NEWSLETTER

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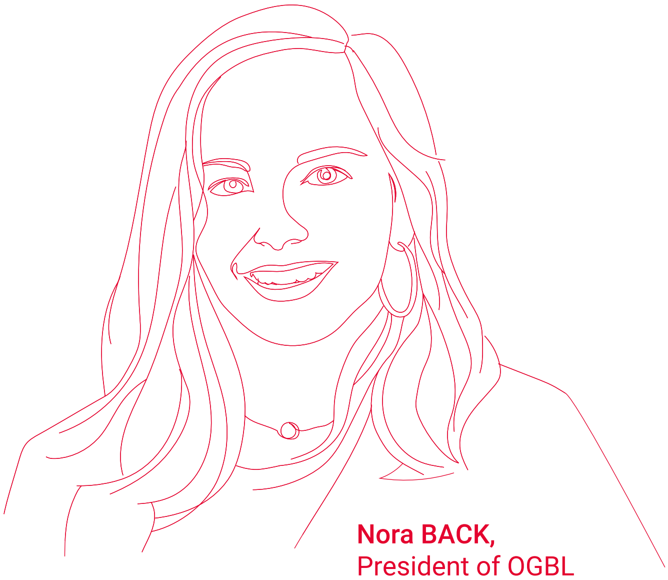
OGB·L

message from the President

We are entering a new era of trade union work.



Nora BACK,
President of OGBL

For decades, social dialogue in Luxembourg has been regarded as one of the pillars of social cohesion. It is also one of the key factors behind Luxembourg's "success story." The tripartite model — bringing together employers, trade unions, and the government — has largely contributed to the country's social stability.

This culture of dialogue has not only helped avoid many social conflicts but also created an atmosphere of mutual respect. International organizations such as the OECD and the ILO have often described Luxembourg's social model as exemplary. For decades, Luxembourg's social dialogue has proven effective as a cooperative model. Whether it involved adjustments to the social minimum wage, working hours, or pension reforms, decisions have always been made within the framework of the "Tripartite Coordination Committee," with the participation of all social partners.

But this consensus is increasingly threatened. It is becoming clearer that the Frieden government has set out to undermine social dialogue in Luxembourg. The attitude of certain government members towards trade unions leaves no doubt about this. It is no coincidence that the Minister of Labour, Mischo, discredits trade unions within the CPTE. It is also no accident that Prime Minister Frieden ended up without an agreement after the social roundtables, nor that all the ministers involved have expressed disparaging comments about unions in the press since taking office.

It was also no coincidence when Minister Mischo provocatively declared a few days ago at the Chamber of Deputies that there would be no bilateral discussions on "our" issues, such as platform work, attempting instead to force unions to participate in a three-party CPTE meeting. No, this was not an isolated initiative by the Minister of Labour, nor was it the attempt, more than a year ago, to deprive unions of their raison d'être by trying to dismantle the collective bargaining system and negotiate and sign collective agreements with staff delegations.

This has been compounded by all kinds of attacks on trade unions, accusing them of being outdated, resistant to change, losing members, not represented in "new" sectors, not representative, and so on. Again, these were not unfortunate or misplaced statements by the government. No, all of this was and is intentional. Planned. This is the "Frieden model," the Prime Minister who just last week proclaimed on social media his close friendship with Emmanuel Macron and also drew inspiration from the German Chancellor Friedrich Merz. All statesmen who know how to run a country and how to deal with trade unions.

Social cohesion and peace are not important to these liberal heads of government. They are willing to sacrifice them to give free rein to their neoliberal "business first" policy. And this, dear colleagues, is exactly what we must be aware of in Luxembourg. We are entering a new era of trade union work. As in other European countries, we must know that the government only listens to us when we speak loudly and clearly, when we take to the streets, when we are many. And when we do not allow ourselves to be divided among unions. That is why we can no longer allow ourselves to be fooled at social roundtables or CPTE meetings. We will never be an alibi for social dismantling — not with us. And that is why we will have to increase pressure in the future: in companies, among employees, pensioners, youth, and families, all of whom will suffer from this government's policies if we do not defend ourselves. We must raise awareness, inform, mobilize, and demonstrate, whether we are young or less young. And do so together — united, courageous, and determined.

We will show what OGBL and LCGB, as the Union of Trade Unions, can accomplish together. We will continue to fight with all our strength to defend the interests of employees and pensioners, as well as our social model — in a spirit of solidarity, constructiveness, and combativeness. In this period of growing inequalities and social tensions, we need more than ever an effective social dialogue that takes workers' interests seriously — nothing less than that.

Pension Reform: A Wake-Up Call for the Luxembourg Government

The latest results from the political survey conducted by Ilres on the popularity of the Luxembourg government have sent a shockwave: a sharp drop in trust, low satisfaction rates, and growing public anger. At the heart of this unrest: the pension reform, adopted in a tense context, without real social consensus.

From the start, OGBL has repeatedly sounded the alarm. This reform, presented as "inevitable," was developed without genuine social dialogue, without a serious impact study, and without consideration of the realities faced daily by those who support this country. This is not a reform — it is social regression disguised as a technical measure.

Lengthening contribution periods, postponing retirement age, tightening conditions for early retirement… this is what the government calls "guaranteeing sustainability." In reality, the same people always pay the price: workers, employees, and laborers.

Since its announcement, the reform has been divisive. Officially, it aims to ensure the system's sustainability in the face of an aging population and increased life expectancy. In principle, these arguments are not illegitimate. But in practice, the government rushed the process and lacked dialogue. Consultations with social partners were deemed superficial, and the criticisms from unions and the opposition were dismissed with technocratic arrogance. The result: a reform perceived as imposed, even contemptuous toward those fearing for their future.

Citizens have expressed their disagreement in the most democratic way: first through a massive national demonstration on June 28, organized by the OGBL and LCGB Union of Trade Unions, and then through their opinions. The survey is clear. A majority of Luxembourgers disapprove of the reform, and more worryingly, a growing segment of the population now doubts the government's ability to listen to, understand, and represent their interests.

It might be tempting for the executive to downplay these figures, to see them as a passing storm. That would be a grave mistake. This survey is not just a political setback; it is a warning. The trust bond is weakening, and with it, the legitimacy of a government that cannot rely solely on a parliamentary majority but also on popular support.

The time has come to change the approach. It is not enough to explain reforms — they must be co-created. We must restore the place of social dialogue, listen to the real fears of an increasingly pressured middle class, and above all, put people back at the center of political decisions. We must reinstate the Tripartite system, which has always been the foundation of social peace, a system our current government is dismantling.

Reforms are sometimes necessary. But without education, transparency, and empathy, they become double-edged swords. The survey proves it: governing is not just about making decisions, it is about convincing.

Francis CAPITANI,
President of OGBL Financial Sector

1 / SALARIES IN THE LUXEMBOURG BANKING SECTOR

IMPRESSIVE AVERAGES, A MORE NUANCED REALITY

Response from OGBL Financial Sector to the article published on virgule.lu on July 22, 2025

The 2025 study by Morgan Philips presents the Luxembourg banking sector as a salary paradise, where even junior employees reportedly earn six-figure salaries, and senior roles reach sky-high levels. However, behind this glossy façade lies a far less dazzling reality. The figures struggle to hold up when compared to official data from Statec, which tells a very different story: less glamorous, more contrasted, and—above all—significantly less well-paid.

Staggering salaries... from an elite few

Morgan Philips recently published its 2025 remuneration study for the banking sector in Luxembourg. According to their data, salaries are particularly high, especially for senior positions. Yet, a closer look and comparison with Statec's official data call these claims into question.

Morgan Philips reports that bank CEOs earn between €220,000 and €400,000 gross annually, excluding bonuses and benefits—enough to make a high-ranking European official envious. Even worse: "senior" positions supposedly start at €130,000, while junior recruits allegedly earn up to €80,000 per year.

The report relies on a questionable methodology: figures are drawn from specific recruitment missions and candidate analyses, targeting already pre-selected profiles. The reported "averages" are actually maximums that apply to a micro-elite, mostly in front-office roles and senior management. The vast majority of employees do not come close to these amounts.

But should these numbers be taken seriously? The study is neither based on a representative sample nor on a transparent methodology. It aggregates data from one-off recruitment missions, often focused on already handpicked profiles. In other words, it extrapolates the numbers of a micro-elite to the entire sector—a rhetorical sleight of hand that is clever but questionable.

The reality check from Statec

Against this flattering rhetoric, Statec's latest report (July 2024) is a reality check. In 2022, the average gross annual salary in financial and insurance activities was €113,018—far from the €200,000 claimed as the "standard" for "senior positions."

The contrast is even sharper when looking across all sectors: the median salary caps at €58,126, meaning half of Luxembourg employees earn less. Even in finance, these astronomical salaries are the exception, not the rule.

To drive the point home, only 1% of employees earn more than €284,715 gross per year—a tiny minority, far from representing the norm, yet apparently used as a salary benchmark by the study. Marketing disguised as research, or smoke and mirrors under the guise of expertise?

Thus, the picture painted by Morgan Philips mainly concerns a happy few, not the average Luxembourg banking employee.

The essential role of collective agreements and unions

Without the collective labor agreement (CCT) in force in the banking sector, the median salary would be even lower. Modest raises achieved through union struggle—usually between 0.5% and 1% per year, sometimes accompanied by bonuses—protect most bank employees from wage stagnation; unions fight every year to ensure everyone receives at least some increase. Yet bank employers remain reluctant to grant significant raises to convention-covered employees, preferring to reserve large packages for a minority of senior managers or specialists.

This contrast is viewed as illogical and unjustifiable by employee representatives, especially since the sector's profitability remains high.

Unions denounce this gap and emphasize that without their efforts, the sector's salary reality would be much gloomier: it is inconsistent for employers to refuse collective increases while granting "exceptional" salaries to a few

Angélique LAZZARA,
Central Secretary,
OGBL Financial Sector

ultra-specialized profiles. The collective agreement, with its negotiated raises, helps maintain relative equity and prevents an exacerbated wage polarization.

A biased study, dangerous conclusions

Morgan Philips presents its figures as "averages." In reality, these are niche maximums drawn from captive markets: general management, highly specialized compliance profiles, rare functions. This is far removed from the thousands of back-office employees, administrative agents, or junior analysts whose pay is well below these supposedly representative peaks.

Confusing the salaries of a lucky few with those of the average banking employee creates a distorted—and even misleading—image of Luxembourg's financial center. At this level of discrepancy, a perception error becomes an analytical fault.

Conclusion: Between golden illusion and statistical reality

Yes, the Luxembourg banking sector remains a pool of excellent opportunities—especially for highly qualified profiles. But it is time to stop presenting an ultra-high-paid elite as representative of the whole profession.

Between Morgan Philips' lyrical exaggeration, ABBL surveys, and Statec's rigorous data, there is no comparison: better a less flattering truth than a golden mirage. In a public debate saturated with embellished figures, only rigorous statistics provide clarity. And that rigor is sorely lacking in a study that, under the guise of expertise, ultimately sells a narrative stitched with illusions.

Here is the reality: the Luxembourg banking sector remains attractive, but the image conveyed by certain studies leans more toward marketing than statistics. In light of Statec's rigor, ABBL's surveys, and the major role of unions in collective agreement evolution, all salary communications must be nuanced, reminding that only the most specialized and experienced profiles achieve record pay. The majority of banking employees face a far more modest reality, which the public debate should better reflect.

national

2 SENIOR EXECUTIVE STATUS
PROFESSIONAL UPGRADE OR LEGAL TRAP?

In August 2025, the Chamber of Employees shared with us its latest case law analysis on the senior executive status, providing valuable—and sometimes unsettling—insight into the strict cumulative conditions that must be met for an employee to be legally considered a senior executive.

At OGBL Financial Sector, this publication strongly resonates with us. Too often, we encounter employees classified as «senior executives» by their employer without all the legal conditions being met. What might seem prestigious on paper can actually deprive the employee of essential protections: overtime pay, collective agreement benefits, eligibility for certain bonuses, and more.

Currently, in the banking sector, several thousand employees are classified as "senior executives" although, legally, they do not meet the criteria for this status. As if this finding were not alarming enough, leaving the collective agreement often leads to the irreversible loss of valuable benefits for these employees. It is time to act.

What are the real criteria for a senior executive?

According to Article L.162-8 of the Labor Code, an employee can only be excluded from the collective agreement and be considered a senior executive if all the following **cumulative** conditions are met:

1. A remuneration significantly higher than that provided for employees covered by the collective agreement or internal salary scales.
   - Current case law considers this remuneration must be at least 20 % higher than that of the highest salary group in the agreement.
2. Genuine effective managerial authority or clearly defined power: supervision, delegation of authority, decision-making autonomy.
3. Broad independence in organizing their work.
4. Considerable freedom in working hours, notably the absence of fixed working time constraints.

All these criteria must be met. One alone is not enough.

Senior executive status is not an honorary title

This "senior executive" status profoundly changes the employee's subordination relationship and the applicable regime. It can result in:

- Loss of benefits under the collective agreement, including the 13th month salary, seniority or cleaning bonuses, additional leave, etc.
- Exclusion from overtime regulations, meaning no compensation for hours worked beyond normal time, unless an internal "favor."
- Increased availability obligations, often without compensation.

If any one of these criteria is missing, the employee cannot be considered a senior executive. Any contract clause or amendment claiming otherwise is null and void.

Have doubts? Questions? Don't hesitate to contact your OGBL delegate.

If you do not have an OGBL representative, the OGBL Financial Sector is here for you.

If you are an employee in the financial sector and you:

- Are classified as a «senior executive»?
- Have signed an amendment or received correspondence regarding this?
- Have doubts about the validity of your status?
- Notice an unjustified exclusion from the collective agreement?

We invite you to contact us without delay.
OGBL Financial Sector can confidentially analyze your individual situation and, if necessary, defend your rights.

Don't let a flattering "title" deprive you of your rights!

Senior executive status should not be a tool to circumvent the collective agreement but a precise, legally framed status reserved for a well-defined category.

For any questions or personalized analysis requests:

Contact us at: secfin@ogbl.lu

Nassima BERKOUCHI,
Deputy Central Secretary – OGBL Financial Sector

3 REORGANIZATION CLIMATE IN THE FINANCIAL SECTOR

UNION VIGILANCE MORE NECESSARY THAN EVER

The Luxembourg financial sector is experiencing a wave of internal reorganizations, social plans, relocations, and activity transfers, often justified by automation or strategic choices at the European level.

Several companies from the technology, financial, and industrial fields have recently carried out economic layoffs—sometimes massive—or announced partial staff transfers abroad, without always respecting the collective procedures required by Luxembourg labor law.

Worrying trends:

- Layoffs justified by «technological» reasons linked to the integration of artificial intelligence
- Centralization of activities in other European countries, accompanied by pressure on employees
- Controversial use of the TUPE procedure to justify forced departures without actual business transfer
- Circumvention of collective obligations: lack of official letters, direct communication to the media before informing employees

OGBL mobilized alongside employees

In several cases, OGBL has been collectively involved to:

- Obtain formal recognition of the situations as restructurings
- Protect affected employees from individual pressure
- Demand transparency on selection criteria and economic justifications
- Enforce labor law: maintaining contractual conditions, refusal of imposed relocations, prior consultation of employee representatives

Our message is clear:

- Any reorganization must respect employees and the Luxembourg legal framework.
- The use of TUPE cannot be a tool for simplification or circumvention.
- Social dialogue and transparency must take precedence over purely financial considerations.

Are you affected? Do you see a restructuring or transfer in preparation?

Contact OGBL Financial Sector without delay.

We are here to support you, collectively and individually.

company news

4 / RENEWAL OF THE **COLLECTIVE AGREEMENT** AT **CMCM**!

On Friday, October 24, 2025, the Board of Directors, the Management of the Caisse Médico-Complémentaire Mutualiste (CMCM), and the trade unions OGBL and LCGB signed a new collective agreement covering the 75 CMCM employees.

Valid from January 1, 2025, to December 31, 2027, this agreement marks an important step in social dialogue and reaffirms the shared commitment to ensuring a motivating and fair working environment.

Key improvements include:

- Introduction of regular telework (20%)
- Two additional days of annual leave and improvement of social leave
- Greater flexibility in working hours
- 1% general salary increase and a flexibility bonus
- A one-time adjustment allowance
- The two articles related to the evolution of the index value for State employees remain unchanged, as these are considered essential elements for staff.

This balanced agreement strengthens cohesion, motivation, and employee well-being across the organisation.

Highlights of OGBL Financial Sector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5 GOSSIP ON THE TRAM EPISODE 4 – THE LATEST OUTCOMES OF DISCUSSIONS WITH THE GOVERNMENT AND EMPLOYERS

7:20 a.m., front car of the tram heading to Findel. Marie Bigoudie, an employee at Banque DuFond, boards the tram and spots her colleague Jacques Lamèche deeply absorbed in a document. She sits next to him and greets him: "No morning newspaper before work, huh? You seem really absorbed in your work this early."

Jacques looks up and meets her eyes: "This is more important than my work, it's crucial for our future! I'm holding a statement from the OGBL and LCGB union federations published after talks between the social partners. And I'm shocked and disillusioned by what Luxembourg S.A.'s CEO decided. Back then, we talked about negotiation results; today it feels like a dictate!"

"But thousands of us demonstrated..." replies Marie. "That crowd in the city streets and at Knuedler wasn't nothing!"

"Exactly. Without that mobilization, the Government and its allies would have imposed even more cruelties. Imagine if the collective bargaining agreements had been reformed according to the bosses' wishes, backed by the government. Fewer agreements, weaker content, and unions pushed out of negotiations. Can you imagine trying to negotiate a CBA with just a few colleagues, without union help, against a boss used to giving orders? It'd be disastrous for you and your career!"

Marie thinks for a moment and shakes her head. "No, no, impossible. I'd never do that—I don't have the skills and frankly, I'm scared. Better let the unions handle it. They have the independence and know-how needed. But what about the other hot topics?"

Jacques picks up his document and points to a paragraph. "Extending opening hours during the week and especially Sundays won't comfort those who hoped for a family life alongside their dedication to work. Starting earlier and finishing later certainly doesn't help. We still need to see if this change affects the financial sector. Personally, I don't believe it much, especially since banks are focusing more on digital services, less on staff, and even less on mass customers. If bankers could do without us, they would have already!"

"I understand your bitterness. The coming years won't be fun. If we don't know what the professional future holds, what about life after work? What's the deal with pensions?"

"I have to say, our massive mobilization in June made the Prime Minister back down from some ideas he presented in his state of the nation speech. Yet, during working meetings, none of the unions' proposals were really discussed. At times, you'd think they hadn't even read a single line of the alternatives we put forward. In the end, at least there's a status quo on contribution duration—40 years—but changes if the employee hasn't reached 40 years of contributions—they'll have to work longer. Plus, contribution rates will increase by three times 0.5% each—from the employee, the company, and the State. We could have done better! We've only postponed the pension funding problem. In a few years, the social partners will have to tackle this again."

Marie listened attentively, then said, "I expected something else—a kind of consensus like we used to have. I always thought the agreements reached together kept good social peace; something that set us apart from other countries. Honestly, I don't want to work and live in a constant atmosphere of social conflict."

"You're right. Luxembourg has always been a country with social peace many envied, benefiting all partners—both employees and industries, which profit when the economy runs smoothly without disruptions from social conflicts. That requires strong unions, acting as the extended arm of the workers, defending their interests. And if a government chooses a strategy aimed at breaking the unions, it directly attacks the workers—which we can never accept and must fight by all means. We have no choice, and neither do the workers. The only way forward is to strengthen union solidarity and stay alert to launch the actions that will be necessary and inevitable for workers' wellbeing!"

"What can I say," replies Marie Bigoudie, "we have no choice. Let's all go together!"

Serge SCHIMOFF,
Vice-President of OGBL

Labour law and social law explained!

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