

# Terms of Employment

## The Employment Contract

A contract of employment setting out the terms and conditions of the employer-employee relationship is usually drawn up in writing (verbal agreement is also possible). In principle, the contract can be formulated in any language. However, a binding German version is advisable as German courts require a German translation of any contract drawn up in another language in the event of any legal proceedings being instigated.

There is no legally fixed form for a contract of employment. Nonetheless, it is highly advisable to define certain points, such as:

- The description of the location and activity;
- The date of appointment and notice periods (in the case of fixed-term employment contracts the duration of the contract);
- The daily or weekly working time;
- Arranging of a probationary period;
- The level of the wage (gross) and possible bonuses;
- Vacation entitlement;
- Non-disclosure agreements or non-compete obligations;
- Contractual penalties

## Salaries and Wages

Wages are generally subject to individual negotiation in Germany.

It must be noted that a general minimum wage of EUR 9.19 an hour applies. Higher minimum wages must be set in certain industries (e.g. those with universally applicable collective wage agreements). The German customs authority provides an overview of these industry-specific minimum wages online.

- [German customs authority: Overview of sector-specific minimum wages](#) ▶

There are also general exemptions from the national minimum wage. For instance, the following group categories are not covered by the minimum wage regulation:

- Young people under 18 years of age

- Students completing compulsory internships or other internships for up to three months
- Long-term unemployed (one year or longer) for the first six months in employment

Bonuses only have to be granted if they have been agreed in the individual employment contracts or in collective agreements.

## Working Times

Working hours are very flexible in Germany. Under German labor law employees are allowed to work eight hours per day (48 hours per week). Saturday is considered to be a normal working day. With a five-day week, the permitted weekly working time totals 40 hours. Most business is conducted from Monday to Friday but retailers and manufacturing industries usually operate on Saturdays as well. Sundays, in contrast, are generally considered to be days off. An extension of the working time to a maximum of ten hours per day is possible under certain conditions.

Overtime has to be compensated for with additional time off. An overtime bonus is possible but it is not legally specified. Overtime bonuses have to be paid only when required by individual contracts or in applicable collective labor agreements.

The statutory amount of work breaks depends on the total number of hours worked per day. Employees are entitled to a break of 30 minutes when working between six and nine working hours per day. Employees are entitled to a 45 minute break where more than nine hours a day are worked. Breaks may be split up throughout the day, but divisions may not be shorter than 15 minutes. Statutory breaks of at least eleven hours exist between shifts.

## Vacation and Public Holidays

Full-time employees (meaning employees working more than six months within one calendar year) working six days per week are entitled to a minimum of 24 paid vacation days (the equivalent of four weeks) per year. Accordingly, full-time employees working five days per week are entitled to a minimum of 20 days per year.

The employee is entitled to a pro-rated period of paid vacation when working for less than six months within one calendar year. During the typical six-month probationary period at the beginning of any new employment contract, employees are not normally entitled to take any vacation days.

The number of public holidays varies from one federal state to another, with a minimum nine public holidays to a maximum 13 holidays in some regions of Germany.

## Sick Leave

Employees are obliged to inform their employer about any sickness requiring an absence from work and the expected duration of this absence as soon as possible (generally on the first day of the sick leave).

Where the period of sick leave exceeds three days, employees are obliged to have a general practitioner provide proof of their incapacity to work. Notwithstanding this, employers may also request medical certification of an employee's incapacity to work beginning on the first day of sick leave.

Employees are entitled to sick pay amounting to 100 percent of the normal salary until the time of recovery, though limited to a maximum of six weeks.

## Maternity Leave

Employees should inform the employer of any pregnancy and the expected delivery date as early as possible.

A maternity protection period starts six weeks before the expected birth date and ends eight weeks after delivery. Pregnant employees are only allowed to work during this time if a doctor certifies that the work will not be harmful to the health of the mother and child. (In cases of premature or multiple births, the employee is not obliged to return to work for a period of up to twelve weeks after delivery - without having to provide proof of medical necessity for this extended absence.)

During the maternity protection period, pregnant employees are entitled to the average sum of their wages for the three months (or 13 weeks) period prior to the pregnancy paid by the employee's public health insurance (or the state in the case of privately health insured employees) and the employer.

## Anti-Discrimination

The General Equal Treatment Act (*Allgemeines Gleichbehandlungsgesetz, AGG*), often referred to as the anti-discrimination act, implements EU regulations on anti-discrimination.

The anti-discrimination act mandates a general prohibition of discrimination against any person for reasons of:

- Ethnic origin

- Gender
- Religion or ideology
- Disability
- Age
- Sexual orientation



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