

## Country Guide > Germany

### Cost of Living

**Indicative value for a working adult in a city: Berlin**

Publicly available data (Numbeo, etc...), verified by Marco's in-country staff

Living Requirement	Indicative Amount (EUR)
McDonalds Set Meal	11
Monthly Train and Bus Tickets	58
3 Bedrooms Rental (City Center)	2,275
3 Bedrooms Rental (Outskirt)	1,690

**Current Inflation Rate: 2.6%**

### Wage

**Minimum Wages:**

12.82 EUR per hour

### Median Salary

Estimated based on general positions such as HR, Accounting, Admin roles, in tier one cities.

Job Level	Monthly Salary (EUR)
Entry-Level (Fresh Graduate)	3,000
Mid-Level (5 Years)	5,000
Experienced & Managerial Level (10 Years)	>7,500
Specialized & Senior-Level (15 Years)	>8,200

**Annual Salary Growth: 2.6%**

### Statutory Contribution

Both the employer's contribution and the employee's contribution must be transferred to the health insurance provider no later than 3 working days before end of the month

Type	Employer Rates	Employee Rates	Notes
Pension Insurance	9.3%	9.3%	Max. contribution base - 8,050 EUR
Unemployment Insurance	1.3%	1.3%	Max. contribution base - 8,050 EUR
Health Insurance	7.3%	7.3%	The health insurance company may impose an additional commission, usually from 1.4% to 4.4%. Max. contribution base - 5,512.50 EUR
Care Insurance	1.8%	0.8%-2.4% (depends on the number of children)	Max. contribution base - 5,512.50 EUR

U1 - Salary continuation insurance	1%-4%	-	All businesses with fewer than 30 regular staff must participate
U2 - Maternity fee	0.15% to 0.99%	-	All staff with 4 weeks continuous service
U3 - Bankruptcy fee	0.06%	-	All employers are liable

### Other Benefit

Other common employment benefits in Germany include:

- Food voucher: Around 7,23 EUR / day (taxable if the amount is higher)
- Co-financing for sports activities: Around EUR 50
- Private health insurance: employer contributes 8.15% of staff gross monthly salary
  - For employees who exceed the annual limit
  - Capped at EUR 422
- Additional days off:
  - It is typical practice to provide employees with additional days of paid leave
  - Usually around 5-15 additional days

### Income Tax

#### Residents

Tax Year: 1st Jan to 31st Dec

Tax filing period: 31st Jul (following year) - 28th Feb (second year of the following year)

Taxable Income	Tax Rate
<12,096	0%
12,096 - 68,429	14% - 42% Geometrically progressive rates
68,430 - 277,825	42%
>277,826	45%

#### Non-Residents

- Depends on the double taxation agreement between countries. Typically, only income originating in Germany is taxed.
- A tax resident is an individual who meets one of following criteria:
  - Residence in Germany for at least 183 days in a calendar year
  - Have their centre of life interests in Germany

### Working Hours

#### Statutory

40 hours

8 hours a day, 5 days a week

#### Typical practice

40 hours

Some collective agreements will provide for shorter weekly working hours of 35-38 hours

Monday-Friday

## Overtime

The number of working hours cannot exceed 48 hours per week. Both full time and part time employee should be entitled with overtime payment.

- Remuneration for overtime work is included in the employment contract or collective agreement.  
Minimum: 100% of basic salary

## Employment Contract

### Fixed-Term

Contract Format	Payroll Currency	Probation	Contract Period
In writing in German or in another language understandable to both parties. It is possible to use a qualified electronic signature	EUR	Up to 6 months	In total last up to 2 years Can be extended 3 times (The period with extensions cannot exceed 2 years)

### Termination

- In Germany the termination process adheres to the following rules:

	Voluntary Resignation	Involuntary Termination	Economic Layoff
<b>Notice Period - Probation</b>	- 2 weeks  - The notice period during the probation period begins on the date the notice of termination is received.	- 2 weeks  - The notice period during the probation period begins on the date the notice of termination is received.	- 2 weeks  - The notice period during the probation period begins on the date the notice of termination is received.
<b>Notice Period - Regular</b>	- Rounded up to 15th or the end of a calendar month - 4 weeks minimum notice required	- Up to 2 years - 4 weeks, rounded up to 15th or the end of a calendar month - 2-4 years - 1 month to the end of a calendar month - 5-7 years - 2 months to the end of a calendar month - 8-9 years - 3 months to the end of a calendar month - 10-11 years - 4 months to the end of a calendar month	- Up to 2 years - 4 weeks, rounded up to 15th or the end of a calendar month - 2-4 years - 1 month to the end of a calendar month - 5-7 years - 2 months to the end of a calendar month - 8-9 years - 3 months to the end of a calendar month - 10-11 years - 4 months to the end of a calendar month - 12- 14 years - 5 months to the end of a calendar month

		- 12- 14 years - 5 months to the end of a calendar month - 15-19 years - 6 months to the end of a calendar month - 20 years or longer - 7 months to the end of a calendar month	- 15-19 years - 6 months to the end of a calendar month - 20 years or longer - 7 months to the end of a calendar month
<b>Severance Pay</b>	-	- Common practice no statutory requirements - Half a months' salary for each year of service	- Common practice no statutory requirements - Half a months' salary for each year of service

**Permanent**

Contract Format	Payroll Currency	Probation	Contract Period
In writing in German or in another language understandable to both parties. It is possible to use a qualified electronic signature	EUR	Up to 6 months	-

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**2025 Public Holiday**

Date	Name
01 Jan	New Year's Day
18 Apr	Good Friday
21 Apr	Easter Monday
01 May	Ascension Day
09 Jun	Whit Monday
03 Oct	Day of German Unity
25 Dec - 26 Dec	Christmas Day

**Leave**

Leave Type	Entitlement	Notes
Annual Leave	20 days - employees working 5-day week 24 days - employees working 6-day week	Staff with 6 months continuous service 1/12 holiday leave for each month of work
Sick Leave	Up to 6 weeks	All staff
Maternity Leave	14 weeks 6 weeks before childbirth, 8 weeks after childbirth 18 weeks (preterm birth, multiple births or child disability)	All expectant mothers Paid by government - Max. 13 EUR/day The remaining amount up to 100% of the salary is covered by the employer

Parental Leave	Up to 3 years	The leave can be divided between both parents. If the 36 months are not used by the child's 3rd birthday, a maximum of 24 months can be used between the child's 3rd and 8th birthday "Elterngeld" paid by government
Occasional Leave	Up to 4 days	AI staff for passing for a family member, relocation and mandatory medical treatment
Short-term care leave	10 working days	Care for a close relative in case of emergency Unpaid
Long-term care leave	6 months	Care for a close relative 10 business days' written notice to the employer

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