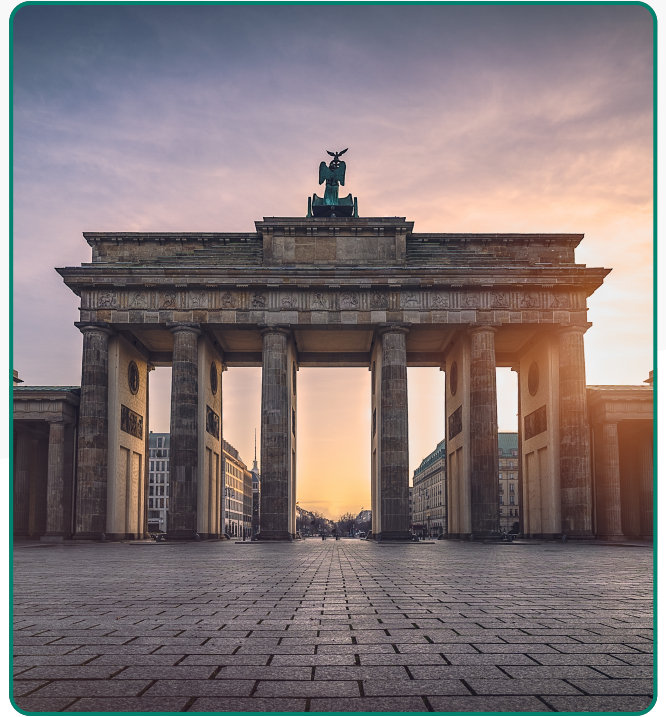




# Hire in Germany in 3 easy steps



## Gold country

Germany is known for its beer, sausages and beautiful castles. Not only is it a robust economy, it's also famous for Oktoberfest and music composers. Today, it's home to a highly skilled and qualified workforce. Let us show you why and how you can hire and manage your remote team from Germany.

## Onboard your talent in Germany in 10 minutes

If you're considering hiring your next candidate in Germany, you're in the right place. At WorkMotion, we have helped hundreds of businesses onboard their remote hires, and we have achieved excellent expertise in the country. Our tech solutions and team of experts will make this incredibly easy for you.



### Accelerated onboarding

Fast-track your talent onboarding while ensuring 100% compliance with local regulations



### Net salary calculator

Calculate net salary in Germany post deductions and compare it with the salary in other countries instantly



### Equipment management

Send laptops and other devices to your remote employees in Germany through our platform with just a few clicks



### Guidance & payroll management

Receive process support by an experienced team of experts & pay your talent on time and in their local currency

## Hire in Germany through an EOR

Easily onboard your remote talent in Germany through our Employer of Record (EOR) solution. Our subsidiaries and network partners make this process fast and 100% compliant.

## A quick overview of the France



Time zone  
**UTC+01:00**



Paid leave  
**24 days**



Minimum wage  
**€12 (Hourly)**

## What makes Germany's talent great?

Germany's working professionals' greatness can be attributed to their expertise, precision, strong work ethic, collaborative nature, and commitment to continuous improvement. These qualities contribute to their economic success and its reputation as a global leader in various industries.



### High level expertise

German professionals are known for their strong educational background and extensive training in their respective fields. The country's emphasis on quality education and vocational training produces highly skilled and knowledgeable professionals.



### Attention to detail

Germans are renowned for their precision and attention to detail, especially in industries like engineering, manufacturing, and automotive. This meticulous approach ensures the production of high-quality products and services.



### Innovation & creativity










Despite their reputation for precision, German professionals are also highly innovative and creative with a strong work ethic. They contribute to cutting-edge research and developments across various industries.



## Basic facts

The Federal Republic of Germany is made up of 16 states (Bundesländer), that are guaranteed self-government except as otherwise provided by the Basic Law. Federal law takes precedence over state law. Geographically, Germany extends over 357,114 square kilometers. The country shares borders with Austria, Belgium, the Czech Republic, Denmark, France, Luxembourg, Netherlands, Poland, and Switzerland. Ranked fourth globally, Germany is the leading economic power in Europe. The services sector accounts for 72% of the workforce, followed by the industrial sector at around 26.8%.

*\*Please note that the official currency is the currency of remuneration when employed through WorkMotion in Germany.*

 <b>Capital</b> <b>Berlin</b>	 <b>Currency</b> <b>Euro (EUR, €)</b>	 <b>Languages spoken</b> <b>German</b>
 <b>Minimum wage 2023</b> <b>€12 (Hourly)</b>	 <b>Population</b> <b>83.22 million</b> (2021 est.)	 <b>Cost of Living index :</b> <b>\$\$\$\$</b> (34 of 139 nations)
 <b>Payroll Frequency</b> <b>Monthly</b>	 <b>GDP - real growth rate</b> <b>2.7%</b> (2021 est.)	 <b>VAT - standard rate</b> <b>19%</b>

## Statutory Holidays

The Public Holidays Acts of the individual federal states determine the dates of public holidays in those states. Nine public holidays are legally protected nationwide.

*The national holidays mentioned below are valid for the year 2023.*

Date	Holiday Name	Extra Information
January 1	New Year's Day	
April 7	Good Friday	Movable
April 10	Easter Monday	Movable
May 1	Labor Day	
May 18	Ascension Day	Movable
May 29	Whit Monday	Movable
Oct 3	Day of German Unity	
Dec 25-26	Christmas	

## Contract sharing time

The approximate time for sharing the contract with an employee in Germany is 4 business days assuming no special requests or changes to our standard employment contract. Any such requests or changes would need to undergo internal and external review, directly leading to a time delay.

### Note

This number is subject to change and is only an estimation of the Contract Sharing Time. The estimated Contract Sharing Time begins from the moment that WorkMotion has received all required information from both the client and the employee.

## What you need to know

- ✓ The notice period for terminating employment is based on the length of service.
- ✓ There is no law regulating severance payment.
- ✓ Before 2015, Germany did not have a statutory minimum wage.
- ✓ Under the regulations of the German Employee Deployment Act (AÜG), an employee cannot be deployed to a client for a period that exceeds 18 months. Should a client wish to employ an individual for an indefinite period, they may apply for WorkMotion's WorkDirect product.

## Labour conditions

### Working hours

The working week varies between 38 to 48 hours depending on the collective wage agreement.

- Expectant and nursing mothers, employees, or trainees under 18 years are not allowed to exceed eight hours per day.
- Young workers are banned from working on Saturdays.
- Rest periods are at least 30 minutes per day.
- Employees may not work on Sundays and bank holidays except in specific circumstances.

### Overtime

Overtime is strictly regulated in Germany. An employee should work the number of working hours stated in their contract. The working hours cannot surpass an average of 48 hours.

## Probation period

The employer and employee can agree on a trial period that can be a maximum of six months. Alternatively, the parties may enter the employment relationship by agreeing on a contract that is limited to up to six months.

## Termination notice period

In Germany, notice can only be given by the end of the next applicable period. During probation, a notice period of two weeks applies. Post probation, the minimum statutory period is four weeks calculated from the 15th or the end of a month.

For the employer, after serving for two years, the notice periods served are based on the length of service, as summarized in the table below:

Years in Service	Notice Period
2 to less than 5	1 month
5 to less than 8	2 months
8 to less than 10	3 months
10 to less than 12	4 months
12 to less than 15	5 months
15 to less than 20	6 months
20 and above	7 months

## Leave / time off

### Annual Leave

The statutory minimum leave entitlement is 24 days per calendar year for six-day workweeks. Based on office days (Arbeitstage), the minimum leave is 20 office days per calendar year, not counting Saturday, Sunday, and public holidays.

Full entitlement to leave is acquired only after the employment relationship has been in existence for six months.

### Sick Leave

If the employee has been employed for at least four weeks and they were not to blame for their incapacity for work, continued payment of 100% of wages can be claimed from the employer for a period of up to six weeks.

The employee is required to submit a medical certificate issued by a doctor for an absence of at least three days.

After the expiry of continued payment by the employer, the employee is entitled to a sickness allowance paid by statutory health insurance. The allowance (70% of the employee's last regular salary, but no more than 90% of the net earnings) is paid for up to 78 weeks (72 weeks if six weeks were already paid by the employer) over a period of three years (*Krankenversicherungsträger*).

## Parental Leave

The parents are entitled to unpaid parental leave until the child reaches the age of three. If the employer agrees, up to 12 months of that time can be postponed until the child reaches eight years of age.

Employees who have been continuously employed for at least six months, where a company has at least 15 employees, can work part-time during parental leave. An employee is also entitled to request the reduction of their working time to up to 30 hours per week during parental leave.

### Maternity leave

Maternity leave is six weeks before and eight weeks after birth, or 12 weeks in the event of multiple or premature births. Payments to the employee during maternity leave are made partly by the statutory health insurance provider and partly by the employer. The health insurance pays €13 per day during the period, and the employer contributes the difference to the amount of the average net salary (based on the previous three months).

### Paternity leave

There is no statutory paternity leave in Germany.

## Other Types of Paid Leave

Employees with at least 6 months' service get education leave for 5 days per year or 10 days in 2 years. The Länder have their own laws on educational leave which govern paid leave from work.

## Unpaid Leave

### Caregiver leave

Employees have access to caregiver leave to look after close relatives in need of nursing care at home. This leave is granted for up to six months while being fully or partly released from employment.

## Statutory benefits

The following social security statutory deductions are payable by the employer:

\*The amounts vary by the industrial sector.

## Health Insurance

The services of the state health insurance system are normally provided as cash benefits or as benefits in kind. Insured parties are entitled to:

- ✓ Medical check-ups for early diagnosis of illnesses
- ✓ Treatment by GPs, specialists, and dentists
- ✓ Costs of prescribed medicines
- ✓ Home nursing care
- ✓ Hospital treatment
- ✓ Travel costs.

## Other Insurances

### Accident Insurance

State accident insurance is compulsory for workers. It covers accidents at work, accidents on the way directly to and from work, and the consequences of occupational diseases. The premium is determined according to respective risk classes within an industry.

### Unemployment Insurance

If unemployment is a result of an accident at work or an occupational disease, and the employee's ability to work is curtailed by at least 20% for more than 26 weeks following the event leading to the claim, they are eligible to receive a pension.

After having worked for at least 12 months in the last 30 months in Germany, the employee is entitled to receive unemployment benefits to the amount of 60-70% of the previous average income from the Federal Employment Agency for six months. The amount depends on the extent of the reduction in the employee's fitness for work and their earnings over the 12 calendar months prior to the insurance claim. The duration of payments can be longer depending on the length of service.

## Public Pension

The statutory retirement age is gradually increasing and for those born in 1964 or later, the statutory retirement age is 67. A special service pension is paid with 45 years of contribution at age 65 for those born in 1964 or later.

Participation in the public retirement insurance system is mandatory for employees. Employees with less than five years' contributions earn no benefit. According to the type of pension, the qualifying period for pension entitlement varies. Insured parties can apply for an early pension from the age of 63 if they can prove 35 years of qualifying pension contributions. As compensation for the longer pension period, for each month up to the statutory retirement age (severely disabled people, up to 65), the pension is reduced by 0.3%.



## Other Statutory Benefits

### Family Benefit

If an accident at work or an occupational disease leads to the death of the insured person, the insurance will pay the funeral expenses (funeral payment).

### Survivor's pensions

If an employee dies following an accident at work or an occupational disease, a survivor's pension is paid to the surviving spouse or civil partner.

### Child Sickness Benefit

Due to the ongoing COVID -19 pandemic, parents with statutory health insurance will continue to receive sick pay for each child with statutory health insurance for up to 30 working days (single parents up to 60 working days) per year in 2023 if:

- Their child is under the age of 12,
- A doctor's certificate says that they must be supervised and working parents can therefore not go about their work.

The entitlement is limited to a total of 65 working days or 130 working days for single parents. In the case of children with disabilities and those in need of help who are legally insured, the insured parents are entitled to sick pay without age limit.

### Disclaimer

The information contained in this Country Guide is provided for informational purposes only and should not be construed as legal advice on any subject matter. The contents of this Country Guide contain general information and may not reflect current legal developments or address your situation. You should not act or refrain from acting on the basis of any content included in this Country Guide without seeking the advice or representation of a licensed attorney. WorkMotion Software GmbH disclaims all liability for actions you take or fail to take based on any content included in this Country Guide.

Information provided in this Country Guide is provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, or non-infringement. WorkMotion Software GmbH periodically adds, changes, improves, updates, or removes information without notice, and assumes no liability or responsibility for any errors or omissions in the contents of this Country Guide. This Country Guide may contain links to other websites. WorkMotion Software GmbH disclaims all liability for the privacy practices or the content of such websites.