



# Personnel



2026

**SOCIAL SECURITY LIMITS AND RATES**

| Contribution ceilings         |                        |   |   |   |  |                                       |
|-------------------------------|------------------------|---|---|---|--|---------------------------------------|
|                               |                        | national  |   |   |  |                                       |
|                               |                        | Health insurance/<br>Care insurance   |   |   | Pension insurance/<br>Unemployment insurance |                                       |
| Month                         |                        | 5,812.50 EUR  |   |   | 8,450.00 EUR                                 |                                       |
| Year                          |                        | 69,750.00 EUR   |   |   | 101,400.00 EUR                               |                                       |
| Limit for mandatory insurance |                        |   |   |   |  |                                       |
|                               |                        | General   |   | Special for private health insurance as of 31.12.2002 |  |                                       |
| Month                         |                        | 6,450.00 EUR  |   | 5,812.50 EUR  |  |                                       |
| Year                          |                        | 77,400.00 EUR   |   | 69,750.00 EUR   |  |                                       |
| Contribution rates            |                        |   |   |   |  |                                       |
| Pension insurance             | Unemployment insurance | Care insurance*   |   | Health insurance                                      | Insolvency fund levy                         | Artists' social security contribution |
| 18.6 %                        | 2.6 %                  | 3.6 %<br>Employers – always: 1.8 %<br>Special features in Saxony:<br>Employees: 2.3 %<br>Employer always: 1.3 % | 4.2 %<br>Employers – always: 1.8 %<br>Special features in Saxony:<br>Employees: 2.9 %<br>Employer always: 1.3 % | 14.6 %<br>(7.3 % employer, 7.3 % employee)+**         | 0.15 %                                       | 4.9 %                                 |

\* As of 01.07.2023, staggered additions and deductions for care insurance: The above information refers to an employee with one child (life-long). For each additional child (up to five), a discount of 0.25 % is applied until the child reaches the age of 25.

\*\* Additional health insurance contribution, which is specified by the health insurance funds and is paid equally by the employer and employee; 2.9 % (subject to change).

| Statutory limits  |  |
|---|--|
| Statutory Minimum Wage  | As of 01.01.2026: 13.90 EUR<br>As of 01.01.2027: 14.60 EUR   |
| Minijob – earnings limit  | As of 01.01.2026: 603.00 EUR<br>As of 01.01.2027: 633.00 EUR   |
| Transition zone   | As of 01.01.2026: 603.01 EUR – 2,000.00 EUR<br>As of 01.01.2027: 633.01 EUR – 2,000.00 EUR   |
| Income limit for family insurance   | 2026 – general: 565.00 EUR<br>For minijobbers: 603.00 EUR<br>2027 – general: 565.00 EUR (subject to change)<br>For minijobbers: 633.00 EUR |
| Maximum amount for pension recipients   | 2026: 197.75 EUR   |
| Maximum contribution subsidies for voluntary/private health and care insurance                    |  |
| Private health insurance  | 508.59 EUR   |
| Care insurance  | 2026: 104.63 EUR   |
| Care insurance for employment in Saxony   | 2026: 75.56 EUR  |
| Occupational pension scheme: tax-free amount according to § 3 No. 63 EStG (German Income Tax Act) |  |
| 8% pension insurance contribution limit (nationwide)  | 8,112.00 EUR per year  |
| Marginal employment (minijob)   |  |
| Total remuneration for all (secondary) employment activities                                      | As of 01.01.2026: maximum: 603.00 EUR<br>As of 01.01.2027: maximum: 633.00 EUR   |
| Pension insurance contribution  | 15 %   |
| Health insurance contribution   | 13 %   |
| Tax rate (lump-sum, if without wage tax card)   | 2 %  |
| Short-term employment   |  |
| Limitation to three months or 70 working days   | exempt from social security  |
| Maximum wage per working day, average   | 150.00 EUR   |
| Maximum wage per working hour, average  | 19.00 EUR  |
| Flat tax rate (without income tax card)   | 25% plus solidarity tax and church tax   |

**BENEFITS IN KIND, ALLOWANCES, AND BENEFITS**

| Benefits in kind for 2026    | Monthly    | Daily (1/30) |
|------------------------------|------------|--------------|
| Free meals and accommodation | 630.00 EUR | 21.00 EUR    |
| Free meals, thereof          | 345.00 EUR | 11.50 EUR    |
| – Breakfast                  | 71.00 EUR  | 2.37 EUR     |
| – Lunch                      | 137.00 EUR | 4.57 EUR     |
| – Dinner                     | 137.00 EUR | 4.57 EUR     |
| Free accommodation           | 285.00 EUR | 9.50 EUR     |

**Gratuities** Are gifts for employees, for specific reasons (e.g. Birthday or wedding), which are exempt from tax and social security, up to a maximum of 60 EUR inclusive VAT. Important: must be benefits-in-kind.

**Company events** Up to twice a year, tax-exemption exists for up to an amount of EUR 110.00 including VAT per participant for customary company events (e.g. summer party and Christmas party). To obtain social security exemption, exceeding costs have to be taxed at a flat rate of 25 % by February 28th of the following year at the latest. All components must be included in the costs of the event: for example costs for the location, the relatives, and even the travel expenses, if e.g. a bus is rented for the trip to the event, i.e. a joint trip.

**One-fifth rule for remuneration for multi-year activities:** The option for reduced taxation of remuneration for multi-year activities or severance payments ceased as of 01 Jan 2025. The preferential taxation can still be claimed in the income tax return.

**Workforce discount** May be granted exemption from taxation and social security up to 1,080.00 EUR per employee per year, whereas, a discount of 4 % must first be taken from the final price charged to the ultimate consumer.

**Care services for children and relatives** May be provided by employers to support employees with tax-exempt services and thereby simplifying the compatibility of work and family.

The following remains tax- and social security exempt

- Services for the arrangement of childcare up to the age of 14 or relatives in need of care – no amount limit upon proof.
- Reimbursement of care expenses, which are incurred for urgent work reasons – up to 600.00 EUR per year. Any amounts above are again subject to taxation; however, the allowance of 600.00 EUR remains unchanged.

**Commuting allowances:** Can be provided for travel between home and the primary workplace. These are social security-free and subject to a flat tax of 15 % if calculated using the formula: 15 days/month × distance allowance × one-way kilometers between home and primary workplace. If public transport is used, higher amounts may also be reimbursed tax-free based on proof of actual costs. The option to apply a 25 % flat rate for commuting reimbursements without offsetting the distance allowance remains available.

From 01 Jan 2026, the commuter allowance per kilometer will be permanently increased to 0.38 EUR from the first kilometer. The previous split of 0.30 EUR for the first 20 km and 0.38 EUR from the 21st km will no longer apply.

The annual maximum of 4,500.00 EUR remains unchanged.

**Health promotion** Benefits from the employer on top of the wage, which is owed anyway, are tax-exempt up to 600.00 EUR per year per employee. The eligible measures are defined in § 20 and § 20a of the SGB V and include: Exercise programs, courses for stress management and relaxation, advice on nutrition and the consumption of addictive substances like alcohol and nicotine.

Caution: The GKV umbrella organization has explicitly excluded some measures, e.g. the coverage of membership fees for sports clubs and fitness studios, massages, courses to learn a new sport, as well as a merely or predominantly equipment-based training.

**Group accident insurance** As of 01.01.2024, group accident insurance contributions can be lump-summed without cap for income tax purposes.

**EUR 50.00 exemption limit for benefits in kind** Enables tax- and social security exempt "payments" of up to 50.00 EUR per month to the employees, The payment may be converted into gifts or vouchers. The use of an employee card makes it possible to comply with the legally required payment of the maximum amount each month, however the employee can also spend the money at a much later date. In accordance with the requirements of the Payment Services Supervision Act, the employee cards must be limited to their own product range, a group of points of acceptance in Germany (e.g. postcode areas) or providers with a uniform brand identity in Germany (e.g. fuel cards of a petrol station).

**Allowance for relocation expenses** Remain tax- and social security exempt upon proof or as a flat rate without proof, provided that no higher amounts are compensated than would be deductible as professional expenses. The value limits were changed retroactively:

| Moving date   | Single person | Married person | Additional person / children |
|---------------|---------------|----------------|------------------------------|
| As of 04/2021 | 870.00 EUR    | 1,450.00 EUR   | 580.00 EUR                   |
| As of 04/2022 | 886.00 EUR    | 1,476.00 EUR   | 590.00 EUR                   |
| As of 03/2024 | 964.00 EUR    | 1,607.00 EUR   | 643.00 EUR                   |

**Allowance for the use of internet** May be reimbursed by the employer to their employees up to 50.00 EUR per month on a flat-rate basis based on supporting documents. Regular payments of the 25 % flat rate tax imply social security exemption. Caution: tax authorities may ask for proof. Therefore, contributions should not exceed 30.00 EUR per month.

**SAFEGUARDING THE FUTURE**

**The new "German law strengthening occupational pensions"** Safeguarding the future presently appears as follows: Expenses for safeguarding the future do not differ in no inflow or inflow to wages.

**No inflow of wages**

- For pension commitments (in this case, the later pension benefits in the form of a company pension or civil servant's pension),
- for expenses for reinsurance,
- for contributions to a supporting fund (in this case, the later pension benefits in the form of a company pension or civil servant's pension).

**Inflow of wages** Tax and social security treatment of occupational pension:

| Implementation channel                | Social security treatment  |
|---------------------------------------|--|
| <b>Pension fund/ direct insurance</b> | Tax treatment depending on contract completion date: As a rough guideline, contracts completed before 31 December 2004 follow the old regulation and are taxed at a flat rate of 20 % up to a total value of 1,752.00 EUR (with the exception of group contracts, which can be taxed at a flat rate up to 2,148.00 EUR). Contracts completed after 31 December 2004 allow contributions up to a maximum of 4 % of the contribution assessment ceiling to be tax- and social security-free, while an additional 1,800.00 EUR remains tax-free but subject to social security contributions. From 1 January 2018, the tax-free limit was increased to 8 % of the contribution assessment ceiling, and from 1 January 2026 this corresponds to 8,112.00 EUR, with the social security limit remaining at 4 % of the ceiling (4,056.00 EUR). |
| <b>Pension fund</b>                   | Tax-exempt contributions are non-contributory up to 4 % of the contribution ceiling in the pension insurance. This also applies to tax-exempt benefits from an employer or a support fund for a pension fund to take over existing pension obligations or acquired pension entitlements. From January 1st, 2018 the maximum contribution increased to 8 % of the contribution ceiling.   |
| <b>Direct commitment/support fund</b> | Expense of the employer, which does not originate from deferred compensation, is fully non-contributory. Expense, which originates from the deferred compensation, is non-contributory for up to 4% of the contribution ceiling in the pension insurance (2026: 4,056.00 EUR). In general, payments made during the accumulation period are tax exempt.  |

**PLEASE NOTE:** From January 1st, 2019, the new German Law Strengthening Occupational Pensions will have further influence. Employers will then be required by law to pay a contribution of 15 % for occupational pensions in the case of new contracts for salary conversion into the company pension without employer liability. This obligation applies if the employer saves on social security contributions through deferred compensation. Old contracts must also be subsidised by law from 1st January 2022.

**Supplements for Sunday, holiday and night work** The following supplements to the basic wage are tax-exempt, if they are attributable to income from non-self-employment:

|  |                          |
|--|--------------------------|
| Sundays  | up to 50 %               |
| Statutory holidays and 31 December (from 2:00 p.m.)  | up to 125 %              |
| Christmas (24 December from 2:00 p.m.; 25/26 December) and on 1 May  | up to 150 %              |
| Night work from 8:00 p.m. until 6:00 a.m.,<br>- if work is started before 12:00 a.m. for the time from 12:00 a.m. until 4:00 a.m.<br>- otherwise | up to 40 %<br>up to 25 % |

Sunday and holiday supplements cannot be combined. A combination of a night work supplement and supplements for Sunday and holiday work is possible; however, this may result in a maximum of 190 %. For Sunday, holiday and night supplements (SHN), exemption from social security only exists for a maximum basic wage of 25.00 EUR/hour.

**Caution:** The so-called SHN allowance must continue to be paid in the event of illness and vacation based on the average income of the last three months. They are then subject to tax and social security contributions.

**TRAVEL EXPENSES**

For journeys between home and the initial workplace a lump-sum of 0.03 % may apply. There is also the possibility of applying a lump-sum of 0.002 % to less frequent journeys or even using a factor of 0.001 % for settlement, if journeys only occur occasionally.

**Transport costs** All journeys due to professional external activity, which do not take place between home and the initial workplace, will be considered travel expenses, which may be compensated by the employer on a tax-exempt basis.

Amount of the expenses:

- Actual expenses for transportation – fare including surcharges for public transport.

When using own vehicle:

- Kilometre rate from annual total costs (individual proof) – kilometre allowance:

| Vehicle                                    | kilometre rate (EUR per km) |
|--|-----------------------------|
| Cars (considerable operational interest)   | 0.30 EUR                    |
| Motor vehicles or other motorised vehicles | 0.20 EUR<br>max. 130.00 EUR |

- Extraordinary expenses (e.g. accident, theft, technical wear and tear) are to be taken into account, in addition to the kilometre rates.

**Meals for employees**

| ... for own business interest  | ... for external activities  | ... for a reward   |
|--|--|--|
| <ul style="list-style-type: none"> <li>- Company events</li> <li>- Work meals</li> <li>- Entertainment (e.g. customers, in the group ...)</li> </ul> | <p>As a rule, the benefits-in-kind rule applies here, if it involves a so-called "customary" meal, i.e. does not exceed the value of 60.00 EUR.</p>    | <p>Meals provided as consideration for work performance must be applied at the actual value.</p> |
| <ul style="list-style-type: none"> <li>- No non-cash benefit is incurred</li> </ul>  | <ul style="list-style-type: none"> <li>- Reduction of the additional meal expenses for breakfast by 5.60 EUR lunch/dinner by 11.20 EUR each</li> </ul> |  |

**Granting of meals for external activities**

The employee is provided with meals by the employer or third party on his external activity.

| Employees pay for their meal themselves and the employer reimburses the expenses   | Meal arranged by employer or third party  | External activity with overnight accommodation   |
|--|---|--|
| <p>Reimbursement only remains tax-exempt within the scope of the known limits, i.e. for one-day absence:<br/>14.00 EUR for more than 8 hours of absence</p> <p>Absences of several days:<br/>14.00 EUR each for the day of arrival and departure,<br/>28.00 EUR for at least 24 hours of absence</p> | <ul style="list-style-type: none"> <li>- Full cost assumption by employer is permitted</li> <li>- NO non-cash benefit with the benefit-in-kind can be applied.</li> <li>- With compensation for additional meal expenses, the reduction for breakfast is 5.60 EUR, for lunch/dinner 11.20 EUR each</li> </ul> | <p>Principle: only the overnight accommodation expenses are reimbursable. Expenses for breakfast = meals must be reduced</p> |
| <p>Further refunds in the amount of EUR 14.00 / EUR 28.00 can be taxed at a flat rate of 25 percent.</p>   | <p>Professional reasons in the interest of the employer.</p> <ul style="list-style-type: none"> <li>- Employer has promised the employee the coverage of the costs under employment law</li> <li>- Invoice is issued in the employer's name.</li> </ul>   | <p>Covered by the employer = Costs for breakfast must be reduced for additional meal expenses by 5.60 EUR.</p>               |

**Applicability of dismissal protection (KüSchG - German Protection Against Dismissal Act)** Only once the employment relationship has existed for longer than 6 months (Section 1 (1) KüSchG) and with a company size (Section 23 (1) KüSchG) of either more than five employees (for employees, whose employment relationship started prior to 31 December 2003) or more than 10 employees (for employees, whose employment relationship started after 31 December 2003).

### STATUTORY TERMINATION NOTICE PERIODS

| Duration of employment                          | Termination notice period | Termination                 |
|---|---------------------------|-----------------------------|
| Probation period by arrangement (max. 6 months) | 2 weeks                   | Everyday                    |
| Up to 2 years                                   | 4 weeks                   | As at the 15th or month-end |
| 2-5 years                                       | 1 month                   | At month-end                |
| 5-8 years                                       | 2 months                  | At month-end                |
| 8-10 years                                      | 3 months                  | At month-end                |
| 10-12 years                                     | 4 months                  | At month-end                |
| 12-15 years                                     | 5 months                  | At month-end                |
| 15-20 years                                     | 6 months                  | At month-end                |
| 20 years and more                               | 7 months                  | At month-end                |

### SOCIAL SECURITY DATES 2026

|   | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. |
|---|------|------|------|------|-----|------|------|------|------|------|------|------|
| <b>Social security: 1. Data transmission date for the social security contributions for the current month</b>                 |      |      |      |      |     |      |      |      |      |      |      |      |
| Month counter   | 25   | 22   | 24   | 23   | 21  | 23   | 26   | 24   | 23   | 25   | 23   | 21   |
| <b>Social security: third-last banking business day = due date of the social security contributions for the current month</b> |      |      |      |      |     |      |      |      |      |      |      |      |
| Month counter   | 28   | 25   | 27   | 28   | 27  | 26   | 29   | 27   | 28   | 28   | 26   | 28   |

Note: The statement of the paid contributions has to be handed in by 24:00 o'clock in order to meet the deadline. As always, social security contributions are due on the third last bank working day of the month in which the employment is performed. As there are different holidays depending on the federal state, the dates may vary from health insurance fund to health insurance fund.

### OTHER SOCIAL SECURITY TOPICS 2026

| Low-earner limit for vocational trainees          |   |
|---|---|
| Low-earner limit first apprenticeship year        | Apprenticeship year: Start date 1.1.–31.12.22: 585.00 EUR<br>Apprenticeship year: Start date 1.1.–31.12.23: 620.00 EUR<br>Apprenticeship year: Start date 1.1.–31.12.24: 649.00 EUR<br>Apprenticeship year: Start date 1.1.–31.12.25: 682.00 EUR<br>Apprenticeship year: Start date 1.1.–31.12.26: 724.00 EUR |
| Increase in further years of vocational training: | From the 2nd year of apprenticeship:<br>Apprentice pay/training allowance of previous year + 18 %<br>3rd year of apprenticeship:<br>Apprentice pay/training allowance of previous year + 35 %<br>4th year of apprenticeship:<br>Apprentice pay/training allowance of previous year + 40 %                     |

**New regulation of sick leave** Introduction of the electronic certificate of incapacity for work: This is intended to replace the submission of the "yellow note", with the exception of those with private insurance. With effect of 1st January 2023 health insurance funds will inform the employer electronically on demand of the beginning and duration of the incapacity to work of his legally insured employees as well as the time of the expiry of the continued payment of wages.

**A1 certificates for assignments abroad:** A1 certificates for Europe must still be applied for even for short-term assignments abroad. The applications for privately insured employees are submitted to the German Pension Insurance. For employees who travel frequently, it is a good idea to apply for a longer-term confirmation via the DVKA. These measures serve to ensure the avoidance of double social insurance contributions abroad. The social insurance is always due according to the place of work and can be avoided with the A1 certificate for foreign countries.

**Attention:** Even Managing Directors and Executives are not exempt from the A1 obligation.