



THE ROLE OF LABOR UNIONS IN GERMANY

WHO WANTS WHAT?



▶ **Interests:**

- ▶ high earnings
- ▶ sufficient vacation days
- ▶ job security
- ▶ Appropriate hours of work
- ▶ Bonusses

Employee

Corporation

▶ **Interests:**

- ▶ Low wage costs
- ▶ Less vacation days
- ▶ Reduction of costs
- ▶ Long hours of work
- ▶ Limited contracts

Goal: Good life

Goal: High profit



THE CONFLICTING INTERESTS

- ▶ By being able to decide whom to employ and people on the other hand needing jobs, corporations used to have all the leverage in deciding about working conditions
- ▶ So employees started to organize into unions to strengthen their negotiation positions and make the labor market more fair

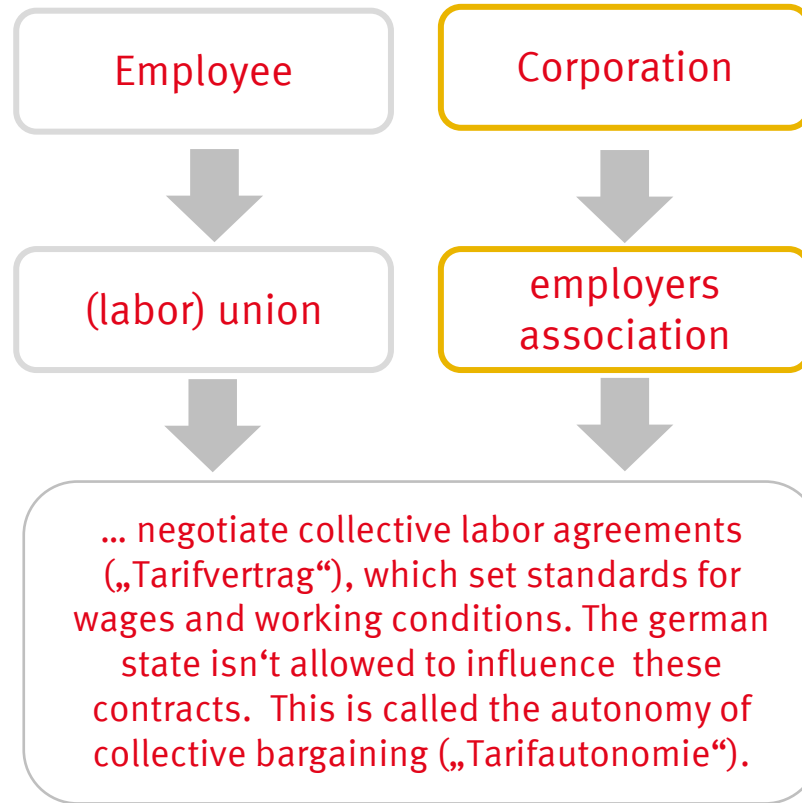
WHAT UNIONS DO IN GERMANY



▶ Interests:

- ▶ high earnings
- ▶ sufficient vacation days
- ▶ job security
- ▶ Appropriate hours of work
- ▶ bonuses

Goal: Good life



▶ Interests:

- ▶ low wage costs
- ▶ less vacation days
- ▶ reduction of costs
- ▶ long hours of work
- ▶ limited contracts

Goal: High profit

COLLECTIVE LABOR AGREEMENTS



- ▶ Working conditions affected by a collective labor agreement (CLA) are significantly better than those of people whose corporations don't have one:
 - ▶ **Wages:** on average 11% (max. 18,3%) higher
 - ▶ **Working hours:** on average 1 hour per week less (up to 5 hours depending on industrial branche)
 - ▶ **Vacation:** 6 weeks of paid vacation while the law guarantees 4 weeks

Source:

Malte Lübker, Thorsten Schulten (2020): *Tarifbindung in den Bundesländern: Entwicklungslinien und Auswirkungen auf die Beschäftigten*, Elemente qualitativer Tarifpolitik Nr. 87, Düsseldorf



WORKING ALONGSIDE YOUR STUDIES IN GERMANY

Tips and Information for foreign students (from non-EU countries)

STRUCTURE



- Funding of studies
- Right of residence
- Social security contributions
- Digression: 450-Euro jobs, Student assistant at university, short fixed-term contracts
- Labour law

DIFFERENT LEGAL SPHERES...



Right of Residence

- EU countries/EFTA/EAA
- non-EU countries
- 120/240-days-rule

Social Security

- 20-hours-rule
- Obligatory health insurance

Taxes

- Income limit

Labor Law

- Minimum wage
- Collective Agreement

FUNDING OF STUDIES: SCHOLARSHIPS



Friedrich-Ebert-Stiftung	Friedrich-Ebert-Stiftung supports foreign applicants, who already go to public university or do a PhD at public university in Germany.	https://www.fes.de
Friedrich-Naumann-Stiftung	Friedrich-Naumann-Stiftung supports foreign applicants, who do their masters in Germany.	https://www.freiheit.org
Heinrich-Böll-Stiftung	Heinrich-Böll-Stiftung supports foreign applicants, who do their masters in Germany.	https://www.boell.de/de/stiftung/bewerbung
Konrad-Adenauer-Stiftung	Konrad-Adenauer-Stiftung supports foreign applicants, who do their masters in Germany.	https://www.kas.de/wf/de/42.37/
Rosa-Luxemburg-Stiftung	Rosa-Luxemburg-Stiftung supports foreign applicants, who do their masters in Germany and offers special sholarships for students from Tunisia and some north african countries.	https://www.rosalux.de/stiftung/studienwerk/studienstipendium
Deutschlandstipendium	When your university takes part in Deutschlandstipendium you can apply.	
Brot für die Welt	<p>Evangelischer Entwicklungsdienst – Brot für die Welt supports foreign students, who are academic prequalified and offers a development politics sholarship for studies in Germany and overseas for academic prequalified.</p> <p>Additionally, an oecumenic hardship fonds is offered for students from the global south who find themselves in financial needs.</p>	<p>https://info.brot-fuer-die-welt.de/stipendienprogramm/faq/welche-voraussetzungen-muessen</p> <p>https://info.brot-fuer-die-welt.de/stipendienprogramm/oekumenischer-notfonds</p>
Erasmus+:	Under certain conditions foreign students from non-EU countries can draw benfits of Erasmus+.	https://ec.europa.eu/programmes/erasmus-plus/contact_en#tab-1-0

FUNDING OF STUDIES: SCHOLARSHIPS



- <http://www.bildungserver.de/Foerderungsmoeglichkeiten-fuer-auslaendische-Studierende.-Stipendien-2416.html>
- <http://www.scholarshipportal.com/scholarships/germany>
- <https://www.stipendienlotse.de>

FUNDING OF STUDIES: KFW-LOAN



- Until 31 December 2021 0.00% interest rate, due to the corona-crisis
- Monthly disbursements of up to EUR 650
- Condition:
 - Registered address in Germany
 - University must be located in Germany and be a state or state-accredited university
- Attention:
 - Refund necessary
 - After 31 December 2021 interest rate with an average of ~ 4,7%!

RIGHT OF RESIDENCE FOR STUDENTS



- ▶ Non-EU students registered at German university obtain a residence permit for the purpose of study („Aufenthaltserlaubnis nach §16 AufenthG zum Zwecke des Studiums“)
 - ▶ Restricted work permit
 - ▶ 120/240-days-rule

120/240-DAYS-RULE



	120 days of full-time work	240 days of part-time work
Scale	more than 4 hours a day	max. 4 work hours per day
Required internship (study regulations)	<ul style="list-style-type: none">• no need for a work permission (even internship is paid)• work-restriction does not apply	
Voluntary internship	<ul style="list-style-type: none">• work restriction does apply	
Exceptions	<ul style="list-style-type: none">• working as: student assistant, research assistant at a german university or public research center → 120/240-days-rule does not apply• also valid for: lectures or performances of high scientific or artistic standards; athletic/sports performances	
Employment extensions	<ul style="list-style-type: none">• absolute exception• required work permit will be granted by the foreigners registration office (specific job offer/priority review/ succes in studies)	
Mode of employment	<ul style="list-style-type: none">• dependent employment	

SOCIAL SECURITY CONTRIBUTIONS



- Employees have to pay social security contributions
- Contributions are deducted from the gross wage
- The health insurance collects the contributions from the employer and forwards them
- Exceptions:
 - Special rules are applied for students that work a max of 20 hours a week
 - Short fixed-term employment
 - 450-Euro jobs

20-HOURS-RULE (HEALTH INSURANCE)



- Privilege for working students
- Students that work a max of 20 hours a week do not have to pay social security contributions excepting the pension insurance
- Students that work more than 20 hours a week must pay complete contributions
- Exceptions:
 - Short fixed-term contracts
 - Employment in the semester break
 - Working hours during the weekend, night or evening might be counted as an exemption → check with your health insurance (limited to 26 weeks within the last 12 months)

DIGRESSION: 450-EURO JOBS



- Max 450,00 €/month
- Minimum wage 9,60€/month
- 46,875 hours/month → < 120 days/year
- Contribution for pension insurance is optional

DIGRESSION: STUDENT ASSISTANT AT UNIVERSITY



- „HiWi/WiMi“
- 120-days-rule does not apply
- Payment based on collective agreement
- Short temporary work contract

DIGRESSION: SHORT FIXED-TERM CONTRACTS



- „Ferienjob“
- No limited income
- Working more than 20 hours/week possible without losing privilege for working students
 - Limitation 70 days/3 months
 - Extended to 102 days/4 month effective until october 31 (restricted jobs from march to may can be extended for one month until the end of october)
- Payment normally based on collective agreement

LOST YOUR JOB? REFUSED PAYMENT?



- Dismissal: Was it according to the law?
 - Written form
 - Statutory notice periods are at least 4 weeks to the middle or end of a month (in the trial period 2 weeks are possible)

- Possibility:
 - File a claim to the labour court (period of time: 3 weeks from the day you receive the notice of dismissal)

LOST YOUR JOB? REFUSED PAYMENT?



➤ Refused Payment:

- Suspend all paying immediately is not legal
- The company has to bear the economic risks
- If you offer your service, payment for the contracted hours (§615 BGB)
- File a claim to the labour court (period of time: 3 weeks from the day you receive the notice of dismissal)

➤ Possibilities:

- Claim to the labour court: first offer your service (formal letter)
- Agreement of unpaid absence → other jobs in the unpaid period are possible



- Income tax is determined by the tax class
- Tax class is, among others, determined by the level of earnings and marital status
- Up to 9.744,00 € are tax free
- 1.000,00 € of income-related expenses can be reduced from your income (flat rate allowance), more if you can provide evidence that these expenses were necessary for your job
- Single parents benefit from tax allowances
- Employees can submit a tax declaration and to reduce certain costs
- In the most cases, students are not obligated to make a tax declaration
 - More than one Job (different employers)
 - Income from rent/ investment income



- Be careful: with a 450€ job and a short-fixed term contract taxation can vary:
 - 450€ job: normal taxation with tax id (Steuer-IdNr.) or flat rate taxation of 2% - employer can deduct this 2% from your income
 - Short-fixed term contract: normal taxation with tax id (Steuer-IdNr.) or flat rate taxation of 25% from gross wage
 - With a flat rate taxation it is not possible to reclaim taxes!

EMPLOYMENT CONTRACT



- What needs to be included:
 - names and addresses of both contract parties
 - start date
 - job title and description
 - place of work
 - reference to the collective agreement
 - probationary period
 - salary group
 - special agreements
 - reference to works agreement
 - hours of work

COLLECTIVE AGREEMENT VS. LAW



	Collective agreement (IG Metall)	Law
	35 hrs from Monday to Friday	40/48 hrs from Monday to Friday/Saturday
Paid vacations	30 workdays: 6 weeks	24 workdays: 4 weeks
Holiday pay	50 % per day	No regulations
Christmas bonus	Up to 55% of monthly income	No regulations
Pay	Determined by labor contract	Minimum wage: 9,35 €/hour
Compensation for overtime work	Overtime is working time which goes beyond the time agreed upon. Compensation in pay and compensatory time-off	Ten hour limit per working day. No overtime premium for overtime, but compensatory time-off
Continuation of payments during illness	In some cases the claim is valid from the first day of work. Continued remuneration starting on the first day of employment. Pay subsidy begins with the 7th week of sick leave.	Claim valid after four weeks of continuous work. The employer pays full salary for the first 6 weeks of sick leave and cure treatments. In the 7th to 78th week of sick leave the health insurance pays the salary.
Giving of notice*	Occasionally longer periods of notice for the employer	Standard weekly working hours

LETTER OF REFERENCE



- Every employee has a right to a letter of reference
- Jurisdiction states that:
 - Content is to be favorable and truthful
 - No one-time incidents that are not typical for the employee
 - Only work-related facts, no private information
 - In a correctly written form, signed accordingly
 - No hidden references
- An interim report can be requested
- Also applies for an internship

GET IN CONTACT



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**THANK YOU FOR
LISTENING**