



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

LABOR LAW HIERARCHY

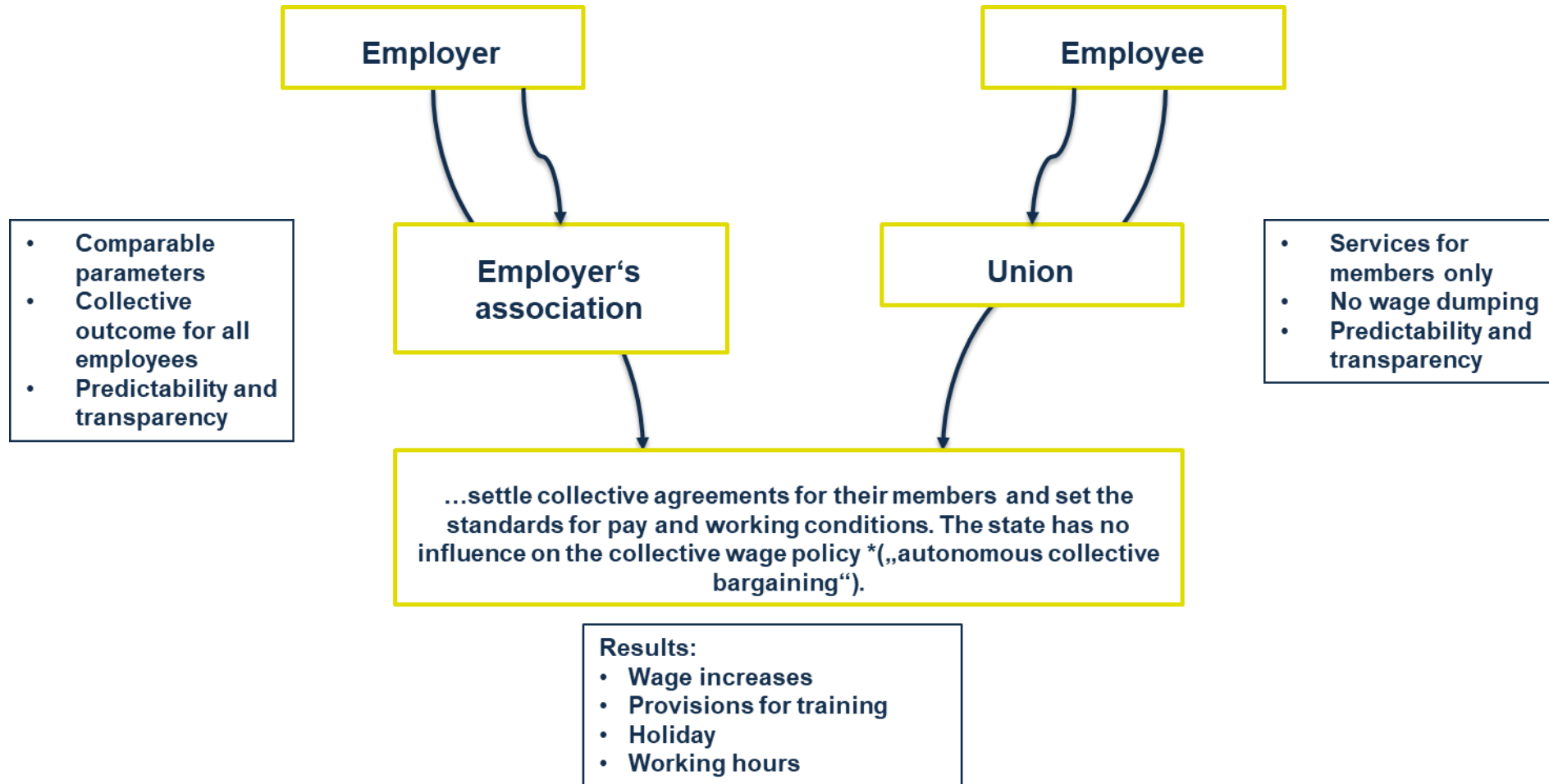


Ranking of the provisions - the higher sets the minimum standards for lower.



Principle of most favourable condition:
Provision can be applied, if favorable to employees.

SOCIAL PARTNERSHIP AT INDUSTRIAL LEVEL



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: 9,82 €/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

STARTING SALARIES FOR GRADUATES: METAL- AND ELECTRICAL INDUSTRIES



Northwestern Lower Saxony

	EG 9	EG 10
Monthly base pay	4.655,00 €	5.281,00 €
Monthly remuneration incl. An average performance bonus	4.934,00 €	5.598,00 €
= Pay12 months	59.212,00 €	67.174,00 €
+ Additional Holiday Pay (50 % for 30 days of paid holidays)	3.403,00 €	3.86100 €
+ Special payment (25 % of the monthly remuneration)	2.714,00 €	3.079,00 €
+ one-off payment (A+B)	1757,00 €	1.939,00 €
+ Transformation payment (2022: 18,4 % of the monthly remuneration, 2023: 27,6 %)	908,00 €	1.030,00 €
Annual remuneration	69.994,00 €	77.083,00 €

STARTING SALARIES FOR GRADUATES: METAL AND ELECTRICAL INDUSTRY



Lower Saxony

	EG 11A	EG 12A
Monthly base pay	4.213,00 €	4.806,00 €
Monthly remuneration incl. An average performance bonus	4.634,00 €	5.287,00 €
= Pay12 months	55.608,00 €	63.444,00 €
+ Holiday Pay (50 % for 30 days of paid holidays)	3.196,00 €	3.646,00 €
+ Special payment (25 % of the monthly remuneration)	1.159,00 €	1.322,00 €
+ one-off payment (A+B)	1.559,00 €	1.722,00 €
+ Transformation payment (2022: 18,4 % of the monthly remuneration, 2023: 27,6 %)	852,65 €	972,81 €
Annual remuneration	62.374,65 €	71.106,81 €

STARTING SALARIES FOR GRADUATES: PUBLIC SERVICES (FEDERAL GOVERNMENT SERVICES-TVL)



2022

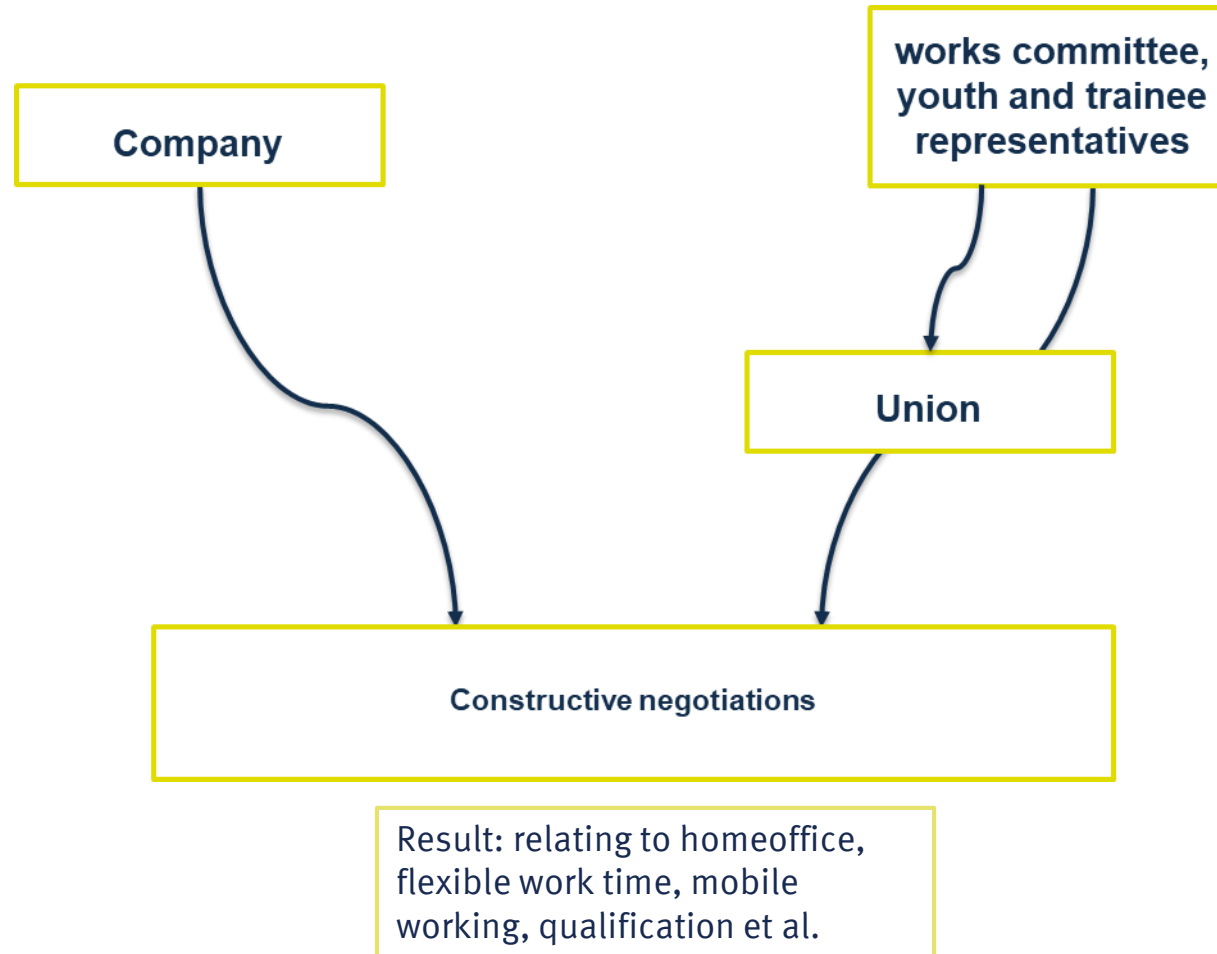
	E 11/1	E 13/1
Monthly base pay	3553.15€	4074.30 €
= Pay12 months	42637.80 €	48891.60 €
+ special payment (annual)	2641.77 €	3.646,00 €
+ special payment (corona bonus, tax free)	1.300 €	1.300 €
Annual remuneration	46.579.57 €	52.084.93 €

EQUAL PAY FOR EQUAL WORK? CONTRACT WORK/LABOUR LEASING



- contract of employment between you and the a 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



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

GET IN CONTACT



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**THANK YOU FOR
LISTENING**