**. This is a simple administrative formality in such cases, because apprentices will systematically receive a positive reply from the Ministry.

The candidate will then have to go to the Career Counselling Office of the ADEM in the City of Luxembourg (between April and October) with the following supporting documents:

- Identity card/passport;
- National registration number;
- Authorization of the Ministry of National Education, Children and Youth.

The rest of the procedure is the same as that described above.

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## 4) HOW TO TERMINATE THE APPRENTICESHIP CONTRACT?

The apprenticeship contract expires in the following cases:

- Upon successful completion of training in question;
- Upon the discontinuance of the host company's activities or of its right to provide training;
- If it is terminated at the initiative of one of the parties thereto;
- In case of force majeure;
- By common agreement between the parties.

The letter of termination must be sent to the competent professional chamber as well as proof of the facts if necessary (example: proof that the company has been closed). The competent professional chamber shall then send an **official letter of termination** to the various stakeholders (apprentice, employer, ADEM, school). The apprentice must then go to the ADEM to find a new host company.

## 5) WHAT IS THE FINANCIAL AID FOR THE EMPLOYER?

To encourage companies to hire apprentices, the State reimburses part of the apprenticeship allowance as well as the employer's and social security charges.

The **application for reimbursement** must be filed before 1 July of the year following the end of the apprenticeship concerned.

The amount of the reimbursement depends on the diploma to be earned through the apprentice:

- 27% for apprenticeship leading to the Vocational Aptitude Diploma or Technician's Diploma;
- 40% for apprenticeship leading to the Vocational Capacity Certificate.

This reimbursement is carried out per year of apprenticeship (i.e. per school year, from September to August of the following year).



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## CONCLUSION

The conclusion of the apprenticeship contract will entail additional reinforcement at a lower cost for the host company. Furthermore, if the apprenticeship runs smoothly, it may lead to an open-ended contract. The company will save time, as the young employee will already know the ropes of the job and will have already been trained in the corporate culture. For his part, thanks to these years of apprenticeship, the young apprentice will acquire real work experience to embark on the labour market.

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