

Fit for German Payroll System

Important figures and deadlines

Hello! Nice to meet you again. Today I will show you some important figures and deadlines you should be aware of when starting as an employer in Germany.

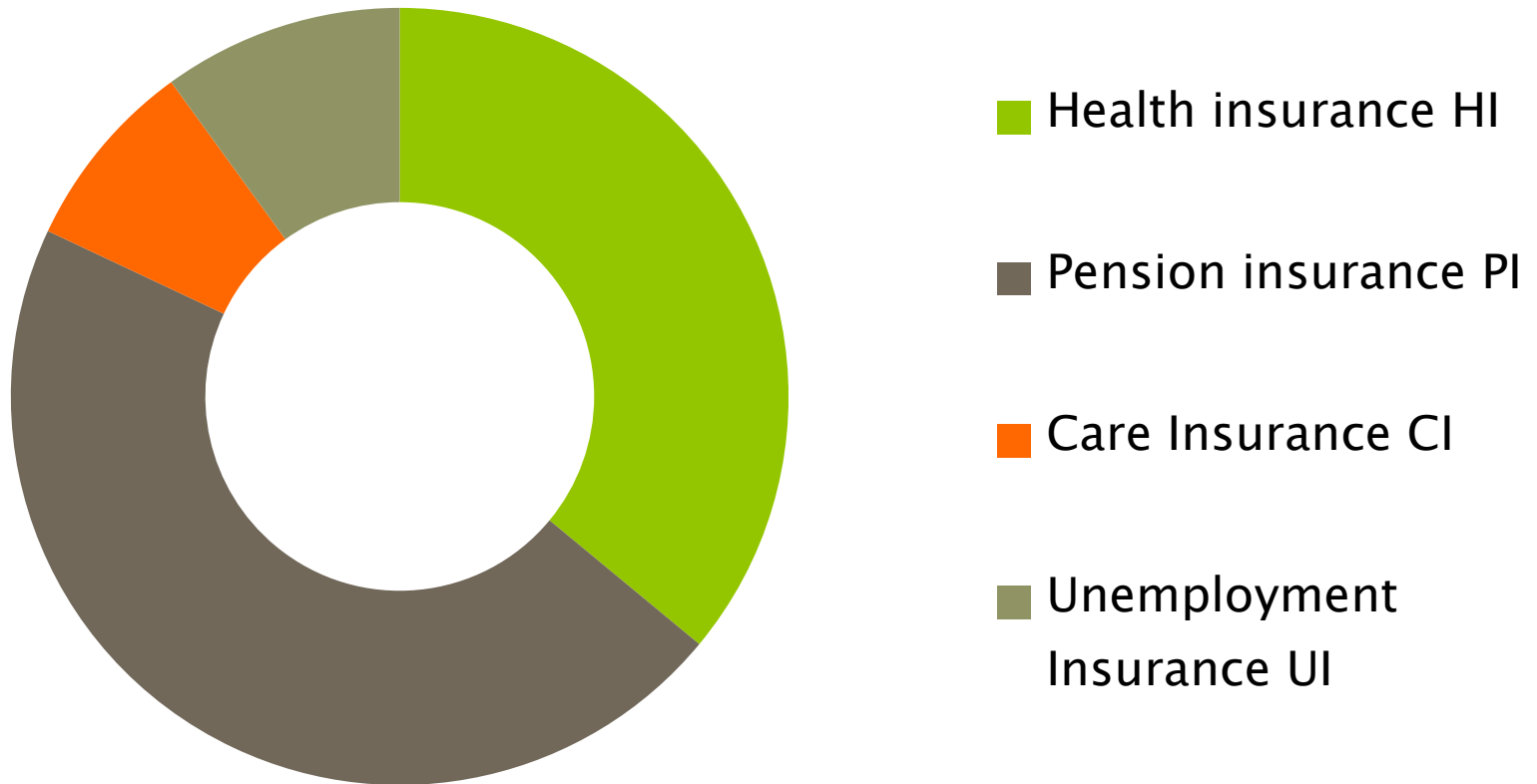
Let's start with a little revision on gross income and social security contributions.

Have a good time!

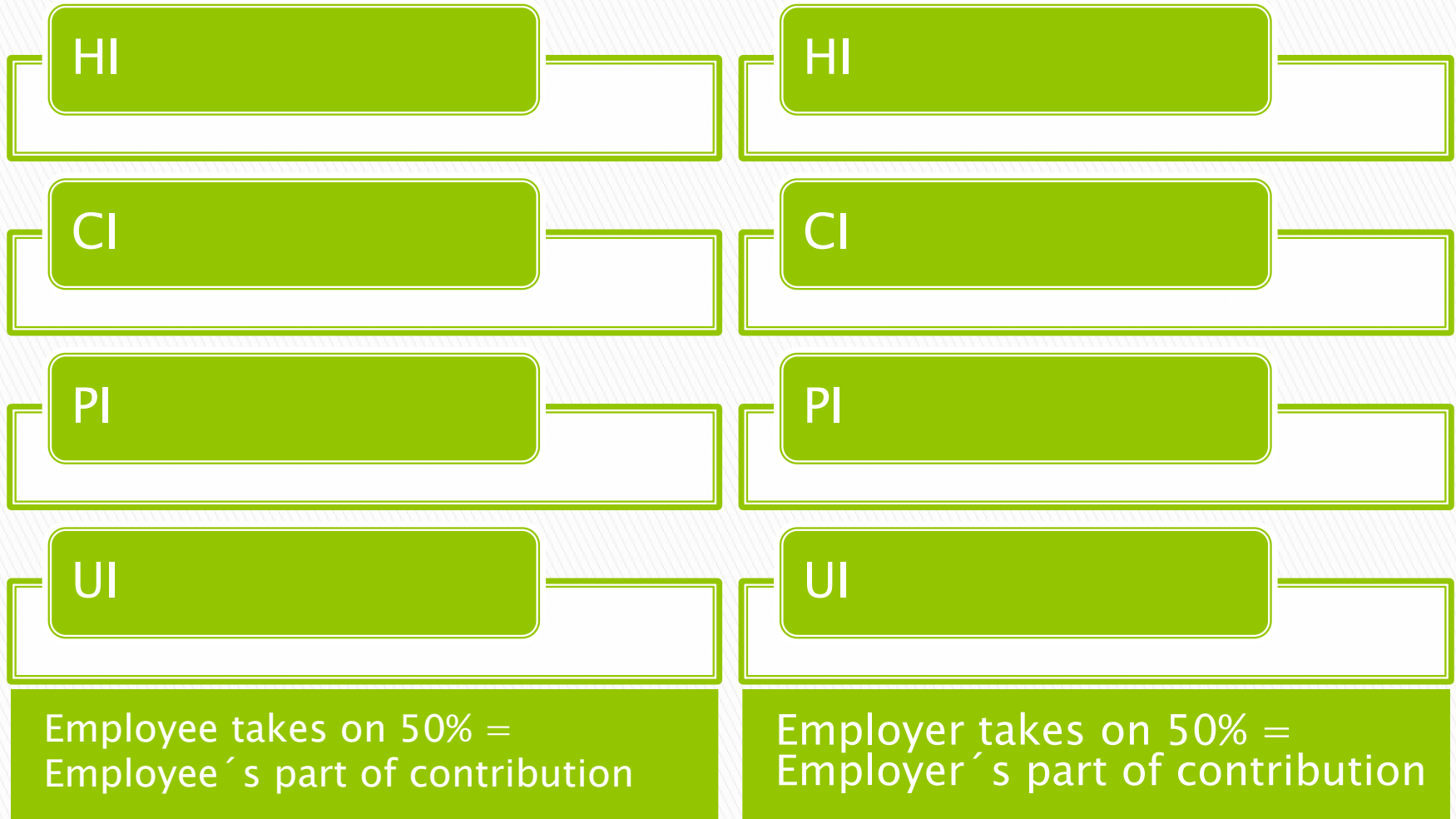


Social security Contributions

The four Social Security branches



Principle of Solidarity

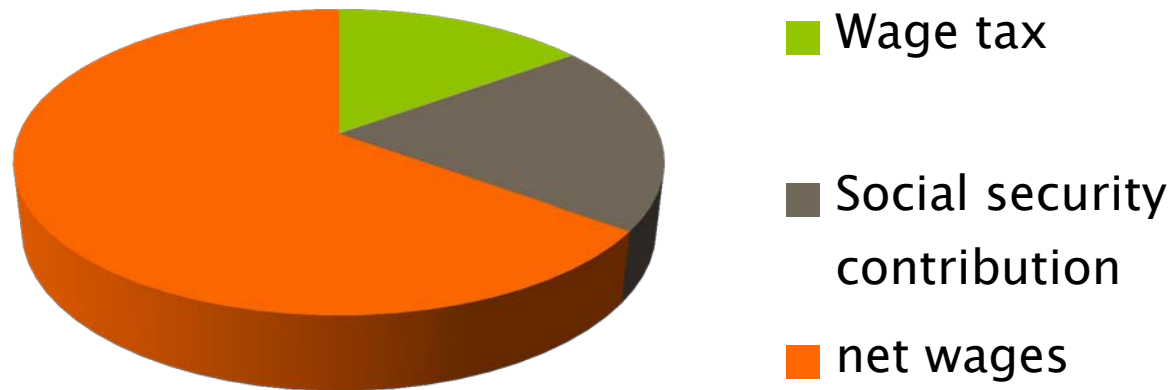


Gross income in the German meaning

- ▶ Amount according to the contract between

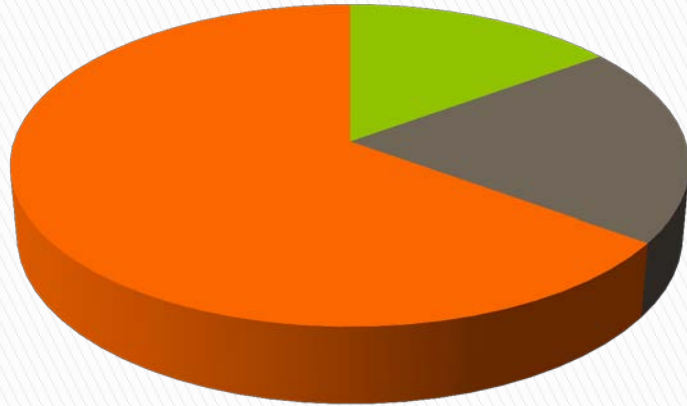
Employer and Employee

Gross income

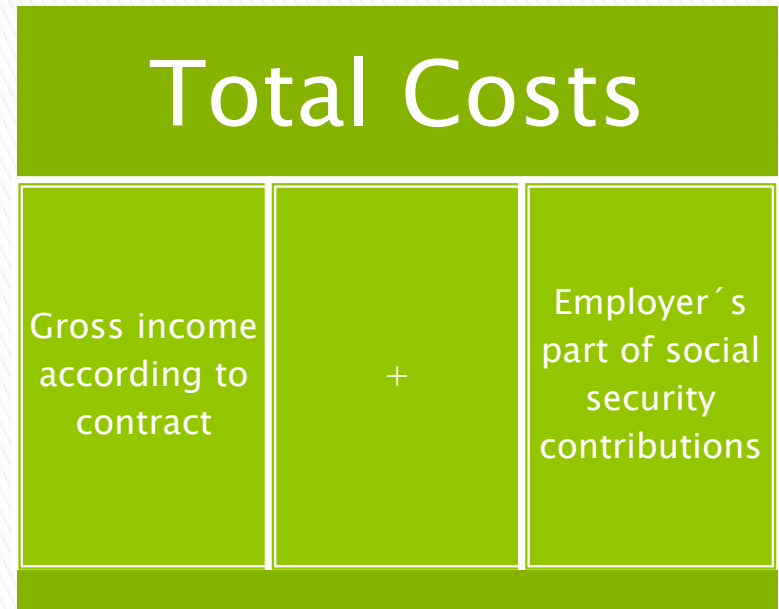


Attention: Trap of total costs

- ▶ The employee's part of social contribution is part of „gross income“



- ▶ The employer's part of social contribution IS NOT



Consequence for profit calculation: bottom up – not top down!

Margin

- Other costs, etc.
- Profit

Employer's part of social contribution

- PI, UI, HI, CI
- Allocation contribution reimbursement illness
- Allocation contribution reimbursement motherhood
- Allocation for insolvency payment
- Contribution liability insurance

Gross Income

- Employee's part of social contribution
- Wage tax and solidarity surcharge
- Net Pay



Consequence for profit calculation: bottom up – not top down!

Margin

- Other costs, etc.
- Profit

Not heard of yet? Please join our client-information tool „**Calculating employment costs in Germany**“.

Employment

- PI, UI
- Allocation
- Allocation
- Allocation
- Contribution



Illness
motherhood

Gross

- Employee's part of social contribution
- Wage tax and solidarity surcharge
- Net Pay

Puh, everyone still on board?

Now we come down to facts: The payments.

Who? When? ... and of course: How much?



Who has to pay ?

»» The payroll players

The employer ...

... Pays the net wages to the employee

... Pays the wage tax to the tax office

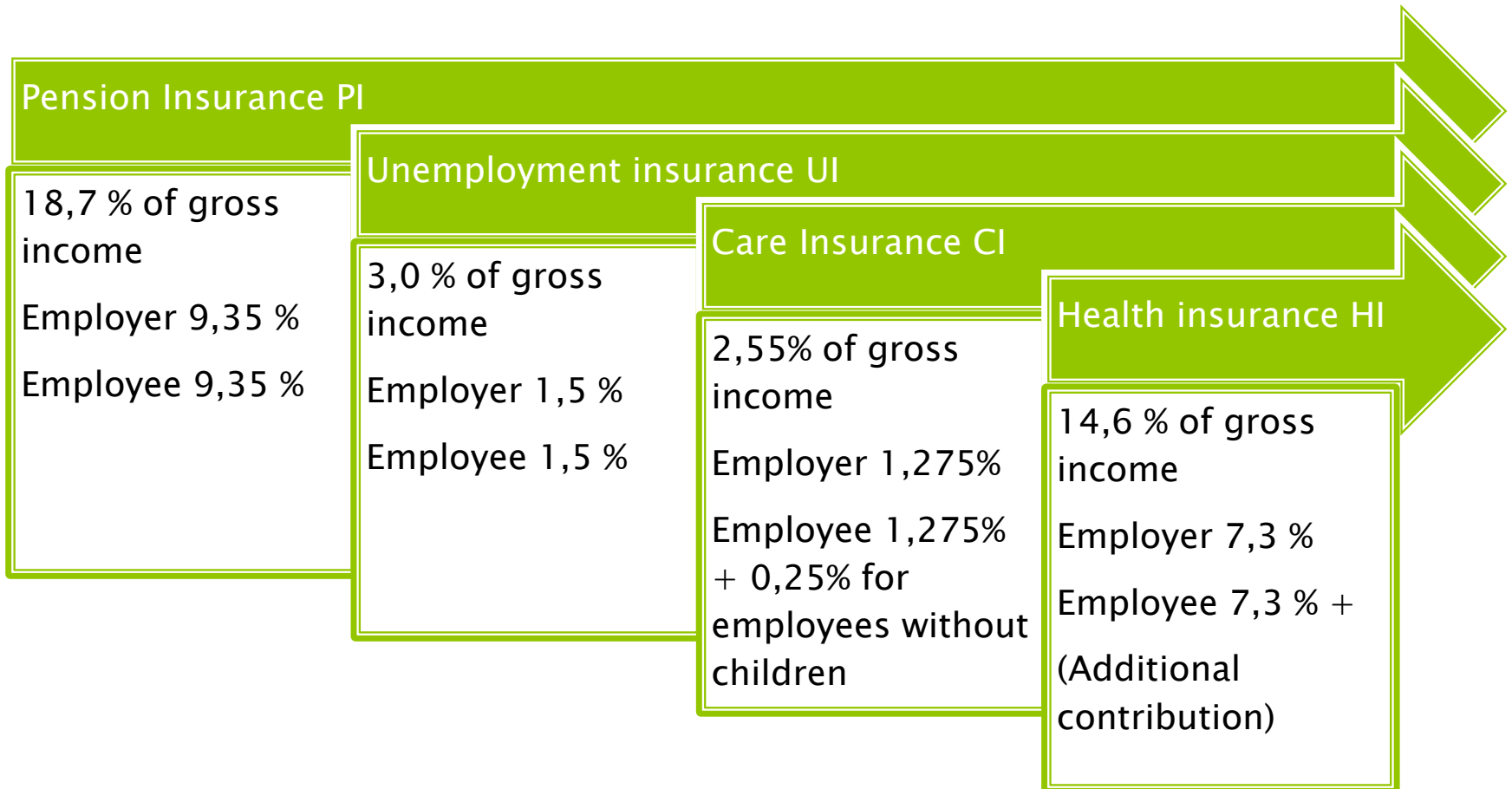
... Pays all contributions (employers and employees part to the health insurance company

... Pays the liability insurance to the professional association

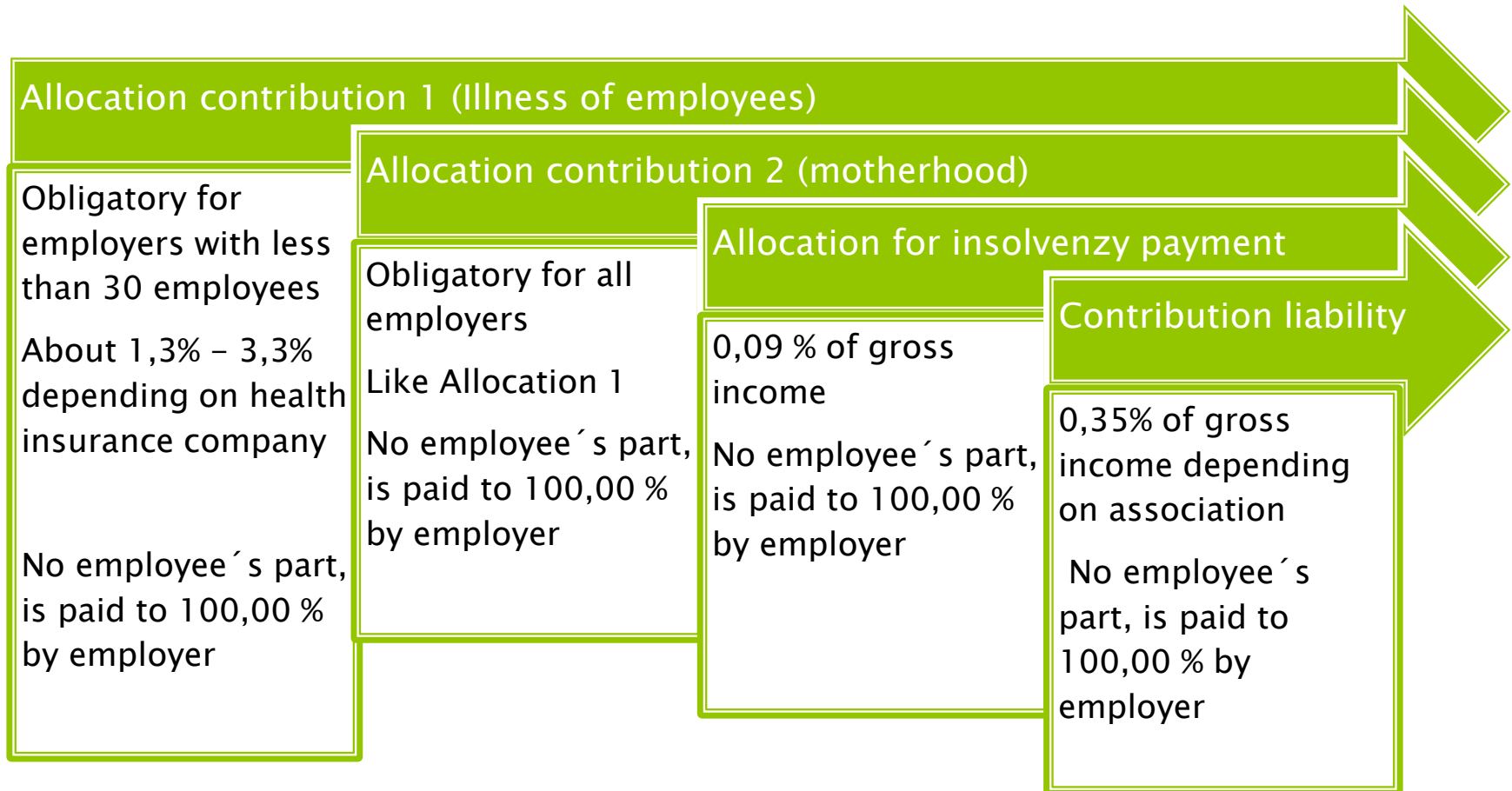
How much do we have to pay?

»» Important figures

Important Figures 2017 – 1



Important Figures 2017 – 2



Important Figures 2017 – 3

- ▶ Ceiling calculation basis for payments concerning HI, CI

- ▶ € 52.200,00 per year
- ▶ € 4.350,00 per month

- ▶ Ceiling calculation basis for payments concerning PI, UI

WEST

- ▶ € 76.200,00 per year
- ▶ € 6.350,00 per month

EAST

- ▶ € 68.400,00 per year
- ▶ € 5.700,00 per month

Important Figures 2017 – 4

€ 57.600,00
Salary per year

€ 52.20,00
Salary per year

General threshold for
public health insurance

Special threshold for
public health insurance

HI **with** claim for Payments
in case of unpaid illness

€ 317,55 per month

CI

€ 55,46
per month

HI **without** claim for Payments
in case of unpaid illness

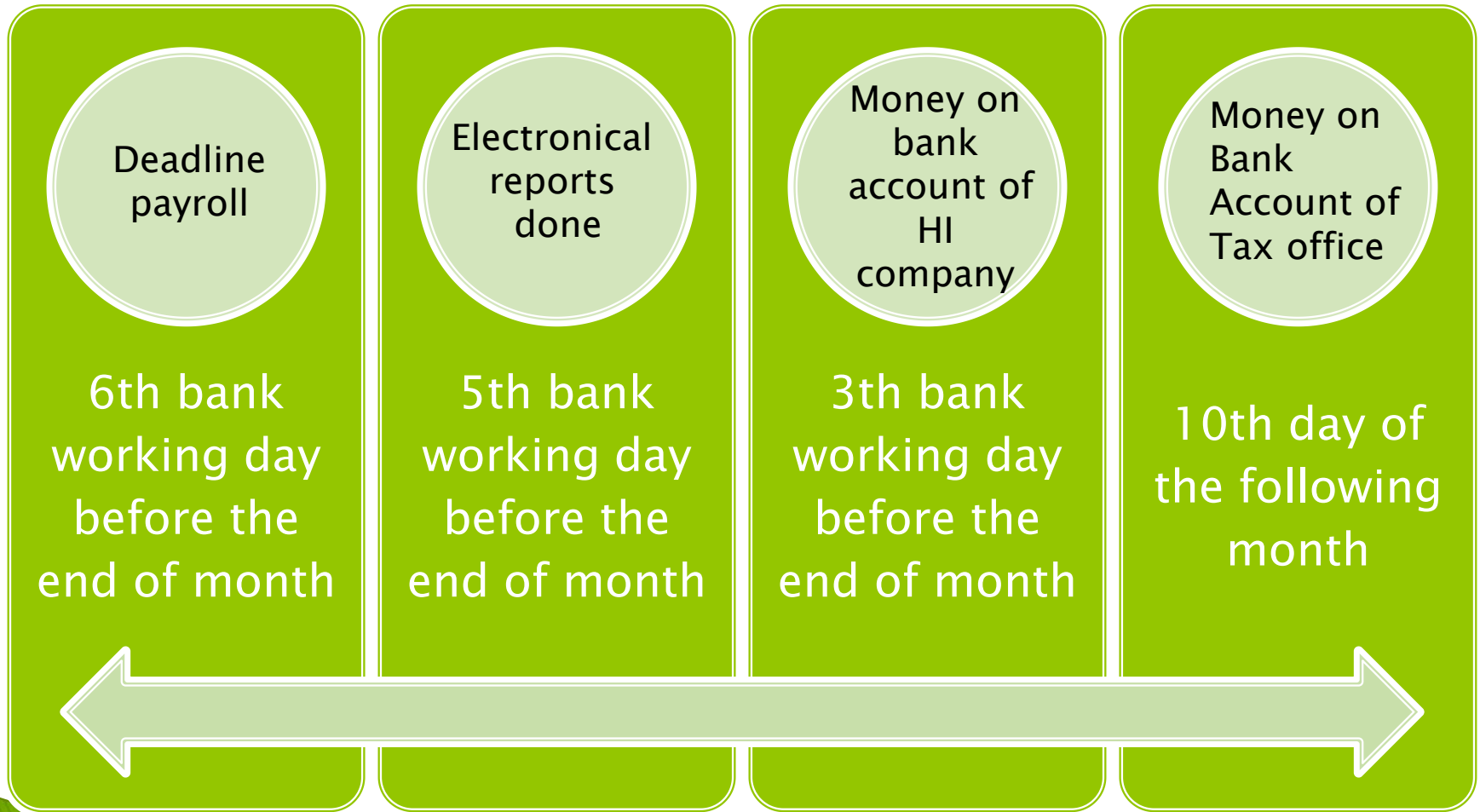
€ 304,50 per month

Threshold for private health insurance: employer´s part (allowance
for private health insurance HI and care insurance CI)

When do we have to pay?

»» Important deadlines

Important deadlines



Well then, that´s all for today.

We hope our little client-information-tool
could give you some clue how payroll-work in
Germany is working.

Have a good time – and maybe: See you soon!



At your service!

