

## Germany

Exchange rate: US\$1.00 = 0.83 euro (€).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1889 (old age and disability), implemented in 1891; and 1911 (survivors), implemented in 1914.

**Current laws:** 1989 (pension insurance) and 2003 (social assistance).

**Type of program:** Social insurance and social assistance system.

Note: The social security systems of the Federal Republic of Germany (FRG) and the German Democratic Republic (GDR) were merged in 1992. Throughout the profile, those particular provisions that are in force in the federal states of the former GDR are preceded by the designation “E” (East).

#### Coverage

**Social insurance:** Employed persons, including apprentices; and under certain conditions self-employed persons; military personnel; caregivers; and persons receiving unemployment, sickness, and other benefits.

Voluntary coverage for persons exempt from compulsory coverage, including German citizens residing abroad and foreign residents in Germany.

Special systems for certain self-employed persons, miners, public-sector employees, civil servants, certain military personnel, and farmers.

**Social assistance:** Needy residents of Germany, including foreign citizens under certain conditions.

#### Source of Funds

##### Insured person

**Social insurance:** 9.3% of monthly covered earnings above €850; a reduced contribution for monthly earnings up to €850; voluntary contributions for monthly earnings up to €450.

There are no minimum earnings used to calculate contributions.

The maximum annual earnings used to calculate contributions are €78,000 (E–€69,600).

**Social assistance:** None.

##### Self-employed person

**Social insurance:** 18.6% of monthly covered income.

The minimum monthly contribution is €83.70.

The maximum monthly contribution is €1,209 (E–€1,078.80) or a flat-rate amount of €566.37 (E–€501.27), depending on the type of coverage chosen by the self-employed person.

**Social assistance:** None.

##### Employer

**Social insurance:** 9.3% of monthly covered payroll; 15% for employees with monthly earnings up to €450.

The maximum annual earnings used to calculate contributions are €78,000 (E–€69,600).

**Social assistance:** None.

##### Government

**Social insurance:** Subsidizes the cost of certain benefits; pays contributions for caregivers who provide unpaid care for at least 10 hours a week.

**Social assistance:** The total cost.

#### Qualifying Conditions

**Old-age pension (Altersrente, social insurance):** Age 65 and 7 months (gradually rising by one month a year until 2023 and then by two months a year until reaching age 67 in 2029) with at least five years of contributions.

Age 63 and 6 months (gradually rising by two months a year until reaching age 65 in 2029) with at least 45 years of contributions, or age 63 and 9 months (gradually rising by one month a year until 2021 and then by two months a year until reaching age 65 in 2029) with at least 35 years of contributions and at least a 50% assessed degree of disability.

Contributions may be credited to caregivers if they provide a total of 10 hours of unpaid home care a week, distributed over at least two days a week. The caregiver must not have more than 30 hours of paid employment a week.

Contributions may be credited to parents who care for children younger than age 3. For parents with at least 25 years of paid or credited contributions, additional years are credited if employed while providing care to a child up to age 10, and if not working but providing care to at least two children up to age 10.

Compensation amount for low-income workers (Ausgleichsbetrag für Arbeitnehmer mit geringem Einkommen): Paid if the insured has at least 35 years of contributions and less than 0.0625 earnings points for calendar months before 1992 (equal to 75% of the value of contributions for the average national earnings of all insured).

Individual earnings points are calculated as the insured's earnings for each contribution year divided by the average national earnings (including certain credited contributions and supplements) for all insured persons in the same year, multiplied by the normal entry factor (Zugangsfaktor).

Early pension (Vorzeitige Altersrente): Age 63 (gradually rising to age 67 by 2029) with at least 35 years of contributions, subject to further conditions.

Earnings test: From age 63 up to the normal retirement age, employment may continue and a reduced benefit is paid. From the normal retirement age, there is no penalty for continuing to work.

Deferred pension (Aufgeschobene Altersrente): The pension may be deferred after the normal retirement age. There is no age limit.

Pension splitting (Rentensplitting): Spouses or civil partners with at least 25 years of contributions each can split their pensions into equal parts if both partners have reached the normal retirement age and at least one of them is entitled to a full pension, or in case of death of one of the partners. The marriage or partnership must have begun after 2001; before 2002 if both spouses or civil partners were born after January 1, 1962.

**Basic income support (Grundsicherung im Alter und bei Erwerbsminderung, social assistance, means tested):** Must be unable to provide for his or her own subsistence, and have reached the normal retirement age or be assessed with a permanent total loss of earning capacity.

Means test: The spouse's or cohabiting partner's income and assets are taken into consideration.

Basic income support is not provided if a parent or child has an annual income above €100,000.

**Disability pension (Erwerbsminderungsrente, social insurance):** Must have a total loss of working capacity due to illness or disability, be unable to work more than three hours a day under general labor market conditions, and have at least five years of contributions and 36 months of compulsory contributions in the last five years before the disability began. Special conditions apply, including for a reduction in earning capacity that is the result of a work injury or following vocational training.

Partial disability (Rente bei teilweiser Erwerbsminderung): Must be able to work at least three hours but not more than six hours a day under general labor market conditions; if born before January 2, 1961, must be unable to work at least six hours a day in the usual or a similar occupation.

**Spouse's pension (Witwen-/Witwerrente, social insurance):** The deceased had at least five years of contributions or was a pensioner at the time of death. The widow(er) or surviving civil partner must have been married or partnered to the deceased for at least one year.

Small spouse's pension (Kleine Witwen-/Witwerrente): Paid to a widow(er) or surviving civil partner who has not remarried or begun a new civil partnership since the insured's death. The pension is paid for up to two years after the insured's death.

Large spouse's pension (Große Witwen-/Witwerrente): Paid to a widow(er) or surviving civil partner who qualifies for

the small spouse's pension and is aged 45 or older (gradually rising to age 47 by 2029), cares for a child younger than age 18, or has a reduced earning capacity.

Child's supplement (Kinderzuschlag): Paid to a widow(er) or surviving civil partner receiving the small or large spouse's pension and who has raised or is raising a child younger than age 3. The supplement is not paid if the spouse died before 2002, or if the marriage took place before that date and at least one spouse or civil partner was born before January 2, 1962.

**Orphan's pension (Waisenrente, social insurance):** Paid for children younger than age 18 (age 27 if a student; in training; participating in a voluntary social, ecological, or federal service year; or disabled).

### Old-Age Benefits

**Old-age pension (Altersrente, social insurance):** The pension is based on total individual earnings points multiplied by the pension factor and the pension value.

Individual earnings points are calculated as the insured's earnings for each contribution year divided by the average national earnings (including certain credited contributions and supplements) for all insured persons in the same year multiplied by the normal entry factor (Zugangsfaktor).

Individual earnings points are calculated as the insured's earnings for each contribution year divided by the average national earnings (including certain credited contributions and supplements) of all insured persons in the same year, multiplied by the normal entry factor (Zugangsfaktor).

Average national earnings are €37,837 (provisional figure for 2018).

The normal entry factor is 1.0 and increases or decreases based on the age at which the insured is first awarded a pension.

The pension factor for the old-age pension is 1.0.

The pension value is the monthly benefit amount for each individual earnings point. The pension value is adjusted annually in July based on changes in wages. The current pension value is €31.03 (E-€29.69) (July 2017).

There is no minimum old-age pension.

The value of credited contributions for certain caregivers providing unpaid care for at least 10 hours a week varies depending on the type and level of care provided.

For births since 1992, a parent providing care to a child up to age 3 receives one earnings point for each year of care up to three years; for births before 1992, up to two years. For a parent with at least 25 years of paid or credited contributions who continues to work while providing care to a child up to age 10, the value of contributions paid is increased to 1.5 times the value, up to the value of contributions for average earnings of all insured persons; nonworking parents providing care to at least two children up to age 10 receive 0.33 earnings points a year.

Compensation amount for low-income workers (Ausgleichsbetrag für Arbeitnehmer mit geringem Einkommen): The value of contributions paid before 1992 is increased to 1.5 times the value, up to 75% of the value of contributions for the average national earnings of all insured persons (0.0625 earnings points a month).

Early pension (Vorzeitige Altersrente): The entry factor (1.0) is reduced by 0.003 for each calendar month the pension is claimed before the normal retirement age.

Earnings test: Benefits are reduced by 40% of earnings for annual earnings above €6,300 until the insured reaches the normal retirement age.

Deferred pension (Aufgeschobene Altersrente): The entry factor (1.0) is increased by 0.005 for each calendar month the pension is deferred after the normal retirement age.

Pension splitting (Rentensplitting): The pension of the spouses or civil partners is calculated by splitting the pension rights accrued by both members of the couple during their marriage or civil partnership into equal parts.

**Basic income support (Grundsicherung im Alter und bei Erwerbsminderung, social assistance, means tested):** The difference between the beneficiary's assessed monthly need (basic monthly need, reasonable housing costs, and additional individual needs) and net monthly income is paid.

The basic monthly need is €332, €374, or €416, depending on the beneficiary's family composition, and is increased by €240 for each child younger than age 6; €296 for each child aged 6 to 13; and €316 for each child aged 14 to 17.

Benefit adjustment: Benefits are adjusted annually in July based on changes in the pension value; absolute decreases in pension benefits are not permitted. The adjustment formula also takes into account changes in the ratio between the number of pensioners and contributors. The value of the basic income support is adjusted annually based on expenditure data for low income households that is collected through regular surveys.

### **Permanent Disability Benefits**

**Disability pension (Erwerbsminderungsrente, social insurance):** The pension is the total individual earnings points multiplied by the pension factor and the pension value.

Individual earnings points are calculated as the insured's earnings for each contribution year divided by the average national earnings (including certain credited contributions and supplements) for all insured persons in the same year multiplied by the normal entry factor (Zugangsfaktor).

The normal entry factor is 1.0 and is reduced by 0.003 for every calendar month the pension is claimed before age 64 (gradually rising to age 65 by 2024), up to a maximum reduction of 0.108.

The pension factor for the disability pension with a total disability is 1.0.

The pension value is the monthly benefit amount for each individual earnings point. The pension value is adjusted annually in July based on changes in wages. The current pension value is €31.03 (E-€29.69) (July 2017).

If the disability began before age 62, the period from the date of the reduction in earning capacity up to age 62 and three months (gradually increasing to age 65 by 2024) is taken fully into account in the pension calculation.

Earnings test: Benefits are reduced by 40% of earnings for annual earnings above €6,300.

The disability pension ceases at the normal retirement age and is replaced by the old-age pension. The old-age pension paid must be at least equal to the disability pension.

Partial disability (Rente bei teilweiser Erwerbsminderung): The monthly pension is calculated in the same way as the disability pension paid for a total disability, but the pension factor is 0.5.

Benefit adjustment: Benefits are adjusted annually in July based on changes in the pension value; absolute decreases in pension benefits are not permitted. The adjustment formula also takes into account changes in the ratio between the number of pensioners and contributors.

### **Survivor Benefits**

**Spouse's pension (Witwen-/Witwerrente, social insurance):** The pension is based on the deceased's total individual earnings points multiplied by the pension factor and the pension value.

Individual earnings points are calculated as the insured's earnings for each contribution year divided by the average national earnings (including certain credited contributions and supplements) for all insured persons in the same year multiplied by the normal entry factor (Zugangsfaktor).

The normal entry factor for all survivor pensions is 1.0 and is reduced by 0.003 for each calendar month the deceased died before age 64, up to a maximum reduction of 0.108.

The pension factor is 1.0 for the first three months after the insured's death; thereafter, 0.25 if the survivor is receiving the small spouse's pension or 0.55 if receiving the large spouse's pension (0.6 if the marriage or civil partnership began before 2002 and one spouse or civil partner was born before January 2, 1962, or if the insured died before 2002).

The pension value is the monthly benefit amount for each individual earnings point. The pension value is adjusted annually in July based on changes in wages. The current pension value is €31.03 (E-€29.69) (July 2017).

Small spouse's pension (Kleine Witwen-/Witwerrente): Paid for two years; for an unlimited duration if the marriage or civil partnership began before 2002, lasted for more than one year, and the surviving spouse or civil partner was born before January 2, 1962.

Large spouse's pension (Große Witwen-/Witwerrente): Paid for an unlimited duration.

The spouses' pensions cease upon remarriage.

Special rules apply for spouses divorced before July 1, 1977.

Earnings test: The benefit is reduced by 40% of the survivor's net income above €819.19 (E-€783.82) from the fourth month of payment.

Child's supplement (Kinderzuschlag): For each month the spouse or civil partner cared for a child, 0.1010 individual earnings points a month are awarded for the first 36 months plus 0.0505 for each subsequent month.

#### **Orphan's pension (Waisenrente, social insurance):**

The orphan pension is calculated in the same way as the spouse's pension. The pension factor is 0.1 for a half orphan and 0.2 for a full orphan. Supplements depend on the length of the insured's contribution period and other factors.

Benefit adjustment: Benefits are adjusted annually in July based on changes in the pension value; absolute decreases in pension benefits are not permitted. The adjustment formula also takes into account changes in the ratio between the number of pensioners and contributors.

#### **Administrative Organization**

Federal Ministry of Labor and Social Policy (<https://www.bmas.de/>) provides general supervision.

Federal Insurance Institute (<https://www.bundesversicherungsamt.de/>) oversees Federal German Pension Insurance.

Federal German Pension Insurance ([https://www.deutsche-rentenversicherung.de/Bund/de/Navigation/0\\_Home/home\\_node.html/](https://www.deutsche-rentenversicherung.de/Bund/de/Navigation/0_Home/home_node.html/)) administers the program jointly with regional offices and the pension insurance body for railway workers and seafarers ([https://www.deutsche-rentenversicherung.de/KnappschaftBahnSee/de/Navigation/0\\_Home/home\\_node.html/](https://www.deutsche-rentenversicherung.de/KnappschaftBahnSee/de/Navigation/0_Home/home_node.html/)).

Sickness funds collect contributions and forward them to Federal German Pension Insurance institutions.

Welfare offices administer the basic income support program.

#### **Sickness and Maternity**

##### **Regulatory Framework**

**First law:** 1883 (sickness insurance), implemented in 1884.

**Current laws:** 1988 (sickness), 1994 (long-term care), and 2017 (maternity).

**Type of program:** Social insurance system.

##### **Coverage**

**Sickness, maternity, and medical benefits:** Wage and salary workers with annual earnings up to €59,400 (€53,100

if covered by private insurance before 2003); pensioners, students, persons with disabilities, apprentices, and recipients of unemployment benefits.

Family insurance: Spouses, partners, and children of an insured person are covered free of charge under certain conditions.

Voluntary coverage is available for persons not subject to statutory insurance or who cease to be covered by family insurance.

Citizens of Germany without statutory insurance, including self-employed persons and public-sector employees, are required to purchase insurance for themselves and family members from private insurance companies; each insurance plan must meet certain minimum standards.

Special systems for miners, artists, journalists, and farmers.

**Long-term care benefits:** Persons covered by the statutory sickness insurance system. Persons with private sickness insurance must buy equivalent private long-term care coverage.

#### **Source of Funds**

##### **Insured person**

**Sickness, maternity, and medical benefits:** 7.3% of monthly covered earnings; 7.3% of the monthly pension for pensioners. An additional monthly contribution is paid that varies by sickness fund, up to 1.7% of monthly covered earnings or the monthly pension (an average of 1% in January 2018).

The maximum monthly earnings used to calculate contributions are €4,425.

**Long-term care benefits:** 1.275% of monthly covered earnings in most federal states (1.775% in Saxony); 1.275% of the monthly pension for pensioners in most federal states (1.775% in Saxony). Childless insured persons older than age 23 contribute an additional 0.25% of monthly covered earnings.

The maximum monthly earnings used to calculate contributions are €4,425.

##### **Self-employed person**

**Sickness, maternity, and medical benefits:** Not applicable.

**Long-term care benefits:** Not applicable.

##### **Employer**

**Sickness, maternity, and medical benefits:** 7.3% of monthly covered payroll; pension funds contribute 7.3% of the monthly pension for pensioners. There are special conditions for monthly earnings of less than €850.

The maximum monthly earnings used to calculate contributions are €4,425.

**Long-term care benefits:** 1.275% of monthly covered earnings in most federal states (0.775% in Saxony); pension

funds contribute 1.275% of the monthly pension for pensioners in most federal states (1.775% in Saxony).

The maximum monthly earnings used to calculate contributions are €4,425.

### Government

**Sickness, maternity, and medical benefits:** A flat-rate payment for non-insurance benefits provided by the statutory sickness insurance institutions (€14.5 billion in 2017).

**Long-term care benefits:** Contributes for unemployed persons, pensioned farmers, and students receiving benefits under the Federal Training Assistance Act (BAföG).

### Qualifying Conditions

**Cash sickness benefit (Krankengeld):** Paid to members of sickness funds who are unable to work due to illness, are receiving medical treatment covered by the sickness funds, or caring for sick children younger than age 12.

**Cash maternity benefit (Mutterschaftsgeld):** Paid to female members of sickness funds.

**Long-term care benefits:** Paid to a caregiver who cares for an insured person with at least two years of coverage in the last 10 years before the claim is made.

The insured person receiving care must be assessed with a physical, cognitive, or mental impairment that cannot be managed without the help of others and is expected to last for at least six months. The impairment is determined according to five levels of care needs (Pflegegrad): a low need (care level I; geringe Beeinträchtigung der Selbstständigkeit oder der Fähigkeiten); a substantial need (care level II; erhebliche Beeinträchtigung der Selbstständigkeit oder der Fähigkeiten); a serious need (care level III; schwere Beeinträchtigung der Selbstständigkeit oder der Fähigkeiten); a severe need (care level IV; schwerste Beeinträchtigung der Selbstständigkeit oder der Fähigkeiten); or a severe need with special care requirements (care level V; schwerste Beeinträchtigung der Selbstständigkeit oder der Fähigkeiten mit besonderen Anforderungen an die pflegerische Versorgung).

A medical service (Medizinischer Dienst der Krankenversicherung) or independent expert contracted by the long-term care fund assesses the level of care needs.

**Medical benefits:** There is no minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness benefit (Krankengeld):** 70% of the insured's gross earnings (up to 90% of net earnings) is paid for up to 78 weeks in a three-year period for the same illness. The employer pays 100% of the insured's gross earnings for up to the first six weeks.

If the insured is caring for a sick child, benefits are paid for up to 10 working days for each eligible child and up to 25 days for all children in a calendar year; 20 working days

for each eligible child and up to 50 days for all children if the insured is a single parent (Kinderpflege-Krankengeld).

**Maternity benefit (Mutterschaftsgeld):** For employed women, 100% of the insured's average net earnings (up to €13 a day from the sickness fund with the remainder paid by the employer) in the three months before the maternity leave began is paid for six weeks before and eight weeks after childbirth (12 weeks after childbirth for premature or multiple births or if the child is assessed with a disability). In the case of a premature birth, the duration of the maternity benefit is extended by the period which has not been claimed before childbirth.

For women with private or family insurance, federal states pay, under certain conditions, maternity benefits equivalent to the sickness benefit, up to a total of €210.

**Long-term care allowance (Pflegegeld):** €316 (care level II), €545 (care level III), €728 (care level IV), or €901 (care level V) a month is paid.

The long-term care allowance is reduced by the value of in-kind benefits provided by professional care workers (see home care benefits under medical benefits).

### Workers' Medical Benefits

**Medical benefits:** Doctors, hospitals, and pharmacists under contract with sickness funds provide benefits to patients. Benefits include comprehensive medical and dental care, preventive examinations and treatment, laboratory tests, hospitalization, surgery, rehabilitation, medical equipment, pregnancy and maternity care provided by a midwife or doctor, abortion, sterilization, and prescribed medicine.

**Cost sharing:** The insured pays 10% of each prescription medicine (from €5 to €10, or the full cost of the medicine, whichever is less); €10 for each day of inpatient treatment for up to 28 days a year; 10% of the costs for massages, occupational therapy, and speech therapy; 10% of the cost of in-home care for up to 28 days a year plus €10 for each prescription. Cost sharing is limited to 2% of earnings (1% if chronically sick).

**Long-term care benefits:** The benefits consist of home care and institutional care benefits.

**Home care benefit (Häusliche Pflege):** The benefit covers the costs of in-home care (up to 24-hour care), assistive devices, technical assistance (such as home modification), and short-term in-home or institutional care when the regular caregiver is temporarily unavailable, up to certain maximums.

The monthly in-kind benefit is €689 (care level II), €1,298 (care level III), €1,612 (care level IV), or €1,995 (care level V).

Persons receiving home care (care level I to V) also receive a flat-rate monthly allowance of €125 to cofinance additional services, including day care, night care, or short-term care (Entlastungsbeitrag).

**Institutional care benefit (Stationäre Pflege):** Up to €770 (care level II), €1,262 (care level III), €1,775 (care level IV), or €2,005 (care level V) a month is paid for care at a long-term care facility. The insured pays a percentage of the room and board costs. Under certain conditions, the care fund pays up to €266 of the insured's room and board costs if he or she is living in a facility for the disabled.

### Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

### Administrative Organization

#### Sickness, maternity and medical benefits

Federal Ministry of Health (<https://www.bundesgesundheitsministerium.de/>) provides general supervision.

Federal Insurance Institute (<https://www.bundesversicherungsamt.de/>) supervises federal health insurance institutions and their long-term care funds.

Designated state authorities provide supervision at the state level.

Sickness funds, which are self-governing corporations under public law, administer contributions and benefits. Separate sickness funds are organized within federations at the national level and, if applicable, at the state level.

A board of directors, elected by an administrative council (generally consisting of representatives from employers and the insured), handles day-to-day administration of funds.

Each year, the sickness fund federations and the physicians' associations must agree on the level of payment for contractual medical services. The sickness fund federations pay the physicians' association, which pay the individual doctors under contract.

#### Long-term care

Federal Ministry of Health (<http://www.bundesgesundheitsministerium.de/>) provides general supervision.

Separate long-term care funds organized by sickness funds and private sickness insurance funds administer benefits.

The National Association of Statutory Health Insurance Funds (<https://www.gkv-spitzenverband.de/>) represents long-term care funds at the federal level.

### Work Injury

#### Regulatory Framework

**First laws:** 1884 (accident insurance), implemented in 1885; and 1925 (occupational diseases).

**Current law:** 1996 (accident insurance), implemented in 1997.

**Type of program:** Social insurance system.

#### Coverage

Employed persons, some categories of self-employed persons, persons engaged in specified voluntary activities, apprentices, and students.

Voluntary coverage for most categories of self-employed persons.

Special system for civil servants and public-sector employees.

#### Source of Funds

**Employees:** None.

**Self-employed person:** Contributions vary depending on the assessed degree of risk.

**Employer:** An average of 1.18% (2016) of payroll; contributions vary depending on the assessed degree of risk.

**Government:** Subsidizes agricultural accident insurance and contributions for students, children in day care institutions, and persons engaged in specified voluntary activities.

#### Qualifying Conditions

Must be assessed with a work injury or occupational disease. Accidents while commuting to and from work are covered.

#### Temporary Disability Benefits

**Temporary disability benefit (Verletztengeld):** 80% of the insured's last gross earnings up to the last net income is paid from the day after the disability began until recovery or the award of a transition allowance, whichever occurs first (in most cases, the employer pays for the first six weeks). If recovery is not anticipated and occupational rehabilitation is not possible, the benefit is paid for up to 78 weeks.

For insured persons aged 18 or older, the minimum annual earnings used to calculate benefits are €21,924 (E–€19,404).

The maximum annual earnings used to calculate benefits vary from €64,680 to €109,620 according to the accident insurance fund.

**Transition allowance (Übergangsgeld):** 68% of the temporary disability benefit is paid if the insured requires occupational rehabilitation; 75% if the insured requires the care of others or has at least one child. The allowance is paid after the right to the temporary disability benefit ceases.

#### Permanent Disability Benefits

**Permanent disability pension (Rente bei Minderung der Erwerbsfähigkeit, MdE):** For a total disability (100% assessed loss of earning capacity), 66.7% of the insured's

gross annual earnings in the year before the disability began is paid.

**Partial disability (Teilinvaliditätspension):** For an assessed loss of earning capacity of more than 20% but less than 100%, a percentage of the full permanent disability pension is paid depending on the assessed loss of earning capacity.

**Severe disability supplement (Zulage für Schwerverletzte):** 10% of the permanent disability pension is paid for up to two years if the insured has at least a 50% assessed loss of earning capacity and is not working or receiving another pension.

**Unemployment supplement (Zulage bei Arbeitslosigkeit):** If the insured is unemployed and the combined total of disability and unemployment benefits is less than the transition allowance, the difference is paid.

**Constant-attendance allowance (Pflegegeld):** €351 to €1,400 (E–€330 to €1,324) a month is paid if the insured requires the constant attendance of others to perform daily functions.

**Benefit adjustment:** Benefits are adjusted annually in July based on changes in the pension value; absolute decreases in pension benefits are not permitted. The adjustment formula also takes into account changes in the ratio between the number of pensioners and contributors.

### **Workers' Medical Benefits**

Benefits include comprehensive medical care; medical, occupational, and social rehabilitation; appliances; and help with housework.

### **Survivor Benefits**

#### **Survivor pension**

**Spouse's pension (Witwen-/Witwerrente):** 30% of the deceased's gross annual earnings in the last year is paid to the widow(er) or surviving civil partner for up to 24 calendar months.

If the widow(er) or surviving civil partner is aged 47 or older, disabled, or caring for at least one child younger than age 18 (age 27 if a student or in vocational training), 66.7% of the deceased's gross annual earnings in the last year is paid for up to three calendar months after the day of death; thereafter, 40% of the deceased's last earnings is paid.

Divorced spouses may receive a spouse's pension if they received or were entitled to receive alimony from the deceased. The amount is split between the surviving spouse and the divorced spouse based on their respective length of the marriage to the deceased.

The spouse's pension ceases upon remarriage.

**Orphan's pension (Waisenrente):** 20% of the deceased's gross annual earnings in the last year is paid to each child younger than age 18 (age 27 if a student or in training; a

participant in a social, ecological, or federal service year; or disabled); 30% for a full orphan.

**Spouse's and orphan grant (Witwen-, Witwer- und Waisenbeihilfe):** A lump sum of 40% of the deceased's gross annual earnings in the last year is paid if survivors are ineligible for a survivor pension and the deceased had at least a 50% assessed loss of earning capacity. The grant is split equally among survivors.

**Other eligible survivor's pension (Rente an Verwandte der aufsteigenden Linie, means tested):** 20% of the deceased's gross annual earnings in the last year is paid to a single parent or grandparent; 30% to a couple.

The maximum combined survivor benefit is 80% of the deceased's gross annual earnings in the last year.

**Death grant (Sterbegeld):** A lump sum of €5,220 (E–€4,620) is paid.

**Benefit adjustment:** Benefits are adjusted annually in July based on increases in the pension value and changes in the ratio between the number of pensioners and contributors.

### **Administrative Organization**

Federal Insurance Institute (<https://www.bundesversicherungsamt.de/>) supervises federal accident insurance institutions.

Federal Ministry of Labor and Social Policy (<https://www.bmas.de/>) supervises occupational safety and health programs.

Supreme administrative state authorities responsible for social insurance or authorities assigned by the provincial governments supervise the state accident insurance institutions.

Accident insurance institutions (industrial associations and public insurers), managed by elected representatives of employers and employees, collect contributions and administer the program.

### **Unemployment**

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#### **Regulatory Framework**

**First laws:** 1927 (employment service and unemployment insurance) and 2003 (basic unemployment allowance).

**Current laws:** 1997 (employment promotion) and 2011 (basic unemployment allowance).

**Type of program:** Social insurance and social assistance system.

#### **Coverage**

**Social insurance:** Employed persons, including household workers, apprentices, and trainees; and certain other persons, including recipients of sickness benefits and persons raising a child.

Voluntary coverage for self-employed persons, caregivers, and foreign workers (outside of the European Union).

Exclusions: Persons in irregular employment.

**Social assistance:** Employed and unemployed jobseekers assessed as needy.

### Source of Funds

#### Insured person

**Social insurance:** 1.5% of monthly covered earnings.

The maximum annual earnings used to calculate contributions are €78,000 (E–€69,600).

**Social assistance:** None.

#### Self-employed person

**Social insurance:** 3% of half the monthly reference value for the first two years of self-employment; 3% of the full monthly reference value after two years of self-employment.

The monthly reference value is €3,045 (E–€2,695).

**Social assistance:** None.

#### Employer

**Social insurance:** 1.5% of monthly covered payroll.

The maximum annual earnings used to calculate contributions are €78,000 (E–€69,600).

**Social assistance:** None.

#### Government

**Social insurance:** The federal government finances any deficit.

**Social assistance:** Federal and local governments pay the total cost.

### Qualifying Conditions

**Contributory unemployment benefit (Arbeitslosengeld I, social insurance):** Must have at least 12 months of covered work in the last two years; be registered at an employment office; and be capable of, available for, and actively seeking work.

Under certain conditions, the right to the unemployment benefit can be suspended for up to 12 weeks.

**Short-time work benefit (Kurzarbeitergeld, social insurance):** Short-time workers must be working a reduced number of hours due to economic restructuring in the workplace that results in an earnings loss of at least 10 percent of gross monthly earnings for at least one third of the company's employees.

**Short-time transfer allowance (Transferkurzarbeitergeld, social insurance):** Paid under certain conditions to employees of companies that become insolvent.

**Seasonal short-time work allowance (Saison-Kurzarbeitergeld, social insurance):** Paid to workers whose work is halted due to bad weather or for economic reasons.

**Unemployment benefit (Arbeitslosengeld II, social assistance, means tested):** Paid to jobseekers aged 15 to the normal retirement age who are capable of, available for, and actively seeking work, including employed persons seeking more suitable work and social insurance unemployment beneficiaries.

The basic subsistence needs of the beneficiary must not be met by any other benefit.

**Housing allowance (Bedarfe für Unterkunft und Heizung):** Paid to tenants or homeowners who incur housing costs.

**Dependent's supplement:** Paid for dependent children younger than age 18. Children younger than age 15 must not work.

**Pregnancy supplement:** Paid to pregnant women.

**Single parent supplement:** Paid to single parents.

### Unemployment Benefits

**Contributory unemployment benefit (Arbeitslosengeld I, social insurance):** 67% (60% without children) of the insured's net monthly earnings is paid for six to 24 months, depending on the length of the covered work period and the insured's age. The benefit is paid for up to 24 months to unemployed persons older than age 58 with at least 48 months of covered work.

**Short-time work benefit (Kurzarbeitergeld, social insurance):** 67% (60% without children) of the difference between the insured's previous and current net income is paid (usually for six months, but up to 24 months).

**Short-time transfer allowance (Transferkurzarbeitergeld, social insurance):** 67% (60% without children) of the difference between the insured's previous and current net income is paid for up to 12 months.

**Seasonal short-time work allowance (Saison-Kurzarbeitergeld, social insurance):** 67% (60% without children) of the difference between the insured's previous and current net income is paid according to the hours of work stoppage from December 1 (November 1 for certain construction workers) to March 31.

**Unemployment benefit (Arbeitslosengeld II, social assistance, means tested):** A basic monthly benefit of €332, €374, or €416 is paid, depending on the family composition.

**Housing allowance (Bedarfe für Unterkunft und Heizung):** The total monthly rent, utilities, maintenance costs, or other housing costs are paid, up to an amount that is assessed as reasonable.

**Dependent's supplement:** €240 a month is paid for each child younger than age 6; €296 for each child aged 6 to 13; €316 for each child aged 14 to 17.



## Germany

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Pregnancy supplement: 17% of the unemployment benefit is paid from the 13th week of pregnancy to the time of childbirth.

Single parent supplement: 12% to 60% of the unemployment benefit is paid, depending on the number and ages of the children living in the same household.

Additional supplements may be paid depending on the assessed need.

Means test: The total benefit (basic benefit and supplemental benefits) is reduced by 20% of income from €100.01 to €1,000 a month; 10% of income from €1,000.01 to €1,200 (from €1,000.01 to €1,500 if the beneficiary has any children). Certain types of income (including certain level of savings) are excluded.

There is no limit to duration.

Benefit adjustment: Benefits are adjusted annually in July based on changes in the pension value; absolute decreases in pension benefits are not permitted. The adjustment formula also takes into account changes in the ratio between the number of pensioners and contributors.

### Administrative Organization

Federal Ministry of Labor and Social Policy (<https://www.bmas.de/>) provides overall supervision.

Federal Employment Agency (<https://www.arbeitsagentur.de/>) administers the social insurance program.

Local employment offices are responsible for job placements, career guidance, and benefits administration.

Committees of employment agencies and 105 authorized local carriers administer the social assistance program.

Sickness funds collect contributions.

### Family Allowances

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#### Regulatory Framework

**First laws:** 1954 (child benefit), implemented in 1955; and 1985 (child-raising allowance).

**Current laws:** 2003 (minimum income), 2007 (parental benefit), 2009 (child benefit), and 2009 (income tax).

**Type of program:** Universal and social assistance system.

#### Coverage

**Parental and child benefits (universal and social assistance):** Parents with at least one child; grandparents or foster parents if the child(ren) live(s) in their household; full orphans and children who have lost all contact with their parents.

**Minimum income support (Hilfe zum Lebensunterhalt, social assistance):** Needy residents of Germany; German nationals residing abroad under certain conditions.

### Source of Funds

**Insured person:** None.

**Self-employed:** Not applicable.

**Employer:** None.

**Government:** The total cost. The federal government reimburses the Federal Employment Agency for administrative costs.

### Qualifying Conditions

**Child benefit (Kindergeld, universal):** Paid for children younger than age 18 (extended if unemployed, a full-time student, or searching for an apprenticeship or a voluntary position; no limit if disabled).

**Children's allowance (Kinderzuschlag, social assistance, income tested):** Paid to persons who are able to meet their own needs but not those of their unmarried child(ren) younger than age 25. Must be entitled to the child benefit and not be receiving other social assistance benefits.

**Parental benefit (Elterngeld und Elternzeit, social assistance, income tested):** Paid for children younger than age 14 months.

**Minimum income support (Hilfe zum Lebensunterhalt, social assistance, means tested):** Paid to persons who are unable to provide for their own subsistence and do not receive a social assistance unemployment benefit or basic social assistance pension. Must satisfy a means test.

Pregnancy supplement: Paid to pregnant women.

Single parent supplement: Paid to single parents.

### Family Allowance Benefits

**Child benefit (Kindergeld, universal):** €194 a month is paid for the first and second eligible child; €200 for the third; €225 for each additional child.

Child benefits are paid retroactively for up to six months before the month in which the benefit was first claimed.

**Children's allowance (Kinderzuschlag, social assistance, income tested):** Up to €170 a month for each eligible child is paid; if entitled to an allowance for more than one child in the household, a combined total allowance is paid. The child's own income and assets may reduce the benefit.

**Parental benefit (Elterngeld und Elternzeit, social assistance, income tested):** At least 67% of the parents' net income in the 12 months before childbirth is paid, up to €1,800 (€300 if not employed) a month. The benefit is paid for up to 12 months. A parent with sole custody may receive the parental benefit for up to 14 months after the birth; other parents may share the benefit for up to 14 months (each parent must receive the benefit for at least two months).

**Minimum income support (Hilfe zum Lebensunterhalt, social assistance, means tested):** The difference between the beneficiary's assessed monthly need (basic monthly need, reasonable housing costs, and additional individual needs) and net monthly income is paid.

The basic monthly need is €332, €374, or €416, depending on the beneficiary's family composition, and is increased by €240 for each child younger than age 6; €296 for each child aged 6 to 13; and €316 for each child aged 14 to 17.

Pregnancy supplement: 17% of the minimum income support is paid from the 13th week of pregnancy to the time of childbirth.

Single parent supplement: 12% to 60% of the minimum income support is paid, depending on the number and ages of the children living in the same household.

Benefit adjustment: Benefits are adjusted annually in July based on changes in the pension value; absolute decreases in pension benefits are not permitted. The adjustment formula also takes into account changes in the ratio between the number of pensioners and contributors. The value of the minimum income support is adjusted annually based on

expenditure data for low income households that is collected through regular surveys.

### **Administrative Organization**

Federal Ministry for Family, Seniors, Women, and Youth (<https://www.bmfsfj.de/>) provides general supervision.

Federal Revenue Office (<https://www.bzst.de/>) administers child benefits and child allowances through regional and local labor offices of the Federal Employment Agency (<https://www.arbeitsagentur.de/>).

Child benefits for public employees are administered through salary payment offices.

Federal states are responsible for enforcing federal child-raising and parental benefit laws. Parental and child care benefit centers administer the program.

Local welfare offices administer the minimum income support program and pay benefits.