

## Germany

Exchange rate: US\$1.00 = 0.92 euros (€).

### Old Age, Disability, and Survivors

#### Regulatory Framework

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

**Current law:** 2002 (pension insurance).

**Type of program:** Social insurance 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

Employed persons (including apprentices); certain self-employed persons; military personnel; and under certain conditions, certain caregivers, and persons receiving unemployment, sickness, and certain 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, and farmers.

#### Source of Funds

**Insured person:** 9.345% of monthly earnings over €850; a reduced contribution for earnings from up to €850; voluntary contributions for earnings up to €450 a month.

The maximum annual earnings used to calculate contributions are €74,400 (E–€64,800).

**Self-employed person:** 18.7% of monthly income.

The minimum monthly contribution is €84.15 and the maximum is €1,159.40 (E–€1,009.80) or a flat-rate amount of €543.24 (E–€471.24), depending on the type of coverage chosen by the self-employed person.

**Employer:** 9.345% of monthly payroll; 15% of earnings for employees with monthly earnings less than €450.

The maximum annual earnings used to calculate contributions are €74,400 (E–€64,800).

**Government:** Subsidizes the cost of certain benefits; pays contributions for caregivers who provide unpaid care for at least 14 hours a week.

#### Qualifying Conditions

**Old-age pension:** Age 65 and five months (gradually rising by one month a year until 2024 and by two months a year until reaching age 67 in 2029) with at least five years of contributions. Age 67 for insured persons born since 1964.

Age 65 for insured persons born before 1952 with at least 15 years of contributions who were unemployed for at least 52 weeks after age 58 and six months or worked part time for at least 24 months before the normal retirement age; or for insured women born before 1952 with at least 15 years of contributions and 10 years of compulsory contributions after age 40.

Age 63 and two months (gradually rising by two months a year until reaching age 65 in 2028) with at least 45 years of contributions (at least 35 years with at least a 50% assessed degree of disability).

Certain caregivers receive pension credits in the form of paid contributions for providing unpaid care of at least 14 hours a week. The caregiver must have a caregiving allowance below a certain threshold and not have more than 30 hours of paid employment a week.

A parent may receive pension credits for providing care to a child aged 0 to 3 years. For parents with at least 25 years of paid or credited contributions, additional years are credited if working part time while providing care to a child aged 0 to 10 years, and if not working but providing care to at least two children aged 0 to 10 years.

**Earnings test:** The pension depends on the level of additional individual earnings: if monthly earnings are up to €450, the full pension is paid; if earnings are greater than €450, a partial pension is paid at 33.3%, 50%, or 66.7% of the full pension, depending on earnings.

**Compensation amount for low-income workers:** Paid with at least 35 years of contributions with less than 0.0625 earnings points (equal to 75% of the value of contributions for average earnings of all insured).

Individual earnings points are calculated as individual lifetime earnings divided by average national earnings multiplied by the normal entry factor. An individual earnings point of 1.0 is awarded if the individual's annual earnings correspond to the average national earnings. In the case of lower or greater individual annual earnings, a corresponding earnings point of less than or more than 1.0 is awarded.

**Early pension:** Age 63 (gradually rising to age 67 by 2029 when the benefit will be abolished) with at least 35 years of contributions, subject to conditions.

**Deferred old-age pension:** The pension may be deferred after the normal retirement age.

**Old-age pension splitting:** Spouses or civil partners with at least 25 years of contributions each can split their pensions into equal parts if one partner has reached the normal retirement age and the other is entitled to a full pension.

The marriage or partnership must have begun after 2001; before 2002 if both spouses or civil partners were born after January 1, 1962.

**Disability pension:** Paid for a full loss of working capacity due to illness or disability and unable to work more than three hours a day in the usual or similar occupation. The insured must 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 for a reduction in earning capacity that is the result of a work injury (including during vocational training).

Partial disability pension: Able to work at least three hours but not more than six hours a day in the usual or similar occupation; for insured persons born before January 2, 1961, unable to work at least six hours a day in the usual or a similar occupation.

**Spouse's pension (income tested):** 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 to the deceased for at least one year.

Small spouse's pension: Paid to a widow(er) or surviving civil partner who did not remarry or begin a new civil partnership after the insured's death.

Large spouse's pension: 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), or who cares for a child younger than age 18.

Orphan's pension: Paid until the orphan reaches age 27. After age 18 the pension is income tested and the orphan must be a student; in training; taking part in a voluntary social, ecological, or federal service year; or disabled.

Child's supplement: Paid to a widow(er) or surviving civil partner receiving the large spouse's pension and 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.

### Old-Age Benefits

**Old-age pension:** The pension is based on total individual earnings points multiplied by the pension factor and the pension value.

Individual earnings points are calculated as individual lifetime earnings divided by average national earnings multiplied by the normal entry factor. An individual earnings point of 1.0 is awarded if the individual's annual earnings correspond to the average national earnings. In the case of lower or greater individual annual earnings, a corresponding earnings point of less than or more than 1.0 is awarded.

Average national earnings are €34,999.

The normal entry factor is 1.0 and increases or decreases depending 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 calculated as the monthly benefit amount for one year of average covered earnings, adjusted according to changes in wages. The pension value is €29.21 (E-€27.05).

There is no statutory minimum pension.

The value of contributions paid for certain caregivers providing unpaid care for up to 14 hours a week depends on the type and level of care provided.

For births since 1992, a parent providing care to a child aged 0 to 3 receives one earnings point each year for up to three years; for births before 1992, up to two years. For parents with at least 25 years of paid or credited contributions who continue to work part time while providing care to a child aged 0 to 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 aged 10 or younger receive 0.33 earnings points a year.

Compensation amount for low-income workers: The value of contributions paid before 1992 is increased to 1.5 times the value, up to 75% of the value of contributions for average earnings of all insured persons (0.0625 earnings points).

Early pension: The entry factor (1.0) is reduced by 0.003 for each calendar month the pension is taken before age 65 and three months (gradually rising to age 67 by 2029 when the benefit will be abolished).

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

Old-age pension splitting: 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.

Benefit adjustment: Benefits are adjusted annually in July according to 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.

### Permanent Disability Benefits

**Disability pension:** The pension is the total individual earnings points multiplied by the pension factor and the pension value.

Individual earnings points are calculated as individual lifetime earnings divided by average national earnings multiplied by the normal entry factor. An individual earnings point of 1.0 is awarded if the individual's annual earnings correspond to the average national earnings. In the case of

lower or greater individual annual earnings, a corresponding earnings point of less than or more than 1.0 is awarded.

The pension value is calculated as the monthly benefit amount for one year of average covered earnings, adjusted according to changes in wages. The pension value is €29.21 (E–€27.05).

The normal entry factor (1.0) is reduced by 0.003 for every calendar month a pension is taken before age 63 and 10 months (gradually rising to age 65 by 2024), up to a maximum reduction of 0.108. The pension factor is 1.0 for a full reduction in earning capacity and 0.5 for a partial reduction.

If the disability began before age 60, the period from the date of the reduction in earning capacity up to age 60 (age 62 as of July 1, 2014) is taken fully into account in the pension calculation.

The disability pension ceases at age 65 (gradually rising to age 67 by 2029) and is replaced by the old-age pension. The old-age pension paid must be at least equal to the disability pension.

Benefit adjustment: Benefits are adjusted annually in July according to changes in the pension value.

### Survivor Benefits

**Spouse's pension:** The pension is based on the total of the deceased's individual earnings points multiplied by the pension access factor, the pension factor, and the pension value. The spouse's pension is calculated as if the deceased had lived until age 62.

Individual earnings points are calculated as individual lifetime earnings divided by average national earnings multiplied by the normal entry factor. An individual earnings point of 1.0 is awarded if the individual's annual earnings correspond to the average national earnings. In the case of lower or greater individual annual earnings, a corresponding earnings point of less than or more than 1.0 is awarded.

The pension access factor for all survivors' pensions is 1.0 and is reduced by 0.003 for each calendar month the deceased died before age 63 and 10 months, up to 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 and if both spouses or civil partners were born after January 1, 1962, or if the marriage or civil partnership began after 2001 (0.6 if the marriage or civil partnership began before 2002 and one spouse or civil partner was born before January 2, 1962).

The pension value is calculated as the monthly benefit amount for one year of average covered earnings, adjusted according to changes in wages. The pension value is €29.21 (E–€27.05).

Small spouse's pension: 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: Paid for an unlimited duration.

The spouses' pensions cease upon remarriage.

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

The benefit is reduced by 40% of the survivor's net income above €771.14 (E–€714.12) from the fourth month of payment.

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

**Orphan'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. The pension is paid in full until the orphan reaches age 18; thereafter, the pension is reduced by 40% of the orphan's net income above €495.26 (E–€453.02). The orphan's pension is calculated as if the deceased had lived until age 62.

Benefit adjustment: Benefits are adjusted annually in July according to 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 (<http://www.bmas.bund.de>) provides general supervision.

Federal Insurance Institute (<http://www.bva.de>) oversees Federal German Pension Insurance.

Federal German Pension Insurance (<http://www.deutsche-rentenversicherung-bund.de>), through regional offices, administers the program.

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

### Sickness and Maternity

#### Regulatory Framework

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

**Current laws:** 1988 (sickness), 1952 (maternity), and 1994 (long-term care).

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

#### Coverage

**Sickness and maternity:** All wage and salary workers earning up to €56,250 a year (€50,850 if covered by private health insurance before 2003); pensioners, students, persons with disabilities, apprentices, and recipients of unemployment benefits. Voluntary coverage is available for wage

and salary workers earning more than €56,250 a year and for persons who opt out of statutory insurance or family insurance.

Coverage for self-employed persons and public-sector employees is available through private health insurance companies.

Special systems for miners, artists, and farmers.

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

### Source of Funds

#### Sickness and maternity benefits

*Insured person:* An average of 7.3% of covered monthly earnings; pensioners, an average of 8.2% of the pension.

The maximum annual earnings used to calculate contributions are €50,850.

*Self-employed person:* Not applicable.

*Employer:* An average of 7.3% of covered monthly earnings; special regulations for monthly earnings of less than €850.

The maximum annual earnings used to calculate contributions are €50,850.

*Government:* A flat-rate payment for non-insurance benefits provided by the statutory sickness insurance institutions.

#### Long-term care benefits

*Insured person:* 1.175% of monthly earnings in most federal states. Pensioners contribute 2.35% of the pension. Childless insured persons older than age 23 contribute an additional 0.25% of earnings.

The maximum annual earnings used to calculate contributions are €50,850.

*Self-employed person:* Not applicable.

*Employer:* 1.175% of monthly earnings in most federal states.

The maximum annual earnings used to calculate contributions are €50,850.

*Government:* Contributes for unemployed persons, pensioned farmers, and students receiving benefits under the Federal Training Assistance Act.

### Qualifying Conditions

**Medical benefits:** No minimum membership period is required.

**Cash sickness benefits:** Paid to members of sickness funds.

**Cash maternity benefits:** 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 contributions in the last 10 years before application. Benefits vary according to the level of need for care: a substantial need at least once a day (care level I), a severe need at least three times a day (care level II), or a critical need for round-the-clock care (care level III). A higher benefit is paid for insured persons with a mental disability such as dementia.

**Long-term care allowance:** Paid to insured persons who organize care for themselves.

### Sickness and Maternity Benefits

**Sickness benefit:** 70% of 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 earnings for up to the first six weeks.

Benefits are paid to insured persons caring for a sick child younger than age 12 for up to 10 working days for each child and up to 25 days for each insured person for each calendar year; 20 working days for each child and up to 50 days for single-parent households.

**Maternity benefit:** For female sickness fund members with an employment contract, 100% of average net earnings (up to €13 a day from the sickness fund with the remainder paid by the employer) during the previous three months prior to maternity leave is paid six weeks before and eight weeks after the expected date of birth (a total of 12 weeks for premature or multiple births).

For women who are not sickness fund members, federal states pay, under certain conditions, maternity benefits equivalent to the sickness benefit, up to €210.

**Long-term care allowance:** €244 (level I), €458 (level II), or €728 (level III) a month is paid. €123 for persons with no care level and a mental disability; €316 for level I and a mental disability; €545 for level II and a mental disability.

The allowance may be combined with in-kind benefits (see home care benefits under medical benefits) provided by a professional care worker (the allowance decreases in proportion to claimed in-kind 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, maternity care provided by a midwife or doctor, hospitalization, surgery, rehabilitation, appliances, and prescribed medicine.

Cost sharing: The insured pays 10% of each prescription (from €5 to €10); €10 for each day of inpatient treatment; 10% of costs for massages, occupational therapy, speech therapy, and at-home care plus €10 for each prescription.

Cost sharing is limited to 2% of earnings (1% if chronically sick).

**Long-term care (home care benefits):** Benefits include at-home care, appliances, technical assistance (such as home modification), 24 hour care, short-term institutional care and at-home care when the regular caregiver is temporarily unavailable. Maximum benefit amounts are set for different services.

In-kind benefits for care are €468, €1,144, €1,550, or €1,612 a month, depending on the level of care required. €231 is paid for persons with no care level and a mental disability; €689 for level I and a mental disability; €1,298 for level II and a mental disability.

**Long-term care (institutional care benefits):** €1,064, €1,330, €1,612, or €1,995 a month is paid, depending on the level of care required. The insured pays the cost of room and board. Under certain conditions the care fund pays some of the room and board costs for persons living in a facility for the disabled (up to €266).

### **Dependents' Medical Benefits**

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

### **Administrative Organization**

**Sickness and maternity:** Federal Ministry of Health (<http://www.bmg.bund.de>) provides general supervision.

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

Designated state authorities provide supervision at the state level.

Sickness funds 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' associations who pay the individual doctors under contract.

**Long-term care:** Federal Ministry of Health (<http://www.bmg.bund.de>) provides general supervision.

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

## **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.

Exclusions: Most categories of self-employed persons.

Voluntary insurance is possible.

Special system for civil servants and public-sector employees.

### **Source of Funds**

**Employees:** None.

**Self-employed person:** Contributions vary according to assessed degree of risk.

**Employer:** An average of 1.3% of payroll; contributions vary according to assessed degree of risk.

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

### **Qualifying Conditions**

**Work injury and occupational disease benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

80% of the insured's last gross wage up to the last net income is paid from the day after the disability began for a work injury or an occupational disease until recovery or the award of a transition benefit (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.

A transition benefit is paid if rehabilitation measures are required during this period. 68% of the temporary disability benefit is paid, 75% to insured persons who are in need of care or have at least one child.

For insured persons aged 18 or older, the minimum annual earnings used to calculate benefits are €20,916 (E–€18,144).

The maximum annual earnings used to calculate benefits vary from €60,480 to €104,580, depending on the accident insurance fund.

### **Permanent Disability Benefits**

**Permanent disability pension:** 66.7% of the insured's earnings in the year before the disability began is paid for a total disability (100%).

Partial disability: A percentage of the full pension is paid according to the assessed loss of earning capacity for more than a 20% loss.

Severe disability supplement: 10% of the insured's disability pension is paid for up to two years if the insured is assessed with at least a 50% loss of earning capacity and is not working or receiving another type of pension.

Unemployment supplement: If the insured person is unemployed and the combined total of disability and unemployment benefits is less than the transition benefit, the difference is paid.

Constant-attendance allowance: €330 to €1,318 a month (E–€301 to €1,206) is paid if the insured requires the constant attendance of others to perform daily functions.

Benefit adjustment: Benefits are adjusted annually in July according to 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**

**Spouse's pension:** 30% of the deceased's income is paid to the widow(er) or surviving civil partner for up to 24 calendar months. The pension ceases on remarriage.

A higher pension of 66.7% of the deceased's last earnings is paid for up to three calendar months after the day of death; thereafter, 40% of the deceased's last earnings is paid if the widow(er) is aged 47 or older, disabled, or caring for at least one child.

**Orphan's pension:** Each orphan younger than age 18 (age 27 if a student or in training) receives 20% of the deceased's earnings; 30% for a full orphan.

**Spouse's and orphan grant:** A lump sum of 40% of the deceased's earnings is paid if survivors are not eligible for a survivor pension and the deceased was assessed with at least a 50% loss of earning capacity. The grant is split equally among survivors.

**Other eligible survivors (means tested):** 20% of the deceased's earnings is paid to a single parent and grandparent; 30% to a couple.

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 according to the respective length of the marriage to the deceased.

All survivor benefits combined must not exceed 80% of the deceased's earnings.

**Death grant:** A lump sum of €4,980 (E–€4,320) is paid.

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

### **Administrative Organization**

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

Federal Ministry of Labor and Social Policy (<http://www.bmas.bund.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 and commercial, agricultural, and public authorities), managed by elected representatives of employers and the insured, 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 other groups, including recipients of sickness benefits and persons raising a child.

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

Exclusions: Persons in irregular employment.

**Social assistance:** Employed and unemployed job seekers assessed as needy.

## Source of Funds

### Insured person

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

The maximum annual earnings used to calculate contributions are €74,400 (E–€64,800).

*Social assistance:* None.

### Self-employed person

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

The full monthly reference value is €2,765 (E–€2,345).

*Social assistance:* None.

### Employer

*Social insurance:* 1.5% of covered earnings.

The maximum annual earnings used to calculate contributions are €74,400 (E–€64,800).

*Social assistance:* None.

### Government

*Social insurance:* The federal government covers any social insurance deficit.

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

## Qualifying Conditions

### Contributory unemployment benefit (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.

In certain cases, the right to the unemployment benefit can be suspended (for up to 12 weeks).

**Short-time work benefit (social insurance):** Paid to short-time workers to compensate for reduced working hours due to economic restructuring in the workplace.

**Short-time transfer allowance (social insurance):** Paid in certain cases to employees of companies that become insolvent.

**Bad weather allowance (social insurance):** Paid to construction workers whose work is halted due to bad weather.

**Unemployment benefit (social assistance, means tested):** Paid to all needy job seekers 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.

If the qualifying conditions for the social assistance unemployment benefit are no longer met, the benefits may be reduced or suspended.

Dependent's supplement: Paid to the dependents of a social assistance unemployment beneficiary, including children and nonemployed persons. Children under age 15 must not work.

## Unemployment Benefits

### Contributory unemployment benefit (social insurance):

67% (60% without children) of the insured's net earnings is paid for six to 24 months, according to the length of the covered work period and the claimant'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 (social insurance):** 67% (60% without children) of the difference between previous and current income is paid to short-time workers, usually for six months (up to 24 months).

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

**Bad weather allowance (social insurance):** 67% (60% without children) of the difference between previous and current income is paid based on hours of work stoppage from December 1 to March 31.

**Unemployment benefit (social assistance, means tested):** €324, €364, or €404 a month is paid, depending on the person's family composition.

Dependent's supplement: €237 a month is paid for children younger than age 6; €270 for children aged 6 to 13; €306 for children aged 14 to 17.

Means test: The benefit 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 claimant has any children). Certain types of income (including certain level of savings) are excluded.

Support is provided for heating and housing costs and other necessities.

There is no limit to duration.

Benefit adjustment: Benefits are adjusted annually in July according to 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 (<http://www.bmas.bund.de>) provides overall supervision.

Federal Employment Agency (<http://www.arbeitsagentur.de>) administers contributory benefits.

## Germany

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

Committees of employment agencies and 105 authorized local carriers administer noncontributory benefits.

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:** 2007 (parental benefit), 2009 (child benefit), and 2009 (income tax).

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

#### Coverage

Parents with one or more children; 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.

Exclusions: Self-employed persons.

#### 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:** The child must be younger than age 18 (extended if unemployed, a full-time student, searching for an apprenticeship or a voluntary position; no limit if disabled).

**Children's allowance (income tested):** Paid to parents with at least one unmarried child younger than age 25 who are able to meet their own needs but not those of their children. Must be entitled to the child benefit. Parents who receive noncontributory unemployment benefits, social benefits, or social assistance, are not eligible for a children's allowance.

**Parental benefit (income tested):** Paid to parents with a child younger than age 14 months.

#### Family Allowance Benefits

**Child benefit:** €184 a month is paid for the first and the second child; €190 for the third; €215 for each additional child.

**Children's allowance (income tested):** Up to €140 a month (rising to €160 a month in July 2016) for each 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 wealth may reduce the benefit.

**Parental benefit (income tested):** At least 67% of the parents' net income during the last 12 months before birth 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).

#### Administrative Organization

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

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