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Germany – 2015 Brings New Social Security Rates, Thresholds

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Germany implemented slight changes to mandatory social security contributions effective from 1 January 2015. Contribution rates and income ceilings are adjusted annually based on economic developments and trends in Germany, which can contribute to increases in employees' income.

Why This Matters

These changes may mean, for some assignees subject to German social security, a slight rise in their contributions. The adjustments noted in this newsletter should be taken into consideration by payroll administrators with respect to withholdings and by international assignment program managers budgeting for international assignments to/from Germany where the employee taking the assignment is subject to German social security.

The following table summarizes the update of the new German rates and maximum contributions applicable for calendar year 2015.

Social Security Rates for 2015		
Income ceiling for assessing contributions (annual)		
	West ¹	East ¹
Statutory pension/unemployment insurance ¹	€72,600.00 (2014: €71,400.00)	€62,400.00 (2014: €60,000.00)
Health insurance/nursing care insurance	€49,500.00 (2014: €48,600.00)	
Contribution rates (employer and employee each pay half of the contributions)		
Statutory pension insurance	18.7% (2014: 18.9%)	
Unemployment insurance	3.00% (2014: 3.00%)	
Health insurance (statutory)	14.6% ² (2014: 15.5% ³)	
Nursing care insurance	2.35% + 0.25% ⁴ (2014: 2.05% + 0.25% ⁴)	
Maximum contribution (in total for employee and employer on monthly basis)		
	West ¹	East ¹
Statutory pension insurance	€1,131.35	€972.40
Unemployment insurance	€181.50	€156.00
Health insurance (statutory)	€602.25 ⁵	
Nursing care insurance (includes additional charge for childlessness only due by employee)	€107.25	

Contribution match by employer for private health insurance (monthly limit)	
Contribution for private health insurance	€301.13
Contribution for private nursing care insurance	€48.47

¹ There are two different contribution ceilings that relate to the “old” federal states and “new” federal states (former East Germany) in Germany respectively. These are referred to as “West” and “East.”

² General contribution rate is 14.6% (paid in equal amounts by employer and employee). As of 1 January 2015, the German health insurance companies are allowed to impose additional contributions due by the employee. The additional contribution may vary between the different health insurance companies. However, the average additional surcharge should amount to 0.9% due by the employee.

³ In 2014, the employer match for health insurance was 7.3%, the employee match was 8.2%.

⁴ An additional contribution is made by (certain) childless employees (no employer participation).

⁵ This amount does not include a potential additional contribution levied solely on the employee.

References:

See: http://www.bmas.de/SharedDocs/Downloads/DE/PDF-Pressemitteilungen/vo-sozialversicherungsrechengroessen-2015.pdf?jsessionid=9B9E8C4F0C3853586F8CEFB22928CD7E?__blob=publicationFile .

See: [http://www.bundesrat.de/SharedDocs/drucksachen/2014/0401-0500/487-14\(B\).pdf?__blob=publicationFile&v=1](http://www.bundesrat.de/SharedDocs/drucksachen/2014/0401-0500/487-14(B).pdf?__blob=publicationFile&v=1) .

See:
http://www.bgbl.de/banzxaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBl&jumpTo=bgbl114s1957.pdf .

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