

Information leaflet for marginal employment or employment of students

According to Section 8 Para. 1 SGB IV [German Social Code] it is deemed marginal employment, if

- 1) the remuneration for the work does not regularly exceed Euro 603 per month (**marginally remunerated employment**)
or
- 2) the employment within one calendar year since it was commenced tends to be limited to t h r e e months or 70 workdays according to its characteristic features at the longest or is limited as per contract in advance, unless the employment is performed for professional reasons and its remuneration exceeds the limit stated in Number 1 (**short-term** employment).

Instructions relating to marginally remunerated employment

Marginally remunerated employment is insurance-free in the statutory health, long-term care and unemployment insurance.

Insofar as a membership in the statutory health insurance (e.g. family insurance) exists flat rate contributions in the amount of 13% are to be paid to the Minijob Centre by the employer for this purpose.

There is principally an insurance and contribution obligation in the statutory pension insurance. A flat rate in the amount of 15% is to be paid to the Minijob Centre by the employer. The share of the pension insurance contribution to be borne by the employee amounts to 3.6% of the remuneration for the work. It is derived from the difference between the employer's flat rate contribution and the full contribution to the pension insurance currently in the amount of 18.6%. Attention is to be paid that the full pension insurance contribution at least of remuneration for the work in the amount of EUR 175 is to be paid.

Application for exemption from the pension insurance obligation

☞ *Point 5 in the questionnaire A4*

If the insurance obligation is not wanted the employee can be exempted from it. A written application towards the employer (salary department or Human Resources department) is necessary for this purpose.

If several marginally remunerated employments are performed parallel the application for exemption can only be filed uniform for all simultaneously performed marginal employments. The employee has to inform all further employers, at which he performs marginally remunerated employment, about the application for exemption. The exemption from the insurance obligation is binding for the duration of the employment, it cannot be revoked.

The exemption shall principally be effective from the start of the calendar month in which the application is received by the employer. It will report the exemption to the Minijob Centre. The prerequisite is that the Minijob Centre does not object to the exemption.

Consequences from the exemption from the pension insurance obligation

Due to the exemption merely the employer will pay the flat rate contribution in the amount of 15%. The payment of an own share by the employee will cease to apply hereby. This results in the fact that the employee shall only acquire pro rata months for the fulfilment of the various waiting times and that the generated remuneration for the work is also only taken into consideration pro rata with the calculation of the pensions.

NB.: Before the employee decides in favour of the exemption from the pension insurance obligation it is recommended to obtain individual advice regarding the implications of the exemption from an information and advice centre of the German pension insurance. The service telephone of the German pension insurance can be contacted toll-free under 0800 10004800.

Addition of several employments

☞ *Point 1 in the questionnaire A4*

Several marginally remunerated employments are to be added. If only one marginally remunerated employment is performed besides a non-marginal (main) employment that is liable to insurance, an addition will not take place.

If, on the other hand, several marginally remunerated employments are performed besides a non-marginal (main) employment that is liable to insurance, the marginally remunerated employment, which was started first, shall remain insurance-free. The further marginally remunerated employments are to be added to the non-marginal employment insofar as these are subject to the insurance obligation. This shall however not apply to the unemployment insurance.

Several employments at one employer are to be assessed as a uniform employment relationship within the meaning of social insurance law irrespective of the design of the employment contracts.

Instructions relating to short-term employment

Short-term employment is insurance- and contribution-free in the statutory health, long-term care, pension and unemployment insurance. The amount of the remuneration is principally irrelevant in this respect.

A short-term employment does not exist if a framework employment contract exists with a duration of more than 12 months or there is a regularly recurring employment relationship, also if a duration of 70 workdays is not exceeded over the course of a calendar year.

It is, in addition, not deemed short-term employment if it is performed **for professional reasons** and the remuneration exceeds EUR 603 per month.

An employment is performed for professional reasons if it is not of an inferior financial significance. Short-term employment will be deemed as not for professional reasons if it is performed by persons, who according to their position in life do not perform any employment that substantiates a social insurance obligation (e.g. pupils or pensions). Employment, which is only performed occasionally (e.g. between the Abitur - high school leaving qualification – and studies) is principally to be seen as not performed for professional reasons.

Employment of persons who receive benefits according to the SGB III or SGB II shall principally be deemed as performed for professional reasons and is thus liable to social insurance. This shall also apply to persons, who are registered with the employment agency or a job centre also without receipt of benefits as seeking work for one or more marginal employment jobs. Employment during parental leave or leave of absence without remuneration shall also be deemed as performed for professional reasons.

☞ *Points 1 and 3 in the questionnaire A4*

Addition of several employments

☞ *Point 1 in the questionnaire A4*

An addition of short-term with marginally remunerated employments as well as with main employments that are liable to insurance will not be carried out. Several short-term employments are, however, to be added. All short-term employments performed over the course of a calendar year are to be taken into consideration. If the time limit of 3 months or 70 workdays is exceeded with the addition, the current employment is to be assessed as liable to social insurance.

If, contrary to the expectations, the employment lasts for longer than 3 months or 70 workdays, then the insurance obligation will begin on the day, on which the extension becomes known.

Instructions for employment during studies

If employment is started against payment during studies at a university or any other school that serves academic or specialist education exemption from insurance will principally exist in the health, long-term care and unemployment insurance if the weekly working hours do not exceed the limit of 20 hours per week (so-called working student privilege). No special features apply to the pension insurance, the examination regarding insurance law is carried out according to the general regulations. The working student privilege does not apply to students at a vocational academy.

In individual cases (in particular with employment on a weekend or during the evening and night hours) exemption from insurance can also be taken into consideration with longer weekly working hours. The prerequisite is however that the time and manpower of the student is primarily used for the studies. Exemption from insurance in the health, long-term care and unemployment insurance shall also exist for activities, which are only performed in the semester holidays – irrespective of the weekly working hours.

☞ *Point 4d in the questionnaire A4*

If temporary employment was already started in the past then the employment that is to be assessed will only be exempted from insurance if the total of all employment periods within (period of) one year amounts to a maximum of 26 weeks. All employments with a weekly working time of more than 20 hours will be taken into consideration hereby. If the addition produces more than 26 weeks, social insurance obligation will exist from the start of the employment that is to be assessed.

☞ *Point 4c in the questionnaire A4*

Employment, which is performed during a holiday semester, as well as employment during (exclusive) promotion, additional or supplementary studies are principally subject to the social insurance obligation.

☞ *Point 4b in the questionnaire A4*

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