Germany

Exchange rate: US$1.00 = 0.77 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) and certain self-employed persons.

Voluntary coverage for persons aged 16 or older who are exempt from compulsory coverage, including German citizens residing abroad and foreign citizens residing in Germany.

Shorter coverage periods for persons earning €400 or less per month.

Special systems for certain self-employed persons, miners, public-sector employees, civil servants, and farmers.

Source of Funds

Insured person: 9.8% of monthly earnings over €800; a reduced contribution for earnings from €401 to €800; none for earnings less than €400 a month (voluntary contributions can be made).

The maximum annual earnings used to calculate contributions under Federal German Pension Insurance are in general €67,200 per year (E–€57,600)

Self-employed person: 19.6% of monthly income.

The minimum monthly contribution is €78.40 and the maximum is €1,097.60 (E–€940.80) or a flat-rate amount of €514.50 (E–€439.04), depending on the type of coverage chosen by the self-employed person.

Employer: 9.8% of monthly payroll; 15% of earnings for employees with monthly earnings less than €400.

The maximum annual earnings used to calculate contributions under Federal German Pension Insurance are €66,000 (E–€55,800).

Government: Finances grants for certain benefits not covered by contributions.

Qualifying Conditions

Old-age pension: Age 65 and 1 month with at least five years of contributions. The normal pensionable age is rising gradually to age 67 by one month each year until 2024 and by 2 months until 2029. The pensionable age for those born after 1964 is 67. A special length of service pension is paid at age 65 with 45 years of contributions.

Age 65, with at least a 50% assessed degree of disability and 35 years of coverage. For insured persons born before 1952, age 65 with at least 15 years of contributions and unemployed for at least 52 weeks after age 58 and six months; with at least 15 years of contributions for employees who work part time for at least 24 months before the normal retirement age; women with at least 10 years of contributions after age 40.

Earnings test: The pension depends on the level of additional individual earnings: if monthly earnings are less than €400, the full pension is paid; if earnings are greater than €400, a partial pension is paid at 33.3%, 50%, or 66.7% of the full pension, depending on earnings.

Early pension: Age 63 with at least 35 years of coverage, subject to conditions.

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

Deferred old-age pension: The pension may be deferred after the normal retirement age up to age 70.

Disability pension: Paid for a full loss of working capacity, unable to work more than three hours a day in any form of work. The insured must have at least five years of contributions and 36 months of compulsory contributions in the last five years. Special conditions apply for a reduction in earning capacity that is the result of a work injury.

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

Survivor pension (income tested): The deceased had at least five years of contributions or was a pensioner at the time of death.

Small widow(er) pension: Paid to a widow(er) or surviving civil partner for up to 24 months following the month of the insured's death. The survivor must not have remarried or entered a new civil partnership after the insured's death.

Large widow(er) pension: Paid to a widow(er) or surviving civil partner who meets the qualifying conditions for the small widow(er) pension and is aged 45 or older (rising gradually to age 47 by 2029), cares for a child younger than age 18, or has a disability.

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 or ecological year, or have a disability.

Child's supplement: Paid to a widow(er) or surviving civil partner receiving the large widow(er) 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 pension splitting: Spouses or civil partners who are eligible for the statutory old-age pension and have 25 years of coverage can split their pensions instead of receiving a survivor benefit. The marriage or partnership must have begun after 2001; before 2002 if both spouses or civil partners were born after January 1, 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 the 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 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 €27.47 (E–€24.37).

There is no statutory minimum pension.

Compensation amount for low-income workers: The value of contributions paid before 1991 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 earning points).

For persons with at least 25 years of coverage, the value of contributions paid after 1992 while caring for a child younger than age 10 is increased to 1.5 times the value, up to the value of contributions for average earnings of all insured persons.

Early pension: The entry factor (1.0) is reduced by 0.003 for each calendar month the pension is taken before age 65 (rising to age 67 by 2029).

Deferred pension: The entry factor (1.0) is increased by 0.005 for each calendar month the pension is deferred after age 65.

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 annual earnings divided by the average earnings of all contributors multiplied by the entry factor.

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 €26.27 (E–€23.09).

If the disability began before age 60, the period from the date of the reduction in earning capacity up to age 60 is taken fully into account for the purpose of calculating the pension.

The normal entry factor (1.0) is reduced by 0.003 for every calendar month a pension is awarded before age 63, 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.

The disability pension ceases at age 65 and is replaced by the old-age pension. (Rising gradually to 67 by 2029). 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; 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.

Survivor Benefits

Survivor pension: The pension paid to a widow(er) or surviving civil partner is based on the total of the deceased's individual earnings points multiplied by the pension factor and the pension value.

Individual earnings points are calculated as individual annual earnings divided by the average earnings of all contributors multiplied by the entry factor.

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 widow(er) pension or 0.55 if receiving the large widow(er) 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 €26.27 (E–€23.09).

The small widow(er) pension is paid for two years; paid 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.

The large widow(er) pension: Paid for an unlimited duration. Ceases upon remarriage.

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

The benefit is reduced by 40% of the survivors net income above €718.08 (E–€637.03) from the fourth month of payment.

Old-age pension splitting: The pension of the surviving spouse or civil partner is calculated by splitting the pension rights accrued by both members of the couple during their marriage or civil partnership. The survivor pension is not paid.

Child's supplement: Additional earnings points are awarded for the large widow(er) pension if the spouse or civil partner had cared for children. Two earnings points are awarded each month for the first child; one earnings point for each additional child.

Orphan's pension: The pension factor is 0.1 for a half orphan and 0.2 for a full orphan. Supplements are paid depending on the length of the insured's coverage period and other factors. The pension is paid in full until the orphan reaches age 18; thereafter, if the orphan's net income is above €478.72 (E–€424.69), the pension is reduced by 40% of the orphan's net income above this limit.

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) supervises the administrative functions of the German Pension Insurance.

Sickness funds collect contributions and forward them to pension insurance institutions.

Sickness and Maternity

Regulatory Framework

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

Current laws: 1924 (maternity), 1988 (sickness), and 1994 (long-term care).

Type of program: Social insurance system.

Coverage

All wage and salary workers earning up to €50,850 a year (€45,900 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 €50,850 a year.

Coverage is available through private health insurance companies for self-employed persons.

Special systems exist for miners, artists, public-sector employees, and farmers.

Long-term care is provided for all persons covered by the statutory sickness insurance system and some special groups subject to certain conditions. Persons with private sickness insurance must buy equivalent private coverage for long-term care.

Source of Funds

Sickness and maternity benefits

Insured person: Contributes an average of 8.2% of covered earnings over €800; a reduced contribution for earnings from €401 to €800. Pensioners contribute an average of 8.2% of the pension. Students contribute a flat rate of €65 per month.

The maximum annual earnings used to calculate contributions are €45,900.

Self-employed person: No mandatory contributions. For cash sickness benefits, certain voluntarily insured can choose a contribution rate based on desired coverage.

Employer: Contributes an average of 7.3% of covered earnings; 13% of covered earnings for employees with monthly earnings of less than €400. Pension funds pay 7.3% of the pension.

The maximum annual earnings used to calculate contributions are €45,900.

Government: Subsidies for maternity benefits and pensioned farmers' health benefits.

Long-term care benefits

Insured person: 0.975% of earnings in most federal states. Pensioners contribute 1.95% 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 €45,900.

Self-employed person: Not applicable.

Employer: 0.975% of earnings in most federal states.

The maximum annual earnings used to calculate contributions are €45,000.

Government: Contributes for unemployed persons, pensioned farmers, and students receiving benefits under the Federal Education Support Act.

Qualifying Conditions

Cash sickness and medical benefits: Paid to members of sickness funds. No minimum membership period is required for medical benefits.

Cash sickness benefits: Paid to insured persons caring for a sick child younger than age 12.

Cash maternity benefits: Paid to female members of sickness funds.

Long-term care benefits: The insured must have at least two years of coverage in the last 10 years. Benefits vary according to the need for care: substantial need, at least once a day (degree of care I), a severe need at least three times a day (degree of care II), or a critical need, round-the-clock care (degree of care III). All levels of care must require assistance with housekeeping several times a week. An allowance is paid to insured persons who organize care for themselves.

Long-term care allowance: An allowance is 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) 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 six weeks; thereafter the sickness funds pay.)

Insured persons caring for a sick child receive sickness benefits for up to 10 working days for each child but no longer than 25 days for each insured person in each calendar year. In single-parent households, the benefit is paid for up to 20 working days for each child and for up to 50 days in a calendar year.

Maternity benefit: For female members of a sickness fund with an employment contract, the benefit is 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 and is paid six weeks before and eight weeks after the expected date of birth (a total of 12 months for premature or multiple births); other fund members receive the same amount as for the sickness benefit. If net earnings are greater than the maximum maternity benefit, the employer must pay the difference as a subsidy.

For female employees who are not members of a sickness fund, federal states pay maternity benefits equivalent to the sickness benefit.

Long-term care allowance: The allowance is €235, €440, or €700 a month, depending on the degree and frequency of care required. The insured pays the caregiver.

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).

The long-term care fund contributes to old-age pension insurance for relatives who provide home care services to family members for at least 14 hours a week, and who are not in paid work for more than 30 hours a week. The fund also provides coverage for work injury. Caregivers in need of rehabilitation measures to return to work receive a cost-of-living allowance.

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 with a midwife or doctor, hospitalization, surgery, rehabilitation, appliances, and prescribed medicine.

Cost sharing: A copayment is required for certain benefits (including medicine, appliances, ambulatory care, hospitalization, and transportation). No copayment for hardship cases (depending on means).

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 caregiver is temporarily unavailable. Maximum benefit amounts are set for different services.

In-kind benefits for care are €450, €1,100, €1,550, or €1,918 a month, depending on the level of care required.

Long-term care (institutional care benefits): The benefit is €1,023, €1,279, €1,550, or €1,918 a month, depending on the level of care required. The insured pays the cost of room and board.

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.

Regional physicians' associations contract annually with federations of funds to pay for medical services.

Physicians' associations apportion the total sum paid by sickness funds to participating doctors.

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.

Federal states pay construction costs for long-term care institutions.

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 person; voluntarily insured employers; apprentices, and students.

Exclusions: Most categories of self-employed person.

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 1.32% 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. A benefit equivalent to the temporary disability benefit is paid.

For insured persons aged 18 or older, the minimum annual earnings used to calculate benefits are €18,900 (E–€16,128).

The maximum annual earnings used to calculate benefits vary from €60,480 to €91,980, depending on the accident insurance fund.

Permanent Disability Benefits

Permanent disability pension: If the insured is assessed with a total disability (100%), the annual pension is 66.7% of earnings in the year before the disability began.

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

Severe disability supplement: 10% of the disability pension is paid for up to two years if the assessed loss of earning capacity is 50% or more and the insured is not working or receiving another type of pension; if the insured person is unemployed and the combined total of disability and unemployment benefits is less than the transition benefit.

Constant-attendance allowance: €310 to €1,240 a month (E–€272 to €1,086) is paid if the insured requires the constant attendance of others to perform daily functions.

Benefit adjustment: Benefits are adjusted at the same time and according to changes made to pensions under Old Age, Disability, and Survivors.

Workers' Medical Benefits

Benefits include comprehensive medical care; medical, occupational, and social rehabilitation; appliances; and help with housework.

Survivor Benefits

Survivor pension: For the small widow(er) pension, 30% of the deceased's income is paid for up to 24 calendar months if the widow(er) does not qualify for the large widow(er) pension.

For the large widow(er) pension, 66.7% of the deceased's last earnings is paid for up to three calendar months; thereafter, 40% of the deceased's last earnings is paid if the widow(er) is aged 45 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.

Income test: 40% of net income above a specified ceiling is deducted from the pension paid to survivors older than age 18.

Widow(er) 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 had been assessed with at least a 50% severe loss of earning capacity. The grant is split equally among survivors.

Other eligible survivors (means-tested): Single parents and grandparents receive 20% of the deceased's earnings each; 30% if a couple.

Divorced spouses may receive a survivor pension. 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 €4,500 (E–€3,840) is paid.

Benefit adjustment: Benefits are adjusted annually according to changes made to pensions under Old Age, Disability, and Survivors.

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 the area of occupational safety and health.

Supreme administrative state authorities responsible for social insurance or authorities assigned by the provincial governments supervise the state accident insurance institutions.

Accident insurance funds (nonagricultural, agricultural, and public authorities), managed by elected representatives of employers and the insured, administer the program.

Unemployment

Regulatory Framework

First laws: 1927 (employment service and unemployment insurance) and 2003 (basic unemployment allowance).

Current laws: 1997 (employment promotion) and 2010 (basic unemployment allowance).

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Employed persons, including household workers, apprentices, and trainees. Other groups (including participants in occupational training schemes) are also covered, subject to conditions.

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

Exclusions: Persons in irregular employment.

Social assistance: Employed and unemployed needy job seekers.

Source of Funds

Insured person

Social insurance: 1.45% of covered earnings.

The maximum annual earnings used to calculate contributions are €67,200 (E–€57,600).

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 €2,625 (E–€2,240).

Social assistance: None.

Employer

Social insurance: 1.45% of covered earnings.

The maximum annual earnings used to calculate contributions are €67,200 (E–€57,600).

Social assistance: None.

Government

Social insurance: Loans or subsidies to cover any social insurance deficit; federal and municipal governments pay the cost of noncontributory unemployment benefits.

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

Qualifying Conditions

Unemployment benefit (social insurance): The insured 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 (work sharing) who lose 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 because of 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.

Benefit adjustment: Benefits are adjusted annually in July according to changes made to pensions under Old Age, Disability, and Survivors.

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): €299, €337, or €374 a month is paid, depending on the person's family composition.

Dependent's supplement: €219 a month is paid for children younger than age 6; €251 for children aged 6 to 14; €287 for children aged 15 to 18.

Means test: The benefit is reduced by 20% of income from €100.01 to €1000 a month; (10% of income from €1000.01 to €1,200; €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 January according to changes made to pensions under Old Age, Disability, and Survivors.

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.

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

Committees of employment agencies and 69 authorized local carriers administer noncontributory benefits.

Sickness funds collect contributions.

Family Allowances

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 person: Not applicable.

Employer: None.

Government: The total cost.

Qualifying Conditions

Child benefit: The child must be younger than age 18: extended beyond age 18 if unemployed, a full-time student, searching for an apprenticeship or a voluntary position; or if disabled.

Child 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 non-contributory unemployment benefits, social benefits, or social assistance, are not eligible for a child allowance

Parental benefit (income-tested): Paid to parents with a child younger than age 14 months. A parent with sole custody may receive the parental allowance for up to 12 months after the birth; other parents may share the benefit for a combined maximum of 14 months (each parent must receive the benefit for at least two 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.

Child allowance (income-tested): Up to €140 for each child is paid for up to 36 months; if entitled to an allowance for more than one child in the household, a combined total allowance is paid. The child's own income 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.

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. Child-raising and parental benefit centers administer the program.

The federal government reimburses administrative costs.