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## flash International Executive Alert

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### GERMANY HAS NEW SOCIAL SECURITY RATES, THRESHOLDS FOR 2012

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As of 1 January 2012, slight changes regarding German social security contributions came into effect by virtue of decrees by the Ministry of Labour and Social Affairs dated 2 December 2011 and 19 December 2011.<sup>1</sup> The maximum amounts have increased slightly, except for the maximum pension contributions in the New Federal States ("East"). The following summary provides an update of the new German rates and maximum contributions in comparison with 2011.

Social Security Rates for 2012 in Comparison with 2011				
Income ceiling for assessing contributions (annual)				
	2012		2011	
	West	East	West	East
Statutory pension/ unemployment insurance*	€67,200.00	€57,600.00	€66,000.00	€57,600.00
Health insurance/nursing care insurance	€45,900.00		€44,550.00	
Contribution rates (employer and employee each pay half of the contributions)				
Statutory pension insurance	19.60%		19.90%	
Unemployment insurance	3.00%		3.00%	
Nursing care insurance	1.95% + 0.25%**		1.95% + 0.25%**	
Health insurance (statutory)	15.5%***		15.5%***	
Maximum contribution (monthly)				
	West	East	West	East
Statutory pension insurance	€1,097.60	€940.80	€1,094.50	€955.20
Unemployment insurance	€168.00	€144.00	€165.00	€144.00
Nursing care insurance	€84.15		€81.68	
Health insurance (statutory)	€592.88		€575.43	
Contribution grant by employer for private health insurance (monthly limit)				
Contribution for health insurance	€279.23		€271.01	
Contribution for nursing care insurance	€37.29		€36.20	

\* There are 2 different contribution ceilings which relate to the Old Federal States and New Federal States in Germany respectively. These are referred to as 'West' and 'East'.

\*\* An additional contribution is made by (certain) childless employees (no employer participation).

\*\*\* Contribution rate is 14.6% (paid in equal amounts by employer and employee) and additional surcharge of 0.9% paid by employee.

*Footnote:*

1 See:

[http://www.bgbl.de/Xaver/start.xav?startbk=Bundesanzeiger\\_BGBI&bk=Bundesanzeiger\\_BGBI&start=/\\*\[@attr\\_id='bgbl111s2421.pdf'\]](http://www.bgbl.de/Xaver/start.xav?startbk=Bundesanzeiger_BGBI&bk=Bundesanzeiger_BGBI&start=/*[@attr_id='bgbl111s2421.pdf'])

[http://www.bgbl.de/Xaver/start.xav?startbk=Bundesanzeiger\\_BGBI&bk=Bundesanzeiger\\_BGBI&start=/\\*\[@attr\\_id='bgbl111s2795.pdf'\]](http://www.bgbl.de/Xaver/start.xav?startbk=Bundesanzeiger_BGBI&bk=Bundesanzeiger_BGBI&start=/*[@attr_id='bgbl111s2795.pdf'])

€1 = \$1.314

€1 = £0.831

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