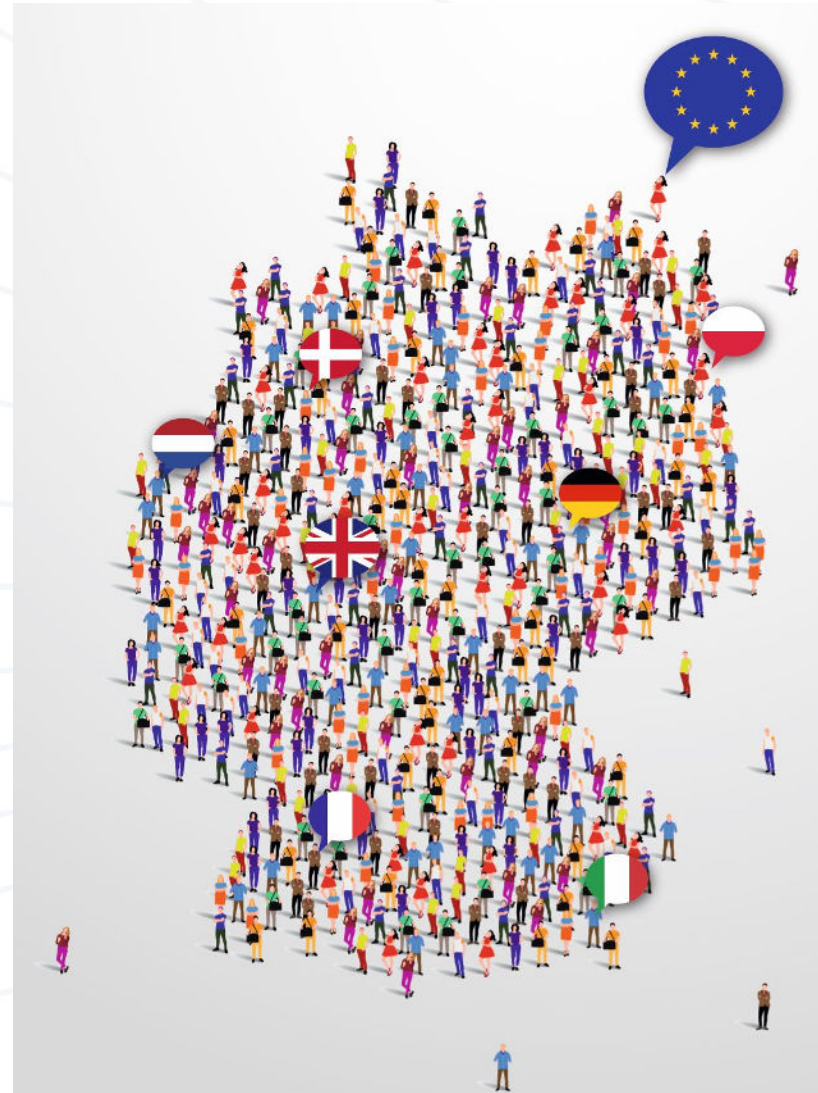


Your Labour Rights

- what you need to know in Germany

Part 3 Social Security Systems in Germany

How do they affect me as an employee?



Introduction



Dr. Tabea Bromberg
*Trade Union Secretary,
Department "Gute Arbeit,
Betriebspolitik"*



Tobias Hanson
*Trade Union Secretary,
Diploma Labour and
Economic Law*



Johannes Kraus
*Entrepreneur and Consultant, IG
BCE speaker, Diploma Labour
and Economic Law*

IGBCE and KAAT.net for You

Are you negotiating your first labour contract?

Have you already laid the foundations of your career?

Or are you already thinking about a flexible transition into retirement?

Reliable information and expert knowledge are important in every period of life.

WE'RE ALL IN THIS TOGETHER.

IGBCE and KAAT.net for You

We strengthen your position with

- legal counselling
- expertise on your industry
- collective agreements that strengthen your position.



Because there are a lot of issues, e.g. bonus schemes or vacation pay, that are negotiated more effectively for bigger groups of employees at once (as compared to being negotiated individually). This is both efficient and fair.

Agenda

Overview: Social Security System

Payslip – gross and net income

Statutory Health Insurance/ **Krankenversicherung**

Continued payment of wages in the event of sickness/ **Lohnfortzahlung im Krankheitsfall**

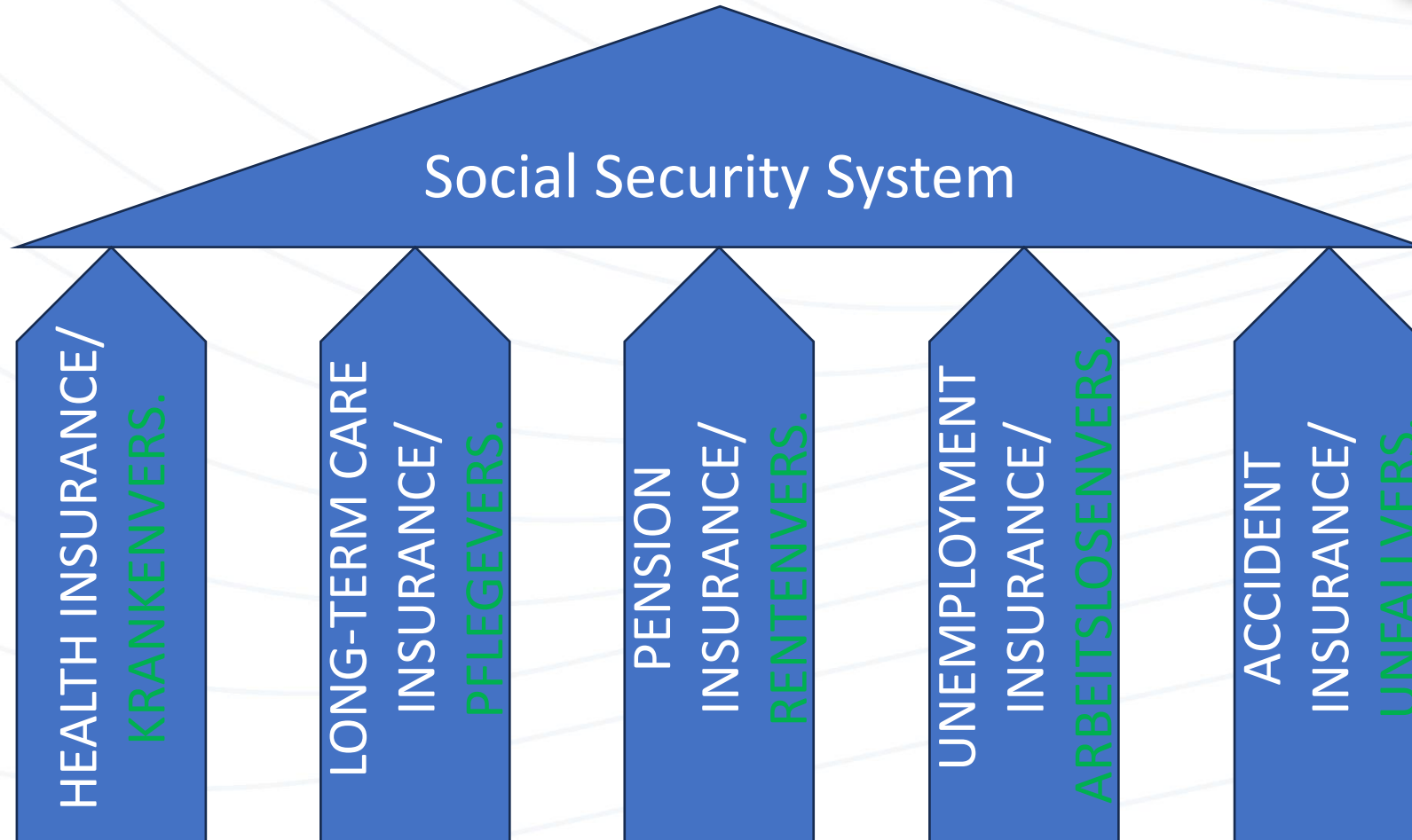
Unemployment Insurance/ **Arbeitslosenversicherung**

Pension Insurance/ **Rentenversicherung**

Long-term care Insurance/ **Pflegeversicherung**

Questions and answers

Overview: Social Security System



Overview: Relevant Social Laws

- [Erstes Buch Sozialgesetzbuch- Allgemeiner Teil \(SGB I\)](#)
- [Zweites Buch Sozialgesetzbuch - Grundsicherung für Arbeitsuchende - \(SGB II\)](#)
- [Drittes Buch Sozialgesetzbuch - Arbeitsförderung - \(SGB III\)](#)
- [Viertes Buch Sozialgesetzbuch - Gemeinsame Vorschriften für die Sozialversicherung - \(SGB IV\)](#)
- [Fünftes Buch Sozialgesetzbuch - Gesetzliche Krankenversicherung - \(SGB V\)](#)
- [Sechstes Buch Sozialgesetzbuch - Gesetzliche Rentenversicherung - \(SGB VI\)](#)
- [Siebttes Buch Sozialgesetzbuch - Gesetzliche Unfallversicherung - \(SGB VII\)](#)
- [Neuntes Buch Sozialgesetzbuch - Rehabilitation und Teilhabe von Menschen mit Behinderungen - \(SGB IX\)](#)

QUESTION 1

- Do you know how many percent social contributions you are paying from your gross salary?

- ~10%

- ~20%

- ~30%

- ~40%

| | Employee | Employer | Total |
|--------------------------|---|---------------|---------------|
| Health Insurance | 7,3% | 7,3% | 14,6% |
| Long-term care Insurance | 2,3%/ 1,7% / 1,45%/ 1,2%/ 0,95%/ 0,7% | 1,7% | 3,4% |
| Pension Insurance | 9,3% | 9,3% | 18,6% |
| Unemployment Insurance | 1,3% | 1,3% | 2,6% |
| Accident Insurance | 0% | average 1.14% | 1.14% |
| | 19,6% | 20,74% | 40.34% |

Payslip: gross vs. net income

1. Personal Information

Entgeltabrechnung / Verdienstnachweis

| Persönliche / Organisatorische Daten | |
|--------------------------------------|-------------------------------|
| Personalnr.: | Personalbereich: |
| EVO-Pers.nr.: | Geburtsdatum: |
| Kostenstelle: | Eintritt Gesellschaft: |
| Tarifgr./-stufe: | Eintritt Konzern: |
| Steuer-ID: | Austritt: |
| Steuerklasse: | Mitarbeiterkreis: |
| Faktor: | Kinderfreibetr.: |
| Konfession AN/EG: | -/ Jahresfreibetr.: |
| Steuertage: | 30,00 Monatsfreibetr.: |
| Basistarif Priv. SV: | Jahreslohnbezug: |
| RV-Nr.: | Monatslohnbezug: |
| Krankenkasse: | AD1 KV-Prozentsatz: |
| | ADK Rheinland RV-Prozentsatz: |
| | Beitrag KV/RV/AV/PV: |
| | Mehrarbeitsfaktor: |
| | SV-Tage: |
| | Zuschlag/Midj./Mehrf.: Z// |

| MM.JJ | Be-/Abzüge | Std./Tage | Faktor | Zusatz | Betrag | Kennz. | Jahreswert | Schl. |
|--------------------------------------|----------------------------|-----------|------------|----------|----------|--------|-------------------|-------|
| 2. Salary Information | | | | | | | | |
| Basisbezüge | | | | | | | | |
| 04.20 | Gehalt | | | | 4.445,00 | LSG | 1010 | |
| 04.20 | Kontoführungsgebühr | | | | 1,28 | LSG | 9001 | |
| Bruttoentgelt | | | | | | | | |
| 04.20 | Gesambrutto (EBeschV) | | | | 4.446,28 | | 17.512,03 | /10E |
| 04.20 | Steuerbrutto, Ifd. | | | 4.446,28 | | | 17.512,03 | SBRL |
| 04.20 | KV/PV-Brutto, Ifd. | | | 4.446,28 | | | 17.512,03 | KBRL |
| 04.20 | RV-Brutto, Ifd. | | | 4.446,28 | | | 17.512,03 | RBRL |
| 04.20 | AV-Brutto, Ifd. | | | 4.446,28 | | | 17.512,03 | ABRL |
| Gesetzliche Abzüge | | | | | | | | |
| 04.20 | Lohnsteuer, Ifd. | | | | 804,08 | | 3.135,40 | LSTL |
| 04.20 | Solidaritätszuschlag, Ifd. | | | | 44,22 | | 172,43 | SLZL |
| 04.20 | Krankenversicherung, Ifd. | | | | 349,03 | | 1.374,68 | KANL |
| 04.20 | Rentenversicherung, Ifd. | | | | 413,50 | | 1.628,61 | RANL |
| 04.20 | Arbeitslosenvers., Ifd. | | | | 53,36 | | 210,16 | AANL |
| 04.20 | Pflegeversicherung, Ifd. | | | | 78,93 | | 310,86 | PANL |
| 3. Sum of YTD Income | | | | | | | | |
| Netto | | | | | | | | |
| 04.20 | Gesetzl. Netto (EBeschV) | | | | 2.703,16 | | | |
| Zahlungen / Überzahlungen (-) | | | | | | | | |
| Überweisung | | | | | | | 2.703,16 | EUR |
| Bankverbindung: | | | | | | | Net Salary | |
| Urlaubsdaten | | | | | | | | |
| Art | Zeitraum | Anspruch | Abgetragen | Rest | | | | |
| Taturlaub | 2020 | 30,00 | 1,00 | 29,00 | | | | |

Important Terms:

Beitragsbemessungsgrenze (contribution assessment ceiling)

- maximum of gross income that is subject to social security contributions. In other words, it is the point from which an individual's earnings are no longer subject to contributions for social security, including health insurance.
→ relevant for all insurances.

Versicherungspflichtgrenze (mandatory insurance threshold)

- is the income level at which individuals become eligible to opt out of the statutory health insurance and choose private health insurance instead. In other words, it is the income level from which individuals are no longer required to be covered by the statutory health insurance.
→ only relevant for health insurance and long-term care insurance

Health Insurance (Sozialgesetzbuch (SGB V))

- Universal, compulsory health insurance system
- Two main types: statutory health insurance (SHI) and private health insurance (PHI)
- **Statutory Health Insurance (SHI):**
 - Majority of population covered by SHI. Spouses and children are insured with one employee.
 - Non-profit insurance companies are called sickness funds (**gesetzliche Krankenkassen**)
 - Contributions 14.6%: employees and employers pay 7.3% each.
Only slight differences in contributions and services. Everything is regulated.
 - Comprehensive health coverage, including doctor visits, hospital stays, medications, and preventive care
 - Small co-payment for certain services (e.g. prescription medication, hospital stays)

Health Insurance (2)

- **Private Health Insurance (PHI) Act:**
 - Optional for certain individuals (self-employed, high-income, certain professionals, long-time students above 30 yrs)
 - Provided by private insurance companies
 - Premiums based on health status and age
 - Benefits vary depending on plan
- **Supplementary Insurance:**
 - Additional coverage for services not covered by SHI (e.g. private room, head physician, etc). Purchased out of pocket.

Sickness: Entgeltfortzahlungsgesetz (EFZG)

- **Prompt and immediate** information to the employer about incapacity for work and its expected duration (NOT what kind of sickness you have got)
- **Medical certificate:** employer's discretion, may apply from day 1, often from day 4. See employment contract or company agreement for details.
- Up to **6 weeks' continued payment** of full wages in the event of illness.
 - New disease - new deadline.
 - Same illness - new time limit if at least 6 months have passed.
- Subsequently, **sickness benefit (Krankengeld)** through health insurance, if insured in GER.
 - SGB V: min 70% of gross salary but not more than 90% of net salary for max of 72 weeks

Unemployment Insurance (SGB III)

- Comprehensive social insurance program designed to provide financial support to individuals who lose their jobs
- Contribution: 2,6% of gross income – shared by Employee and Employer

Arbeitslosengeld I (ALG I)

- Insurance Benefit
- Claim Exists
 - if employee worked at least 12 months within 2 years
 - and if unemployment insurance was paid
- Calculation independent from savings
- Part-time work of max 15h per week allowed
- Amount: 60%/67% of the last net salary

ALG II (“Hartz IV”) – NOW “Bürgergeld”

- State benefit for those in need
- Claim Exists
 - if employee worked at least 12 months within 2 years
 - and if unemployment insurance was paid for the duration of unemployment
- Amount depends on the household situation
- Savings are included in the calculation

Pension Insurance: 3 pillars

Statutory

- Funded through contributions from employees, employers, and the government.
- Individuals receive retirement benefits.

Legal reference: §34 SGB VI

Company/ Occupational

- Provided by employers/ social partners to supplement statutory pension insurance.
- Individuals receive additional retirement benefits.
- Collective bargaining agreement in the Chemical Industry.

Legal reference: § 1 BetrAVG

Private

- Individuals can establish private pension provision on their own.
- Private pension provision can be in the form of insurance policies or other financial products.

Legal reference: § 10 EStG



Statutory Pension Insurance

- Mandatory system that provides retirement benefits to individuals **who have paid** into the system.
- Benefits are based on **contributions paid** and the **number of years worked**.
- **Age:** 67 years born in 1964 or younger – reduced pension from age 63 possible, if paid into the system for min 35 years. Full pension if paid into the system for 45 years. (§ 36 SGB VI)
- **Contributions:** 9,3% employees, 9,3% employers
- **Pension Levels:** calculated on individual's **average income** over their working life and the **number of years** they have paid into the system. The average income of all employed individuals is also considered.
- **Other benefits:** disability benefits and survivor's benefits for **eligible spouses** and dependents (§ 30 SGB VI)

Long-term care insurance (SGB XI)

- Helps cover the costs of **long-term care** for people who become **dependent** on others due to age, illness, or disability.
- It is **mandatory for employees** with a monthly income of at least 450 euros, and optional for self-employed and unemployed people.
- **Benefits** depend on the level of dependency and cover services such as home care and nursing home care.
- To receive **benefits**, the insured person must apply for an assessment of their level of dependency. (Pflegegrad/ level of care)
- **Contributions:** 4,0% (no children), 3,4% (1 child), 3,15% (2), 2,9% (3), 2,65% (4), 2,40% (5+)
Employers always 1.7%, Employees pay the balance.
- While LTC insurance covers many long-term care services, it may **not cover all costs**.

CAREFLEX

- Germany's first collectively agreed **supplementary long-term care insurance** for all employees in the chemical and pharmaceutical industry (2021).
- **Breakthrough collective agreement** - also in a second way:
 - Possibility for social partners to regulate **by company agreement** that all non-tariff and senior executives are also insured.
- **~40% of the companies** in the chemical and pharmaceutical industry offer Careflex.
- Due to the large number of people insured, it is **much cheaper** than on the free market.
- **Private supplementation** of insurance benefits and co-insurance of family members also possible.

IGBCE – Industriegewerkschaft Bergbau, Chemie, Energie

- The mission to improve the living and working conditions of employees has **remained the same** for trade unions - for IGBCE – since the beginning of the **industrialisation**.
- As **IGBCE members** we believe that there must be a **Union of Solidarity** to be able to **represent your interests and rights**.
- **Become a member** to support this Union of Solidarity. **Why not giving it a try?** – Working conditions and technologies have changed and are changing, - but **one fact stays the same**: employees can uphold their interests **better as a community** than as an individual.
- Become part of this Union of Solidarity! We welcome each and everyone of you!

QUESTIONS & ANSWERS

- Concrete questions about the content presented?
- Anything that you did not understand?
- Anything that we should clarify?

- Which topics are generally of interest to you?
- Which topics are relevant in your current work situation?



Useful links

- Comparison of AN - rights in Europe: <https://worker-participation.eu/National-Industrial-Relations/Compare-Countries>
- AT remuneration flyer: <https://kaat.net/wp-content/uploads/2020/10/E8-englisch-AT-Vergu%CC%88tung-final.pdf>
- KAAT Newsletter: <https://kaat.net/newsletter/>
- Membership form in various languages and Service Brochure: <https://igbce.de/igbce/mitglied-werden-2026> (scroll down)
- Social Security at a Glance (English): <https://www.bmas.de/EN/Services/Publications/a998-social-security-at-a-glance.html>
- CareFlex brochure: <https://igbce.de/igbce/themen/careflex-chemie/careflex-chemie-49306> (scroll down)
- You can find many laws in an official English translation online at the Federal Ministry of Justice: https://www.gesetze-im-internet.de/Teilliste_translations.html





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