WORKING IN GERMANY AFTER GRADUATION

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

▪ Right of residence
▪ Social security contributions
▪ Taxes
▪ Labor law:
  ▪ Industrial relationship and employee participation
  ▪ Collective agreements
  ▪ Starting salaries for graduates
  ▪ First working contract
▪ Advice and help
DIFFERENT LEGAL SPHERES...

Right of Residence
- EU countries/EFTA/EAA
- non-EU countries

Social Security
- unemployment insurance, health insurance et al.

Taxes
- Income limit

Labor Law
- Collective agreement
- BetrVG (works constitution act)
RESIDENCE PERMIT AFTER GRADUATION

non-EU countries

After graduation a residence permit is granted in order to enable post-graduates to find an adequate work position in Germany.
• The permit is valid for 18 months.
• There are no restrictions for dependent employees in terms of working time.
• Self-employment is possible.
• The employment chosen must ensure the means of subsistence.

If the chosen position is conforming to the educational background of the postgraduate, there is no need for a priority review.
The applicant needs a warrant by the Federal Employment Agency.

A request must be forwarded to the respective Foreigners Registration Office, which will prove based on the offer of employment, whether the position
• Requires an academic degree,
• Ensures the means of subsistence,
• Requires at least some of the knowledge acquired through the studies.

EU Blue Card

If a profession is exercised for at least 33 months, the applicant may apply for a permanent residence permit. You have to proof that you paid social security contributions and comply all remaining requirements. When you speak German on B1 level you receive a permanent residence permit after 21 month.
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:
  - Short fixed-term employment
  - 450-Euro jobs
SOCIAL SECURITY CONTRIBUTIONS

➢ Deducted contributions:
  ➢ Unemployment insurance (AV) 2,4%
  ➢ Health insurance (KV) 14,6% (+additional amount)
  ➢ Nursing care insurance (PV) 3,05% (3,3% for employees without children)
  ➢ Pension insurance (RV) 16,8%
➢ Income tax is determined by the tax class
➢ Tax class is, among others, determined by the level of earnings and marital status
➢ Up to 9,984,00 € 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
➢ obligation to make a tax declaration:
   ➢ More than one Job (different employers)
   ➢ Income from rent/ investment income
Ranking of the provisions - the higher sets the minimum standards for lower.

International labor law, EU law and fundamental law
   For example, fundamental rights, prohibition of discrimination, international labor and social agreements

Labor laws, ordinances
   for example, Works Constitution Act, Co-Determination Act, Working Time Act, Accident prevention regulations

Collective agreements
   Contracts between the union and employers' association or company

Works agreements
   Agreements between the works council and employer

Employment contracts
   Contract between employer and employee

Principle of most favourable condition:
Provision can be applied, if favorable to employees.
SOCIAL PARTNERSHIP AT INDUSTRIAL LEVEL

Employer

Employer’s association

Employee

Union

• Services for members only
• No wage dumping
• Predictability and transparency

...settle collective agreements for their members and set the standards for pay and working conditions. The state has no influence on the collective wage policy “(autonomous collective bargaining”).

Results:
• Wage increases
• Provisions for training
• Holiday
• Working hours

• Comparable parameters
• Collective outcome for all employees
• Predictability and transparency
# COLLECTIVE AGREEMENT VS. LAW

<table>
<thead>
<tr>
<th>Collective agreement (IG Metall)</th>
<th>Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>35 hrs from Monday to Friday</td>
<td>40/48 hrs from Monday to Friday/Saturday</td>
</tr>
<tr>
<td>Paid vacations</td>
<td>24 workdays: 4 weeks</td>
</tr>
<tr>
<td>30 workdays: 6 weeks</td>
<td>50 % per day</td>
</tr>
<tr>
<td>Paid vacations</td>
<td>No regulations</td>
</tr>
<tr>
<td>30 workdays: 6 weeks</td>
<td>No regulations</td>
</tr>
<tr>
<td>Holiday pay</td>
<td>Minimum wage: 9,82 €/hour</td>
</tr>
<tr>
<td>50 % per day</td>
<td>Ten hour limit per working day. No overtime premium for overtime, but compensatory time-off</td>
</tr>
<tr>
<td>Pay</td>
<td>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.</td>
</tr>
<tr>
<td>Pay</td>
<td>Determined by labor contract</td>
</tr>
<tr>
<td>Pay</td>
<td>Ten hour limit per working day. No overtime premium for overtime, but compensatory time-off</td>
</tr>
<tr>
<td>Pay</td>
<td>Overall weekly working hours</td>
</tr>
<tr>
<td>Pay</td>
<td>Ten hour limit per working day. No overtime premium for overtime, but compensatory time-off</td>
</tr>
<tr>
<td>Compensation for overtime work</td>
<td>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.</td>
</tr>
<tr>
<td>Compensation for overtime work</td>
<td>Ten hour limit per working day. No overtime premium for overtime, but compensatory time-off</td>
</tr>
<tr>
<td>Continuation of payments during illness</td>
<td>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.</td>
</tr>
<tr>
<td>Continuation of payments during illness</td>
<td>Ten hour limit per working day. No overtime premium for overtime, but compensatory time-off</td>
</tr>
<tr>
<td>Giving of notice*</td>
<td>Occasionally longer periods of notice for the employer</td>
</tr>
<tr>
<td>Giving of notice*</td>
<td>Standard weekly working hours</td>
</tr>
</tbody>
</table>
## STARTING SALARIES FOR GRADUATES: METAL- AND ELECTRICAL INDUSTRIES

### Northwestern Lower Saxony

<table>
<thead>
<tr>
<th></th>
<th>EG 9</th>
<th>EG 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly base pay</td>
<td>4.655,00 €</td>
<td>5.281,00 €</td>
</tr>
<tr>
<td>Monthly remuneration incl. An average performance bonus</td>
<td>4.934,00 €</td>
<td>5.598,00 €</td>
</tr>
<tr>
<td>= Pay12 months</td>
<td>59.212,00 €</td>
<td>67.174,00 €</td>
</tr>
<tr>
<td>+ Additional Holiday Pay (50 % for 30 days of paid holidays)</td>
<td>3.403,00 €</td>
<td>3.86100 €</td>
</tr>
<tr>
<td>+ Special payment (25 % ot the monthly remuneration)</td>
<td>2.714,00 €</td>
<td>3.079,00 €</td>
</tr>
<tr>
<td>+ one-off payment (A+B)</td>
<td>1757,00 €</td>
<td>1.939,00 €</td>
</tr>
<tr>
<td>+ Transformation payment (2022: 18,4 % of the monthly remuneration, 2023: 27,6 %)</td>
<td>908,00 €</td>
<td>1.030,00 €</td>
</tr>
<tr>
<td>Annual remuneration</td>
<td>69.994,00 €</td>
<td>77.083,00 €</td>
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</tbody>
</table>
### STARTING SALARIES FOR GRADUATES: METAL AND ELECTRICAL INDUSTRY

#### Lower Saxony

<table>
<thead>
<tr>
<th>Monthly base pay</th>
<th>EG 11A</th>
<th>EG 12A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.213,00 €</td>
<td>4.806,00 €</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Monthly remuneration incl. An average performance bonus</th>
<th>EG 11A</th>
<th>EG 12A</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>4.634,00 €</td>
<td>5.287,00 €</td>
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</table>

= Pay12 months

<table>
<thead>
<tr>
<th>= Pay12 months</th>
<th>EG 11A</th>
<th>EG 12A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>55.608,00 €</td>
<td>63.444,00 €</td>
</tr>
</tbody>
</table>

+ Holiday Pay (50 % for 30 days of paid holidays)

<table>
<thead>
<tr>
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<th>EG 11A</th>
<th>EG 12A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.196,00 €</td>
<td>3.646,00 €</td>
</tr>
</tbody>
</table>

+ Special payment (25 % of the monthly remuneration)

<table>
<thead>
<tr>
<th>+ Special payment (25 % of the monthly remuneration)</th>
<th>EG 11A</th>
<th>EG 12A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.159,00 €</td>
<td>1.322,00 €</td>
</tr>
</tbody>
</table>

+ one-off payment (A+B)

<table>
<thead>
<tr>
<th>+ one-off payment (A+B)</th>
<th>EG 11A</th>
<th>EG 12A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.559,00 €</td>
<td>1.722,00 €</td>
</tr>
</tbody>
</table>

+ Transformation payment (2022: 18,4 % of the monthly remuneration, 2023: 27,6 %)

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<th>EG 11A</th>
<th>EG 12A</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>852,65 €</td>
<td>972,81 €</td>
</tr>
</tbody>
</table>

Annual remuneration

<table>
<thead>
<tr>
<th>Annual remuneration</th>
<th>EG 11A</th>
<th>EG 12A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>62.374,65 €</td>
<td>71.106,81 €</td>
</tr>
</tbody>
</table>


# Starting Salaries for Graduates: Public Services (Federal Government Services-TVl)

## 2022

<table>
<thead>
<tr>
<th>Description</th>
<th>E 11/1</th>
<th>E 13/1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly base pay</td>
<td>3553.15 €</td>
<td>4074.30 €</td>
</tr>
<tr>
<td>= Pay12 months</td>
<td>42637.80 €</td>
<td>48891.60 €</td>
</tr>
<tr>
<td>+ special payment (annual)</td>
<td>2641.77 €</td>
<td>3646.00 €</td>
</tr>
<tr>
<td>+ special payment (corona bonus, tax free)</td>
<td>1.300 €</td>
<td>1.300 €</td>
</tr>
<tr>
<td>Annual remuneration</td>
<td><strong>46.579.57 €</strong></td>
<td><strong>52.084.93 €</strong></td>
</tr>
</tbody>
</table>
EQUAL PAY FOR EQUAL WORK?

CONTRACT WORK/LABOUR LEASING

- contract of employment between you and the company who has a contract about f.e. engineering services
- contract with the temporary employment agency to send temporary workers to other companies
- limited to a certain period of time based on the needs of the organization which ordered a task
- usually, working conditions are lower:
  - working time
  - Payment
  - Benefits
- chance to start a working career but the level of abuse is high
SOCIAL PARTNERSHIP AT FIRM LEVEL

Result: relating to homeoffice, flexible work time, mobile working, qualification et al.
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
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
PLEASE CONSIDER

- Better working conditions with collective agreements and co-determined companies
- Contract work/ labor leasing can be a chance but often the working conditions are moderate
- Watch out strange and nebulous wording
  - f.e.: output-related remuneration
  - false promises (annual salary increase check)
IG METALL – BENEFITS FOR MEMBERS

- Free-of-charge seminars covering the entry into the labour market, time management and political topics
- Legal protection in cases relating to employment law and social law
- Review of employment and internship contracts and references
- Active involvement in IG Metall and the possibility to improve working conditions
- Network of operational experts
- Special workshops, lectures and events round about STEM disciplines
  - „Engineering&IT conference in cooperation with Hans Böckler Foundation
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Sören Frömter
soeren.froemter@igmetall.de
https://www.igmetall-oldenburg-wilhelmshaven.de

Students at Work Campus Office der Kooperationsstelle Hochschule Gewerkschaften
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THANK YOU FOR LISTENING