

Changes to German Employment Law in 2020

Higher minimum wage and increase minimum wage for apprenticeship

Since January 1, 2020, the statutory minimum wage is EUR 9.35 gross. Employers must therefore bear in mind that mini-jobbers may only work for about 48 hours per month in order not to exceed the 450 EUR limit. In addition, a minimum apprenticeship wage in the first year of training of EUR 515 per month has been introduced for all apprenticeship that began on or after January 1, 2020. This is to be increased gradually in the coming years until it reaches EUR 620 in the first year of training in 2023. In addition, remuneration will increase in the second (+18% compared to the first year of training), third (+35% compared to the first year of training) and fourth year of apprenticeship (+40% compared to the first year of training). The minimum wage for apprenticeship does not apply if a collective agreement applies to the apprenticeship.

Certificate of Secondment A1

If inland employees are sent to other European countries or to the EFTA states (Iceland, Liechtenstein, Norway and Switzerland), the employer must apply for a so-called A1 certificate. This serves as proof that the employee is subject to social security contributions in his or her country of residence. The employee must carry the A1 certificate with him/her during every stay for professional reasons, regardless of the duration of the visit. Otherwise, fines of up to EUR 10,000 may be imposed. Since January 01, 2019, all employers are obliged to apply for the certificate electronically. Changes to this electronic procedure came into force at the beginning of the year. For example, since the beginning of the year, the exact period of the visit must be specified when applying. All in all, further adjustments to the application procedure for the A1 certificate are to be expected in order to simplify and accelerate it.

Immigration of specialists for employment

One of the most important novelties in 2020 is the Specialist Immigration Act (*“Fachkräfteeinwanderungsgesetz”*). It will come into effect on March 01, 2020 and makes the immigration of qualified specialists from non-EU states (so-called third countries) much easier. The Specialist Immigration Act is likely to be of particular interest to the health, handicraft, care and technology sectors. There is a high demand for personnel in these sectors, while the number of applicants is low.

For the first time, the Act introduces a unified terminology for specialists, which includes university graduates and persons with qualified apprenticeship training. However, the law does not limit the concept to so-called “bottleneck professions” or “professions where there is a shortage”, so that immigration for employment should be possible for all professions. This requires in each case that a respective qualification can be proven. In order to prevent the immigration of low-skilled or unqualified personnel, a so-called acknowledgement procedure is carried out before the specialist receives a working permit, in which the equivalence of the qualification is verified. The Act removes the so-called “priority checks” that exist at present which demand that the German unemployment agency checks whether a German or EU worker is available for a job before the working permit can be granted to a non-EU worker to pick up the job.



Implications of Brexit on the employment of British citizens in Germany

In all likelihood, UK will leave the European Union (EU) on January 31, 2020 by way of an orderly exit. The British House of Commons had already approved the ratification bill for the conclusion of the agreement with the EU on December 20, 2019. Although the law has to pass the House of Lords, it is unlikely that the bill will be rejected and that the UK will leave the EU in an unregulated manner. The withdrawal will be followed by a transitional phase of at least eleven months, during which relations between the EU and UK will continue unchanged and EU law will continue to apply. German companies and British employees in Germany therefore have no reason to fear a change in their residence status, at least this year.

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