

Information leaflet for newly hired employees of the Free State of Saxony

The State Office for Taxation and Finance with the branch offices in Dresden, Chemnitz and Leipzig is, as an authority of the Free State of Saxony among others responsible for the fixation, order and settlement of the salaries of the employees of the Free State of Saxony.

In order to fulfil its tasks the salary department is dependent on your assistance. This information leaflet should give you with important information for a better understanding of the correct fixation, order and settlement of the salaries to which you are entitled. Claims can, however, not be derived from this information.

1. Bases of the payment of salaries

The basis for the fixation of the salaries are the corresponding collective agreements. For employees this is the TV-L and the collective agreements which supplement, amend or replace this TV-L.

2. Composition of the salaries

2.1 Regular salaries

- Table remuneration, which is oriented to the pay-scale group, in which you have been classified, and according to the level that is applicable for you
- Allowances according to regulations under the collective agreements
- Capital-forming benefits of the employer according to the regulations under the collective agreements and the Fifth Capital Formation Act at the application of the employee

2.2 One-off salary payments

- Surcharges (e.g. payment for overtime and time surcharges based on the provisions of the wage agreements corresponding to the report of the branch office)

3. Calculation of the salaries

The salaries will be calculated by the salary department based on the documents sent by the personnel management office.

Based on the salary components stated under Subclause 2 and possible further salary components, which only reflate to you personally (e.g. income, which does not consist of money), your gross salary will be determined. The statutory and non-statutory deductions will be retained from this amount and remitted to the corresponding bodies.

3.1 Statutory deductions

The State Office for Taxation and Finance has the function of an employer within the meaning of the tax and social insurance right. It is therefore obliged to determine and retain the income tax, if applicable the solidarity surcharge, the church tax and the social insurance contributions from the gross salaries in line with the applicable statutory provisions as well as remit these to the Inland Revenue Office for permanent establishments or to the health insurance funds.

A) Income tax, if applicable solidarity surcharge and church tax

The State Office for Taxation and Finance shall as a rule call your individual income tax deduction features electronically [**elektronische Lohnsteuerabzugsmerkmale (ELStAM) [electronic income tax deduction features]**] and uses these as a basis for the taxation of your salaries.¹ You can request your currently stored ELStAM from your Inland Revenue Office or view these in the Internet in the ElsterOnline-Portal (www.elsteronline.de/eportal).

Your personal **Tax ID No.**² is required in order to call your ELStAM. If you were allocated a Tax ID No. and you can no longer find this please contact the Inland Revenue Office responsible for your place of residence. If you were not allocated a Tax ID No. you can contact the Federal Central Tax Office (BZSt) or have your Tax ID No. notified to you via an input form in the Internet portal of the BZSt (www.identifikationsmerkmal.de).

If it concerns a **secondary employment relationship** and the State Office for Taxation and Finance should take an allowance pursuant to Section 39a Para. 1 No. 7 EStG into consideration for this with the taxation for this employment relationship (because a corresponding additional amount is taken into consideration in the first employment relationship), you must also report this.

Please check whether the ELStAM stated on the salary statement (tax class, number of child allowances, allowance, additional amount, religion feature, factor) are correct. **Should your income tax deduction features not be correct please contact your Inland Revenue Office.** Your income tax deduction features can either be corrected there immediately and the correct ELStAM will be sent to the employer by using electronic means or a paper certificate will be issued to you for presentation to the employer. If this is the case please submit this to your salary department immediately. In case of deviations in your ELStAM for your benefit you are obliged to report this to your Inland Revenue Office immediately.

NB: If you apply for **changes to your electronic income tax deduction features at the Inland Revenue Office** (e.g. entry of an allowance, change to the tax class or confession, etc.), the employer will always only receive these changes at the beginning of the following month by using electronic means. Only then can the changed income tax deduction features be taken into consideration in the salary settlement from the notified validity (i.e. often retrospectively).

If the State Office for Taxation and Finance not call any **ELStAM for you** (for example, because you have limited tax liabilities or the call of your ELStAM was blocked for the purpose of corrections), you must submit a current certificate concerning your income tax deduction features to the State Office for Taxation and Finance. You can obtain this from the Inland Revenue Office for your place of residence (persons with limited tax liabilities from the respective Inland Revenue Office for permanent establishments Dresden-North, Chemnitz-centre or Leipzig II).

For other one-off salary components (e.g. subsequent payments for payment periods, which end in another calendar year than that of the payment), which are paid in addition to the regular salaries, the income tax that is to be retained for this will be determined according to the procedure presented in Section 39b Para. 3 EStG. For this reason it is recommended to submit the previous salaries in the form of the print-out of the electronic income tax certificate (copy) of your previous employer.

The return of paper certificates (e.g. an income tax deduction certificate) will only be carried out when leaving the employment relationship over the course of the calendar year for presentation to the new employer. After leaving during the year or after the expiry of the calendar year you will receive a print-out of the electronic income tax certificate sent to the responsible tax authority with details of the income tax-related regulatory feature (eTIN or tax identification number). The transmission and the print-out of the electronic income tax certificate shall be carried out after the closing of the payroll account.

B) Social insurance

For employees subject to social insurance contributions, the employee's share of health, long-term care, insurance and unemployment insurance is retained by the payroll centre and paid to your health insurance fund together with the employer's share.

The contributions to social and long-term care insurance may depend on the number of children you have and can only be correctly determined after the first settlement due to a digital retrieval procedure, so that the first settlement may be corrected one-time.

For employees who are not subject to compulsory health insurance, only the employee's contribution to pension and unemployment insurance is retained and paid to the relevant health insurance fund together with the employer's contribution. For employees with voluntary statutory or private health and long-term care insurance, the employer pays a subsidy towards their contributions according to Section 257 German Social Code, Book V [*Fünftes Buch Sozialgesetzbuch - SGB V*] or Section 61 German Social Code, Book XI [*Elftes Buch Sozialgesetzbuch - SGB XI*].

¹ Excluded from the electronic procedure so far are mini-jobs / employees with a flat rate income tax deduction and employees, who are only liable to limited taxation or do not have a place of residence or customary place of abode in the domestic country. The latter will only participate in the electronic procedure at a later time and must also continue to submit a current certificate for the income tax deduction of the Inland Revenue Office for permanent establishments.

² The Tax Information Center of the Federal Central Tax Office (53225 Bonn - An der Kuppe 1) under the telephone number +49 (0)228 406-1222 will be pleased to answer questions relating to the identification number. You can also contact the Information-Center under the standard authority number 115.

C) Supplementary pension scheme (company pension scheme)

Under the prerequisites of the collective agreement pension plan (ATV) the employees are subject to the insurance obligation for the federal and federal state pension fund (VBL). The allocations and contributions to be paid to the additional pension fund are partly tax-free under certain prerequisites. A part of these expenses will – depending on the tax treatment – added to the remuneration that is liable to social insurance. For further important information regarding the additional pension please refer to the **Information leaflet for the company pension plan at the Federal and Federal State Pension Fund [Versorgungsanstalt des Bundes und der Länder (VBL)] for newly hired employees.**

3.2 Non-statutory deductions

These include among others assignments, attachments and payments of the employer within the scope of the capital-forming investment of parts of the salaries according to the Fifth Capital Formation Act.

These non-statutory deductions will be retained from the net wage by complying with the statutory attachment allowances and remitted to the corresponding bodies (creditors).

4. Pay-out of the salaries

The salaries will be calculated for the calendar month and paid on the last day of each month (pay day) for the current month into an account pursuant to Section 24 TV-L. If the pay day falls on a Saturday or on a public holiday during the week the previous workday will apply; if it falls on a Sunday, the second previous workday will apply as a pay day.

As the salaries are as a rule available to the banks and Sparkasse banks before the due date the salary department can recall the salaries in full or in part until the last business day of the bank before the pay day, if there is a reason for this occurrence. The salary department can thus in the event that a possible excess payment becomes known (e.g. with the release from work to care for a sick child, attachment claims, late report of the termination of the employment relationship) by means of a bank recall, if applicable, correct or cancel the transfer of the salaries.

5. Salary statement

With the commencement of the salary payment, in case of changes to the composition and the amount of your salaries or with one-off payments you will receive a salary statement, which you can use as a certificate for proof of regular income. The salary statements are numbered consecutively in the calendar year.

It is recommended to read these notifications carefully and store these in a safe place.

On the front of the salary statement you will find the name and the **number of the processing clerk**, who supervises you, and your **personnel number**. **It is essential** for you **to quote** these data with enquiries and when sending documents.

In addition to the details regarding the classification and the income tax and social insurance features the salary statement contains the breakdown of your salaries into the salary components. By complying with the deductions the amount to be paid is shown. Your bank details are also noted on the front of the salary statement. Only the first 4 digits and the last 4 digits are output for the data protection compliant representation of the IBAN.

Please refer to the **reverse** of the salary statement for important information and instructions. These may be of a general nature such as e.g. contain the reservation to demand refund for certain salary components, or special details for the month of payment (e.g. corrections of previous payments).

Please check the details in your salary statement carefully and inform your processing clerk immediately, if

- you determine or presume discrepancies in the salary statement,
- the amount that is to be paid out according to the salary statement was not credited to your account,
- a change, which you reported to the salary department or your personnel management office (e.g. change in address, change in the bank details), also after a reasonable period of time (next but one pay day) was not included in the notification.

Please pay attention in this context to the exclusion deadlines according to Section 37 TV-L. The corresponding instructions on the collective agreement exclusion deadlines were handed over to you with the employment documents.

6. Changes in the personal and employment relationships

Changes can as a rule only be taken into consideration for the next salary payment if the notifications are received by the 1st calendar day of the previous month. Please cite the number of the processing clerk in the notifications, who supervises you, as well as your **personnel number** so that the allocation can be carried out without delay and enclose the corresponding proof (documents, certified copies, certificates).

The salary department must in particular be notified of the following:

- Inclusion or termination of the inclusion of a child in the household, death of a child if this was to be taken into consideration with the granting of the vested interest allowance according to Section 11 TVÜ states;
- Birth / adoption of a child or the inclusion of a stepchild or foster child in the household (implications on the amount of the contributions for the long-term care insurance),
- Change to the postal address (also change to the postal code after integrations into a municipal authority),
- Change in the bank details (in order to avoid false allocations of payments, it is useful to have the previous account continue to exist until the salaries are received into the new account),
- Conclusion of contracts according to the Fifth Capital 'Formation Act,
- Changes with regard to your health insurance (e.g. change in health insurance fund, Issue of an exemption notification, contribution changes with private health and long-term care insurance),
- Commencement or termination of further employments at other employers,
- Receipt of a pension from the statutory pension insurance or of pension payments according to regulations relating to civil servant or soldier law.

Changes in the employment relationship, such as e.g. higher grouping, transfer, part-time employment, leave of absence, maternity leave, etc., will be reported by the responsible personnel management office

7. Reporting obligations with incapacity for work caused by third parties

If you become incapable of working as a result of a third party fault, accident event, your thus resulting claims for damages against the causing party will pass to the employer (Free State of Saxony) up to the amount of the salaries which continue to be paid for the period of the incapacity for work.

You are therefore obligated to inform the Human Resources department of your place of work immediately if you become incapable of working owing to an accident, in which other persons were also involved. It does not depend on whether the accident has any connection with your employment at the Free State of Saxony or is exclusively to be allocated to the private field.

8. Child benefits

From 1 August 2020, the family fund of the Federal Employment Agency (BA) will be responsible for determining and paying child benefits. Please submit any relevant applications, inquiries or proofs there – the postal address is: Familienkasse Sachsen, D-09092 Chemnitz, Germany.

Comprehensive information on responsibilities, payment dates and application forms can be found on the internet at www.familienkasse.de or by calling the toll-free service number +49 800 4 5555 30 of the BA Family Fund.

9. Organisational instructions

A timely payment of the salaries by processing the stipulations or change notifications can only be carried out with the timely information of the respective responsible salary department of the State Office for Taxation and Finance.

Insofar as the use of forms is stipulated for the correspondence with the State Office for Taxation and Finance you will receive these from your personnel management office or in exceptional cases from the responsible salary department of the State Office for Taxation and Finance.

You can find the details relating to the responsible salary department in your salary statement.

The processing clerks will be pleased to be of assistance for questions with regard to the entitlement and payment of salaries. In case of consultation by telephone please use the telephone numbers noted on your salary statement and cite the processing clerk number at the switchboard.

You can submit your concerns personally during the service times. Please refer to the revers of your salary statement for information about the service times of your salary department.

Data protection notice in accordance with Articles 13 and 14 of the General Data Protection Regulation (GDPR)

Your data is processed by the Landesamt für Steuern und Finanzen (State Office for Tax and Finance) in performance of its tasks pursuant to applicable data protection regulations. Further information on the individual tasks and on the processing of data and the rights related to processing data arising from the General Data Protection Regulation can be found on the Internet at <http://www.lsf.sachsen.de/Datenschutz.html> (e.g. Salaries). The official data protection officer for the Landesamt für Steuern und Finanzen can be contacted at: Landesamt für Steuern und Finanzen, Official Data Protection Officer, Stauffenbergallee 2, 01099 Dresden, E-mail address: Datenschutz@lsf.smf.sachsen.de

Your
State Office for Taxation and Finance