# Germany<sup>1</sup>

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April 2019

N.B. Germany is a federal state.

For comparisons with other countries in this review on leave provision and early childhood education and care services, please see the <u>cross-country tables</u> at the front of the review (also available individually on the Leave Network website). To contact authors of country notes, see the <u>members page</u> on the Leave Network website.

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

**Note on terminology**: German legislation (*Bundeselternzeit- und Elterngeldgesetz* (*BEEG*)) differentiates two dimensions of Parental leave: '*Elternzeit*' refers to job protection rights and the right to work part-time; '*Elterngeld*' and '*ElterngeldPlus*' refer to Parental leave benefits

# 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 the birth
- From week twelve of pregnancy until four months after the birth of a child (including stillbirths), mothers are protected from job dismissal.

<sup>1</sup> Please cite as: Reimer, T., Erler, D., Schober, P. and Blum, S. (2019) 'Germany country note,' in Koslowski, A., Blum, S., Dobrotić, I., Macht, A. and Moss, P. (eds.) *International Review of Leave Policies and Research 2019*. Available at: http://www.leavenetwork.org/lp\_and\_r\_reports/

 Beyond the Maternity leave period, pregnant women are also protected from dismissal, workplace hazards and – in the case of asylum seekers – from deportation.

#### Payment and funding

- 100 per cent of earnings (of the mean income in the three months before Maternity leave), with no upper limit on payments.
- Maternity leave benefits (Mutterschaftsgeld) are usually paid by the mother's health insurance (€13 per day)² and the mother's employer, who – if applicable – covers the difference between the money provided by the health insurance and the mother's previous earnings. The benefits are paid direct to the mother by the employer, who can apply for reimbursement at the responsible health insurance institution.
- Benefits for mothers with an income below €390 per month are paid by the mother's health insurance alone and match their prior income.
- Mothers receiving unemployment benefits are also eligible to paid Maternity leave benefits by their health insurer, which match their unemployment benefit.
- Self-employed and non-employed women receive no Maternity leave benefit if they have no public health insurance. However, they may apply for up to €210 per month paid for by state social security.

#### Flexibility in use

 Women may continue with paid work or education until the birth of a child, if they explicitly declare that it is their personal decision to do so. During the period of Maternity leave after the birth, however, in general, no paid work is allowed for reasons of health protection. Only women who have had a stillbirth may continue after two weeks if it is their personal decision and if there are no medical concerns.

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

The following are eligible (after meeting the requirement of residency or an employment contract in Germany):

<sup>&</sup>lt;sup>2</sup> Since 2006, employers have had to pay a contribution to the mother's health insurance, amounting to approximately 0.2 per cent (the particular amount is assigned by the health insurance) of the gross pay of their female workers (*Umlageverfahren 2*).

- All female employees, including those employed part-time and those working below the statutory social insurance threshold (i.e. earning below €450 per month)
- Students and pupils
- Women in voluntary work
- Self-employed women
- Asylum seekers

Students, pupils, women in voluntary work, self-employed women, and asylum seekers receive (only when secured by family or private insurance) a minimum Maternity leave benefit overall of €210.

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 births, premature births and children born with disabilities, the length of leave increases to 12 weeks after birth, plus Maternity leave days that could not be taken before birth in the case of a premature birth.
- In certain circumstances (e.g. death or chronic illness of the parent), other relatives living with the new-born child may receive the benefit.
- Asylum seekers may not be deported during pregnancy and Maternity leave.

#### b. Paternity leave

No statutory entitlement.<sup>3</sup>

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

Length of leave (Elternzeit)

 Up to three years after childbirth for each parent, of which 24 months can be taken up until the child's eighth birthday. This is an individual entitlement and non-transferable. It provides parents with employment protection rights during this period.

Payment and funding (Basiselterngeld/ElterngeldPlus)

• An income-related benefit is paid if a parent takes full-time or parttime leave. Parents can choose between (or successively combine)

<sup>&</sup>lt;sup>3</sup> However, many German fathers use some of their Parental leave entitlements directly after birth, in a manner similar to Paternity leave.

two types of leave benefit payments: Basiselterngeld and ElterngeldPlus.

#### Basiselterngeld

- Replaces a proportion of former income, if parents take leave to care for their child/ren.
- o Paid for a period of 12 (plus two) months after the child is
- 'Partner months' (Partnermonate): two bonus months are paid if both parents take at least two months of leave.
- Income replacement rate: paid at a level of 65 per cent<sup>4</sup> of the preceding year's net earnings,<sup>5</sup> with a minimum of €300 per month and a maximum of €1,800 per month.
- Flexibility in use: parents can choose to work part-time (up to 30 hours per week).
- Maternity leave benefits paid during the eight weeks of obligatory Maternity leave following childbirth are deducted, effectively reducing the actual Basiselterngeld benefit period available to employed mothers to 10 months.

#### ElterngeldPlus

- Replaces a proportion of the loss in income if parents reduce their working hours to care for their child/ren.
- Duration: paid for a period of 24 (plus four) months and may be used in the first two years after childbirth.
- Partnership bonus (Partnerschaftsbonus): four bonus months are paid if both parents work part-time at least four subsequent months, for 25 to 30 hours per week.
- Income replacement rate: paid at a level of 65 per cent (see footnote 4) of last year's net earnings (see footnote 5) for the lost earnings due to part-time hours - at most, 50 per cent of Elterngeld payments, i.e. between a range of €150 and €900.
- o Maternity leave benefits paid during the eight weeks of obligatory Maternity leave following childbirth are deducted, effectively reducing the actual ElterngeldPlus benefit period available to employed mothers to 22 months.

<sup>&</sup>lt;sup>4</sup> Parents with a previous net income between €1,000 and €1,240 per month receive benefits at a rate of 67 per cent and parents with a previous income of €1,240 and higher receive benefits at a 65 per cent rate, up to the limit of €1,800 per month for the parental benefit (Elterngeld) payment. Parents with a net income 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 monthly incomes above €1,240, on the other hand, the income replacement rate is reduced: for every €2 their monthly earnings exceed this sum, their parental benefit decreases by 0.1 per cent, to a minimum rate of 65 per cent.

<sup>5</sup> The net earnings are estimated with fixed social security reduction rates, calculated on the individual's former gross earnings.

- Parental leave entitlements are individual entitlements and both parents can receive their Parental leave benefits at the same time.
- Parents who are not working before birth are eligible to receive the minimum rate of €300 per month. Parents who are long-term unemployed are not eligible for additional payments with parental benefits, as it is credited against social assistance payments.
- There is a supplementary payment for parents with more than one young child (Geschwisterbonus): if there are two children under three years of age, or three or more children under six years of age in the household, the parental benefit is increased by 10 per cent (at least €75 per child for Basiselterngeld or €37.50 for ElterngeldPlus).
- For parents with multiple births, a supplementary payment of either €300 (*Basiselterngeld*) or €150 (*ElterngeldPlus*) per month is paid per additional child.
- The *Basiselterngeld* and *ElterngeldPlus* are funded by the federal government, through general taxation.
- Mothers (or fathers if they are the main caregiver) receive pension credits for child-rearing time (Kindererziehungszeit) even if they do not make use of Parental leave. For each child born after 1 January 1992, three years of child-rearing (two years for children born beforehand) are recognised in the pension system. Each year of recognised child-rearing time entails a monthly pension increase of €28.14 in Western Germany and €25.74 in Eastern Germany. Pension credits for child-rearing are currently paid through Germany's contribution-based pension system.

#### Flexibility in use

- Parents can choose between *Elterngeld* and *ElterngeldPlus* or combine both types of leave.
- Recipients of Elterngeld and ElterngeldPlus may work up to 30 hours per week. Then, however, they only receive parental benefit for the lost income: i.e., if a parent worked, for example, 40 hours per week before taking Parental leave, and continues working 30 hours per week thereafter, they receive 65 per cent of the margin between the present and the former income, in addition to their employment income.
- 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, two federal states (Bavaria and Saxony) pay a means-tested parental benefit (Landeserziehungsgeld) extended to the third year of Parental leave, ranging from €150 to €300 per month and per child. For more information, see 1d) below.

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

- Parental leave (Elternzeit): all parents gainfully employed at the date of birth.
- Parental benefit (Basiselterngeld & ElterngeldPlus):
  - o all parents not employed more than 30 hours per week
  - o parents must live in the same household with the child
  - other people who take over the care, when parents are ill, disabled, or dead
  - o adoptive parents and foster parents
  - self-employed parents
  - same-sex couples
  - parents with a net income equal to or less than €500,000 or a single parent with equal or less than €250,000 income
  - citizens of the EU, EWR, and Switzerland if they are employed in Germany or live in Germany (according to EU legislation)
  - citizens of other countries with a permanent residence permit or with a working contract in Germany; asylum seekers are eligible after having lived in Germany for at least three years

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

• Grandparents are entitled to Parental leave if their child, i.e. the parent of their grandchild is younger than 18 years of age 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

Until July 2015, a cash-for-care benefit (*Betreuungsgeld*) of €150 per month was paid to parents who care for their one-year-old and two-year-old at home and/or do not make use of public childcare facilities. However, the German Constitutional Court declared the *Betreuungsgeld* legislation was incompatible with federal law. However, in two federal states, Bavaria and Saxony, cash-for-care allowances (*Landeserziehungsgeld*) are still granted, available from the 13<sup>th</sup> month

after childbirth and until the child's 3<sup>rd</sup> birthday. The benefits are paid in addition to other social benefits, but not at the same time as Parental leave benefits. In Bavaria, parents get income-related payments up to €150 per month for the first child (for 6 months), up to €200 per month for the second, and up to €300 per month for the third and further children (for up to 12 months): this is capped at €34,000 net household income (€31,000 for single parents, increasing for each additional child by  $\leq 4,440$ ). They are paid under the condition that parents take their health check-ups. In Saxony, parents Landeserziehungsgeld if they declare they will not use childcare facilities during the second and/or third year after the child's birth. Parents get income-related payments up to €150 for the first child, up to €200 for the second, and up to €300 for the third and further children. Beginning at a net household income of €17,100 (€14,100 for single parents), payments are successively reduced.

#### e. Other employment-related measures

Time off for the care of dependants

- In case of the sickness of a child (below 12 years of age), working parents with statutory health insurance (not parents with private health insurance) may each take up to ten days of leave per child (20 days for a single parent), receiving 80 per cent of earnings from their health insurer with no upper limit. The maximum annual leave period per working parent is 25 (50) days per year, even in case of three or more children.
- A relative of a care-dependent person is entitled to ten 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.
- Pflegezeit (caring time) entitles employees with care-dependent relatives to apply for up to ten days of paid leave (over a care-dependent's lifetime) at 90 per cent of their income; a medical certification of care-dependency is required, and the wage replacement is financed by public long-term care insurance. Moreover, employees with care-dependent relatives are entitled to take up to six months of full or partial unpaid caring time. During this period, employees have the legal right to receive an interest-free loan from the Federal Office for the Family and Civil Engagement, in order to compensate for their lost income. Pflegezeit does not require the consent of employers.
- Familienpflegezeit (family caring time) permits employees, for a period of up to two years, to reduce their working time to a minimum of 15 hours per week, 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 per cent 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 per week and employment is limited to a maximum of 30 hours per week. Since January 2015, Familienpflegezeit is a legal entitlement for employees, if they continue to work for at least 15 hours per week.

#### Employment protection

 During pregnancy and Parental leave, mothers are protected by law against dismissal. Fathers are protected against dismissal during Parental leave, plus eight weeks before their leave period starts.

#### Flexible working

- Working mothers have a right of 60 to 90 minutes for breastfeeding per day. This time must be fully paid. For homeworkers, 75 per cent of earnings must be paid, at least €0.38 per working day.
- During three years after *Elternzeit*, a parent has the right to reduced working hours of 15 to 30 hours per week (calculated as monthly average). This applies to employers with more than 15 employees.

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

The maximum period of post-natal leave available in Germany is three years, but most of this is unpaid; leave paid at a high rate runs for 12 months, plus two more months if at least two months' leave is taken by each parent. Since August 2013, there has been a legal entitlement to ECEC for all children from the age of one year (before then, the entitlement for all children, i.e. independent of their parents' employment, only began at three years of age). Thus, there is no gap between the end of well-paid leave and an ECEC entitlement. The entitlement, however, does not specify hours per day or per week; many services in Western Germany still do not offer opening hours that allow for the full-time employment (of both parents), while full-time opening has remained the norm in Eastern Germany.

Levels of attendance at formal services for children under three years of age are at about the average rate for the countries included in this review and OECD countries; but well above the average for children over the age of three years. For actual attendance levels, see 'relationship between leave and ECEC entitlements' on <a href="mailto:cross-country">cross-country</a> comparisons page.

In March 2018, nearly 790,000 children under the age of three were in day care. <sup>6</sup> 33.6 per cent of children up to three years of age were in day care. Two per cent of children up to one year of age were in day care; 36.3 per cent of children between one and two years of age; and 62.9 per cent of children between two and three years old. There is still a considerable gap between East Germany and West Germany: in East Germany 51.5 per cent of children between the ages of one and two were in day care facilities, while the percentage in West Germany was 29.4 per cent.

# 3. Changes in policy since May 2018 (including proposals currently under discussion)

A change in Maternity leave legislation was passed in 2017, and came partly into effect on January 1 2018, then partly on 30 May 2018 – this was concerning employers' duty to assess and report the hazards of pregnant employers individually and an extension of employment protection during pregnancy.

#### 4. Uptake of leave

#### a. Maternity leave

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

#### b. Paternity leave

No statutory leave entitlement.

#### c. Parental leave and parental benefit

In 2015, 24.1 per cent of mothers with children below the age of six years were on Parental leave (*Elternzeit*), compared to 1.5 per cent for fathers. The proportion of parents on Parental leave is higher when the

<sup>&</sup>lt;sup>6</sup> Reference date April 2019 (https://www.destatis.de/DE/Presse/Pressemitteilungen/2018/10/PD18\_401\_225.html)

youngest child is below the age of three: 41.6 per cent of mothers, and 2.5 per cent of fathers.<sup>7</sup>

Parents with children born after 1 July 2015 are entitled to choose between *Elterngeld* and *ElterngeldPlus*. Among all Parental leave applications in 2018, 87.4 per cent concerned *Elterngeld* and 12.6 per cent *ElterngeldPlus* (1.8 per cent were paid as part of the *Partnerschaftsbonus* regulation).

Among all monthly Parental leave benefit payments in 2018, 77 per cent were calculated on former earnings through gainful employment.

The 2007 Parental benefit reform had the explicit aim to raise fathers' uptake of leave, and recently published data by the Federal Statistics Office<sup>8</sup> show that the proportion of fathers taking parental benefit has risen significantly and steadily since its introduction in that year. For births in 2015, parental benefit was taken up by 35.8 per cent of fathers (compared to 3.5 per cent of fathers in 2006, before the new legislation); however, there were substantial regional variations amongst the federal states, from only 24.4 per cent in Saarland to 46.7 per cent in Saxony.9 The 2014 mean duration of Parental leave benefit used by fathers who took any leave benefits was 3.1 months (compared to the mothers' mean leave of 11.6 months). The parental benefit reform therefore has been successful in raising the uptake of leave by fathers, although 78.9 per cent took no more than their individual two-month entitlement (compared to 0.9 per cent of mothers). By contrast, during this period, only 6.1 per cent of fathers took 11 to 12 months of Parental leave benefits (compared with 90.1 per cent of mothers). The fathers'

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<sup>&</sup>lt;sup>7</sup> Destatis (2017) *Personen in Elternzeit [Persons in Parental leave]*. Available at:

https://www.destatis.de/DE/ZahlenFakten/Indikatoren/QualitaetArbeit/Dimension3/3 9 Elternzeit.html

<sup>&</sup>lt;sup>8</sup> Statistisches Bundesamt [Federal Statistical Office] (2017) *Statistik zum Elterngeld. Beendete Leistungsbezüge für im 4. Vierteljahr 2014 geborene Kinder [Statistics on parental allowance. Completed performance bonuses for children born in the fourth Quarter of 2014*]. Wiesbaden: Statistisches Bundesamt. Available at:

https://www.destatis.de/DE/Publikationen/Thematisch/Soziales/Elterngeld/ElterngeldGeburtenVj5229208143234.pdf?\_\_blob=publicationFile

<sup>&</sup>lt;sup>9</sup> Destatis (2019) Elterngeld - Beendete Leistungsbezüge für Geburtszeiträume - Länder, Geburten, Väterbeteiligung am Elterngeld für im Jahr 2015 geborene Kinder [Completed Parental leave benefits for births in 2015]. Available at: https://www.destatis.de/DE/Themen/Gesellschaft-

Umwelt/Soziales/Elterngeld/Tabellen/geburten-vaterbeteiligung-jahr2015.html

overall share of Parental leave benefit months for children born in 2014 was 8.7 per cent.<sup>10</sup>

#### d. Childcare leave or career breaks

In the fourth quarter of 2016, there were 131,386 recipients of the cashfor-care benefit, *Betreuungsgeld*; 94.8 per cent of the monthly benefit was paid to mothers and 90.9 per cent are expected to receive payments for the maximum uptake period of 22 months.<sup>11</sup>

<sup>&</sup>lt;sup>10</sup> Destatis (2017) own calculations. Data available at: https://www.destatis.de/DE/

Publikationen/Thematisch/Soziales/Elterngeld/ElterngeldGeburtenVj.html)

<sup>&</sup>lt;sup>11</sup> Destatis (2017)

https://www.destatis.de/DE/Publikationen/Thematisch/Soziales/Elterngeld/ElterngeldGeburtenVj5229208143234.pdf?\_\_blob=publicationFile