

# Germany

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April 2012

NB. Germany is a federal state.

For comparisons with other countries in this review – on demographic, economic, employment and gender equality indicators and on leave provision and early childhood education and care services - go to cross-country comparisons page on website. To contact authors of country notes, go to membership-list of members page on website.

## 1. Current leave and other employment-related policies to support parents

### a. Maternity leave (*Mutterschutz*) (responsibility of the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth)

*Length of leave (before and after birth)*

- 14 weeks: six weeks before the birth and eight weeks following the birth. It is obligatory to take the eight weeks leave after birth.

*Payment and funding*

- 100 per cent of earnings, with no ceiling on payments.
- Maternity leave benefits (*Mutterschaftsgeld*) are usually paid by the mother's health insurance (€13 per day) and the mother's employer, who covers the difference between the money provided by the health insurance and the mother's previous earnings. Hence employers bear most of Maternity leave benefit costs.
- Benefits for mothers with an income below €390 paid by the mother's health insurance alone and match their prior income.
- Mothers receiving unemployment benefits are also paid maternity leave benefits by their health insurer and match their unemployment benefit.
- Self-employed and non-employed women have no maternity leave benefit rights.

*Flexibility in use*

- None. Women may continue with paid work until birth if they explicitly declare that it is their personal decision to do so. But for the two months after birth no paid work is allowed for reasons of health protection.

*Eligibility (e.g. related to employment or family circumstances)*

- All women employees, including those employed part time, even if working below the statutory social insurance threshold.
- Self-employed workers are not eligible.

*Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone parent); or delegation of leave to person other than the mother*

- In the case of multiple or premature births, the length of leave increases to 12 weeks after birth.
- In certain circumstances (e.g. death or chronic illness of the parent), other relatives living with the newborn child may receive the benefit.

## **b. Paternity leave**

No statutory entitlement.

## **c. Parental leave (*Elternzeit*) (responsibility of the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth)**

*Length of leave*

- Up to three years after childbirth. This is a family entitlement.

*Payment and funding*

- An income-related 'parental benefit' (*Elterngeld*<sup>1</sup>) is paid for a period of 12 (+2) months, at a replacement rate of 67 per cent of a parent's average earnings during the 12 months preceding childbirth. It is paid to all parents who are not employed or who have reduced their employment hours. There is a ceiling of €1,800 per month on the benefit payment and the minimum payment, which is also available for parents without prior income, is €300. Since 2011 the long-term unemployed are no longer eligible for parental benefits, as it is now credited against social assistance payments.
- Parents with low average earnings of less than €1,000 per month receive an increased benefit: For every €2 their monthly earnings are below €1,000, their parental benefit increases by 0.1 per cent. For parents with high incomes, on the other hand, the income replacement rate is reduced: for every €2 their monthly earnings exceed €1,200, their parental benefit decreases by 0.1 per cent to a minimum rate of 65 per cent.
- Both parents are equally entitled to the parental benefit but if both parents take at least two months of leave, the overall length of benefit payment is extended to 14 months<sup>2</sup>. Moreover, if another child is born within 24 months the parental benefit is increased by 10 percent.
- The *Elterngeld* is funded by the federal government, through general taxation.

*Flexibility in use*

- Instead of 12 (+2) months the parental benefit may be spread over 24 (+4) months. Then the monthly benefit level is halved, while the overall payment remains the same.
- Recipients of parental benefit may work up to 30 hours a week. Then, however, they only receive parental benefit for the *lost* income: That is, if a parent worked 40 hours

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<sup>1</sup>The term was originally *Erziehungsgeld* (childcare benefit), but was changed to *Elterngeld* (parental benefit) with the 2007 reform, following the intention to emphasise the shared parental responsibility of bringing up children, including that of fathers.

<sup>2</sup>The benefits paid during the two months of obligatory Maternity leave following childbirth are included in the 12 (+2) parental benefit period, effectively reducing the actual benefit period available to both parents to 10 (+2) months.

weekly before taking parental leave, and continues working 30 hours thereafter, he or she only receives 67 per cent of the margin between the present and the former income. Parents have a legal right to part-time work since 2001, but if their company has less than 15 employees, the employer's consent is required.

- The final year of Parental leave may be taken up to a child's eighth birthday with the employer's agreement.
- Both parents are entitled to take leave at the same time and both can take up to two leave intervals.

#### *Regional or local variations in leave policy*

- Parental leave legislation is federal. However, four federal states (Bavaria, Baden-Württemberg, Thuringia, Saxony) pay a means-tested parental benefit extended to the third year of Parental leave, ranging from €200 to €350 per month and child.

#### *Eligibility (e.g. related to employment or family circumstances)*

- Parental leave: all parents gainfully employed at date of birth.
- Parental benefit: all parents not employed more than 30 hours a week.

*Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone parent); or delegation of leave to person other than the parents*

- In case of multiple births the parental benefit is increased by €300 per month for each additional child.
- Grandparents are entitled to unpaid Parental leave if their child, i.e. the parent of their grandchild, is younger than 18 years or if the parent is still in education or vocational training.

*Additional note (e.g. if leave payments are often supplemented by collective agreements; employer exclusions or rights to postpone)*

- Many collective and individual company agreements allow parents to utilise their Parental leave entitlement within 12 years or, in the public sector, within 18 years after childbirth.

#### **d. Childcare leave or career breaks**

No statutory entitlement.

#### **e. Other employment-related measures**

##### *Adoption leave and pay*

- For adoptive parents the same regulations for Parental leave apply as for other parents.

##### *Time off for the care of dependants*

- In case of sickness of a child (below 12 years of age) parents may take up to ten days of leave, receiving 80 per cent of earnings from their health insurer with no ceiling. The maximum annual leave period that may be taken per family is 25 days.

- A relative of a care-dependent person is entitled to 10 days of short-term leave if that person has an unexpected illness, as well as six months of long-term care leave. Both entitlements are unpaid.
- A new *Familienpflegezeit* (family caring time) for employees was introduced in January 2012. For a period of up to two years, employees may reduce their working time to a minimum of 15 hours, if they need to care for a dependent relative. During this period employees are paid a lower income, though the reduction in income is less than the reduction in hours; employees repay the difference by receiving the same amount of reduced earnings for an equivalent period after returning to full-time employment. For example, if employees reduce their working time from 100 to 50 per cent for two years, they will receive 75 per cent of their income during that time and for a further two years after returning to full-time work again. The compulsory long-term care insurance covers additional pension contributions during the caring time if care is given for at least 14 hours and employment is limited to a maximum of 30 hours per week. *Familienpflegezeit* is not a legal entitlement, but an optional provision that is available if covered by an individual contract or collective agreement.

#### *Flexible working*

- None.

## **2. Relationship between leave policy and early childhood education and care policy**

The maximum period of paid post-natal leave available in Germany is 3 years, but most of this is unpaid; leave paid at a high rate runs for 12 months, plus two more months available if taken by the other parent. There is an entitlement to ECEC from 3 years of age, but it does not specify hours per day or per week; many services in Western Germany still offer only part-time hours, while full-time opening has remained the norm in Eastern Germany. So there is no gap between the end of Parental leave and an ECEC entitlement, but a substantial gap of more than 18 months between the end of well-paid leave and an ECEC entitlement. Levels of attendance at formal services for children under 3 years are below the average for the countries included in this review and for OECD countries, but are above the averages for children over 3 years – though there remains a large difference between Western Germany (without Berlin) and Eastern Germany especially for children under 3 years (20 vs. 49 per cent in March 2011: national statistics). For actual attendance levels, see ‘relationship between leave and ECEC entitlements’ on [cross-country comparisons](#) page.

While there is currently no legal entitlement to ECEC for children under three years the *Kinderförderungsgesetz* (KiföG) law of 2008 foresees such an entitlement from 2013 onwards. Since the enactment of the *KiföG*, substantial efforts have been made to increase the traditionally very low supply of ECEC for children under 3 years in West Germany. For Germany as a whole, ECEC attendance for children under 3 years has risen from 9.5 per cent in 2000 to 25.2 per cent in 2011; the *KiföG* aims to create places for 35 per cent of children under 3 years by 2013.

## **3. Changes in policy since April 2011 (including proposals currently under discussion)**

The *KiföG* law envisages the introduction of a ‘childcare benefit’ from 2013 for those parents who do not make use of ECEC services and choose to care for their under three year olds at home. Right from its announcement in 2008, this proposal has been – and still is – highly

contested in the political and societal arena and its actual realisation has remained uncertain for a long time. In 2011, however, the coalition parties in the government agreed to introduce a childcare benefit of €100 per month (rising to €150 from 2014) to be paid to parents who care for their 1- and 2-year-old children at home and do not make use of institutional childcare facilities. At the same time, the money may be used to use private childcare arrangements. Many details of the measure, however, remain unclear and the proposal is highly divisive and contested in the political arena. Family Minister Kristina Schröder announced a draft law by summer 2012, but it is still uncertain whether this policy measure will actually pass parliament.

From 1<sup>st</sup> January 2012, the *Familienpflegezeitgesetz* (family caring time law) has been introduced for carers of dependent relatives (see section 1e for details). Although initially intended by Family Minister Schröder as a legal entitlement, the *Familienpflegezeit* has instead been made available as an employment benefit dependent on individual contract or collective agreement.

## **4. Take-up of leave**

### **a. Maternity leave**

There is a 100 per cent take-up as it is prohibited to work for eight weeks after birth.

### **b. Paternity leave**

No statutory leave entitlement.

### **c. Parental leave and Parental benefit**

The 2007 Parental leave reform had the explicit aim to raise the take-up of leave by fathers and recently published data by the Federal Statistics Office show that the proportion of fathers taking leave has risen more than five-fold from 3.3 per cent in 2006 to 25.7 per cent for children born in the third quarter of 2010. While slightly more than every fourth father takes parental benefit, there are regional variations amongst the federal states, from only 16.8 per cent in the Saarland to 33.4 per cent in Bavaria.

The new Parental leave law has, therefore, been successful in raising the take-up of leave by fathers, although a large majority, i.e. 76.2 per cent (2011), took no more than their individual two month entitlement (partner's months). The reform has also reduced the number of people taking more than one year of paid leave, which was a declared goal of the new law. In fact, in 2011 just 9.5 per cent of Parental leave takers made use of the option to prolong their paid leave to two years at 33.5 per cent of prior income.

Somewhat less clear is whether the switch from a flat-rate to an earnings replacement benefit has improved the economic situation of average leave-takers. Statistics show that almost half of all recipients merely received the minimum sum of €300 and among this group a substantial part would have probably been better off with the former leave entitlement, which guaranteed them €300 for two years instead of one. An additional 22.1 per cent of recipients benefited from the low income component of the new *Elterngeld*. In other words, for more than two-thirds of parents, the introduction of an earnings replacement benefit has had little or no positive impact from a financial point of view.

## 5. Research and publications on leave and other employment-related policies since April 2011

### a. General overview

For decades, research on German leave policies was rather patchy, largely due to a lack of systematic data on the utilization and outcomes of leave measures. In recent years, however, research has been increasingly making use of longitudinal data like the German Socio-Economic Panel (GSOEP) and has been combining sociological and economic theories for an analysis of the effects of Parental leave legislation on household and individual behaviour. Indeed, the 2007 Parental leave reform may be partly seen as a reaction of policy makers to problems identified by empirical Parental leave studies.

### b. Selected publications since January 2011

BMFSFJ (2011) *Familienreport 2011: Leistungen, Wirkungen, Trends*. Available at <http://www.bmfsfj.de/BMFSFJ/Service/Publikationen/publikationen,did=176198.html> 'Family Report' published by the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth; the report summarises new research results on family life in Germany, family policies, work-life balance, time use of families and child development. A special focus is laid on the parental benefit and fathers.

Geisler, E. and Kreyenfeld, M. (2011) 'Against all odds: Fathers' use of parental leave in Germany', *Journal of European Social Policy*, Vol.21, No.1: 88-89. Available at <http://esp.sagepub.com/content/21/1/88.full.pdf+html>

This paper studies fathers' Parental leave take-up in Germany between 1999 and 2005 (i.e. before the 2007 introduction of the parental benefit) and finds education and employment situation to be strong predictors. Fathers are more likely to take up leave if they have a partner with higher education and if they are employed in the public sector, as opposed to being employed on temporary working contracts.

Blum, S. (2012) *Familienpolitik als Reformprozess. Deutschland und Österreich im Vergleich*. Wiesbaden: VS Verlag für Sozialwissenschaften.

This book compares family policy reforms (Parental leave, childcare) in Germany and Austria during the last decade and explains the varying policy outputs.

Destatis (Statistisches Bundesamt) (2012) *Öffentliche Sozialleistungen Statistik zum Elterngeld. Gemeldete beendete Leistungsbezüge – 2011*. Wiesbaden: Destatis. Available at: <http://www.destatis.de>.

Official statistics on the utilisation of Parental leave entitlements in 2011, including time series data.

Gathmann, C. and Sass, B. (2012) *Taxing Childcare: Effects on Family Labor Supply and Children*, IZA Discussion Paper No. 6440, March 2012. Available at <http://ftp.iza.org/dp6440.pdf>

This study analyses the effects of the introduction of a homecare allowance (*Betreuungsgeld*) by the regional governments of Thuringia, East Germany (see 1c, 'regional or local variations'). It finds that parents responded to this new cash benefit by reducing their utilisation of public daycare and increasing childcare at home or informal childcare. Female labor force participation declined and the response was strongest for single parents and low-income households. The short-run effects on cognitive and non-cognitive skills were mixed, but were found to be negative for girls.

Geyer, J., Haan, P., Spieß, K. C. And Wrohlich, K. (2012) ‚Elterngeld führt im zweiten Jahr nach Geburt zu höherer Erwerbsbeteiligung von Müttern‘, *DIW Wochenbericht Nr. 9 2012*. Available at: [http://www.diw.de/documents/publikationen/73/diw\\_01.c.393927.de/12-9-1.pdf](http://www.diw.de/documents/publikationen/73/diw_01.c.393927.de/12-9-1.pdf)  
This article summarises the results of an evaluation study on the parental benefit conducted by the German Institute for Economic Research (DIW). It finds that, on the one hand, the labour market participation of mothers during the first twelve months after the birth of the child has decreased. On the other hand, however, mothers are now more likely to return to the labour market afterwards, especially those with comparatively low incomes and those living in Eastern Germany.

Schober, P.S. (2012) *Parental Leave Policies and Child Care Time in Couples after Childbirth* (SOEPpapers 434). Available at [http://www.diw.de/sixcms/detail.php?id=diw\\_01.c.394462.de](http://www.diw.de/sixcms/detail.php?id=diw_01.c.394462.de)

Based on multilevel analysis of SOEP data, this research explores how different Parental leave reforms in West Germany impacted on the time mothers and fathers in couples spent on child care. The findings suggest that the extensions of the maximum period of low-paid or unpaid leave between 1986 and 1992 and the introduction of shorter well-paid leave and two 'daddy months' in 2007 indirectly affected maternal and paternal child care through changes in mothers' work return decisions. Even after controlling for these indirect effects and fathers' take-up of leave, the Parental leave extensions were directly associated with longer maternal care time on weekdays, whereas father involvement in childcare increased after the 2007 reform.

### **c. Ongoing research**

None reported.