



# GERMANY

## 1. General

a. The specific terms setting the framework for Local National (LN) employment in Germany are prescribed in Article 56 of the "Agreement to Supplement the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces with respect to Foreign Forces stationed in the Federal Republic of Germany (F.R.G.)" (commonly referred to as the Supplementary Agreement [SA]). The current version of the SA became effective on March, 29, 1998. Article 56 of the SA establishes that "German labor law, including industrial safety law, as applicable to civilian employees working with the German Armed Forces, with the exception of decrees regulating working conditions, shop agreements and tariff regulations, shall apply to employment of civilian labor with a force or a civilian component".

b. LN employment, to the extent it is not governed by the SA, is governed by the German Constitution and by German labor laws.

c. Specific conditions of employment and rates of pay are established in tariff agreements, negotiated between the F.R.G., represented by the Federal Ministry of Finance (FMF) and leading German trade unions. The terms of these tariff agreements are based on conditions prevailing in Germany for comparable work and in comparable industries as well as comparable sectors of the federal public service. The U.S. Forces, with Army as the lead component, together with the other Sending States Forces (SSF), participate in the tariff negotiations in order to protect SSF's (employers') interests, coordinate a negotiating position, and to facilitate final agreement. Tariff agreements applicable to LN employees of the Sending States Forces, including the U.S. Forces in Germany are:

**1. Collective Tariff Agreement of 16 December 1966 (CTA II) as amended**

The CTA II establishes pay and conditions of employment, exceeding those established by law and consists of four major parts and 17 appendices.

**2. Tariff Agreement on Protection from Rationalization Measures, Termination of Employment, and Income Protection (Protection Agreement/"Schutz-TV") of 2 July 1997**

(a) This agreement applies to all employees with a minimum of two years of service, who have attained age 21 and are employed on an indefinite basis. It also applies to employees who are employed on a temporary basis, if such employment immediately follows an indefinite appointment with the SSF and was terminated by the employing agency or by annulment contract for reasons listed in (1) and (2) below.

(1) Benefits are provided to employees who, by initiation of the stationing forces, lose their current positions (also by displacement resulting from a social selection process) because of an organizational measure, or if the value of their positions decrease for these reasons.

(2) Organizational measures are:

- Deactivation of the employing organization
- Merger of the employing organization with one or several other employing organizations of the same sending state
- Relocation of the employing organization outside the commuting area
- Reorganization of the employing organization
- Measures in accordance with Art. 2 (1) of the TASS (see Para (3)(a) below).

(b) The agreement delineates placement rights of the affected employees, income protection rights, release for vocational training measures, entitlements to indemnity payment and protection from termination of employment. It also specifies the personal supplements which are to be paid to employees covered by this agreement.

### **3. Tariff Agreement for the Social Security of the Employees of the Sending States Forces in the Federal Republic of Germany, 31 August 1971 (SSA/"TASS")**

(a) This tariff agreement applies to employees who fall within scope of the CTA II and are separated due to reduction of troop strength or, where for military reasons and on direction of the highest service authority, a unit is deactivated or relocated outside the commuting area. Costs are borne by the government of Germany.

(b) The minimum requirements for eligibility upon separation are:

- one year of full time employment,
- completion of a minimum of five years of creditable service as defined in Article 8 in CTA II and have attained the age of 40,
- have had permanent residence within the geographical scope of the CTA II for at least five years,
- not be eligible for receipt of retirement or early retirement pension,
- have not been offered a reasonably acceptable assignment within the area of applicability of the CTA II.

(c) Benefits are a monthly supplement, called "transition allowance" to cover the gap between the former income earned with the SSF and the current income. The current income may result from:

- Earnings from other employment outside the Stationing Forces that is exceeding 21 weekly hours
- Benefits from the *Bundesanstalt für Arbeit* (Federal Labor Agency) in case of unemployment or participation in professional developmental programs (for example, unemployment benefits, unemployment assistance, or subsistence allowance.)

- Sick pay from the statutory health insurance in case of unfitness for work resulting from sickness or in addition to injury pay from the statutory accident insurance in case of unfitness for work resulting from an on-the-job accident.

(d) Age and length of service of the former employee determine the duration of eligibility of benefits.

#### **4. Employer Pension Scheme**

##### **(a) Group Life Insurance (Allianz)**

- (1) On behalf of the U.S. Forces, the F.R.G. concluded a group life insurance contract for all employees. The employer contributes 2.5% of employees' monthly earnings to the insurance carriers. For employees with five or more years of creditable service, the employer contributions are 3.5%.
  - The insurance is paid solely by the employer with no cost to the employees. The contributions are taxable and subject to social insurance contributions for those employees hired after December 31, 2004.
  - Death benefits double in case of an accident.
  - The insurance is paid out in one lump sum upon retirement.
- (2) An employee whose employment ends prior to reaching the legal retirement age, has the option of continuing to pay the insurance, terminating the insurance and receiving the premium reserves as a lump sum payment or letting the insurance policy rest until retirement age is reached.
- (3) Group Life Insurance payments are not made to employees who terminate their employment before having been employed with the U.S. Forces for five full years.

##### **(b) Pension Fund (Winsecura Pensionskasse)**

Employees who are obligated to contribute to the statutory pension insurance have the option to contribute to a supplementary pension fund with an insurance carrier especially licensed by the German government. These contributions are tax-deductible.

d. Regulations or other command publications establish the policy, administrative and program instructions, and procedures pertaining to implementation of tariff agreements and law; overtariff conditions; responsibilities and functions in LN personnel management and administration; and matters agreed on with the Government of Germany regarding personnel functions of German authorities.

e. The German Government provides payroll functions based on information provided by the U.S. Forces IAW Article 56, paragraph (10), SA, and the "Administrative Agreement Implementing Article 56, paragraph (10) of the Agreement to Supplement the Agreement between the Parties of the North Atlantic Treaty Regarding the Status of their Forces with Respect to Foreign Forces Stationed in the Federal Republic of Germany, dated 3 August 1959".

This includes processing of travel vouchers and moving expense vouchers as well as collection of overpayments. Personnel records are kept to the extent necessary for pay purposes. An administrative service fee, paid by the U.S. Forces for payroll functions, ranges between 0.5 % and 0.65 % of total annual payroll sum.

f. Strikes by LN employees are allowed under the same conditions as in the private sector.

## **2. Employment Conditions**

- a. Regular Work Hours**                      The majority of employees have a regular workweek of 38.5 hours. Employees in accommodation and catering establishments (Appendix H, CTA II) have a workweek of 39 hours.
- b. Probationary Period**                      The probationary period for all newly hired employees is three months (Article 5, CTA II).
- c. Separation Notice Period**                      (1) During the probationary period, notice of termination may be given by either party with a notice period of two weeks to the end of the calendar month.  
(2) Notice periods for an ordinary notice of termination by the employing agency range from four weeks to the end of a calendar month for employees with less than six months' employment to seven months to the end of a calendar month for employees with at least 20 years of employment (Article 44, CTA II).  
(3) Employees may terminate their employment by observing a notice period of four weeks to the end of a calendar month.

## **3. Pay Entitlements**

- a. Regular Earnings**                      Employees are paid salaries and wages on the last workday of each calendar month (by money transfer to an employee's bank account, Art. 22 CTA II). All pay scales for LN Germany are published at:  
<http://www.eur.army.mil/g1/content/CPD/internationalprograms/germanSchedules.html>

## **b. Pay Supplements and Allowances**

- (1) Christmas Pay**                      6.33% of annual earnings are paid with the November pay to employees who, on or before October 31 or upon separation, have completed the probationary period and are employed with the Stationing Forces of the same Sending State on the last day of the calendar month following completion of the probationary period.  
(CTA II, Appendix W).
- (2) Vacation Pay**                        2% of annual earnings are paid with the pay for May to employees who, on or before May 1 or upon separation, have completed the probationary period and are employed with the Stationing Forces of the same Sending State on the last day of the calendar month following completion of the probationary period (CTA II, Appendix V).
- (3) Property Accrual**                    An amount of € 30.00 per month is paid into a special account set up by the employee. Apprentices are paid € 15.00 (CTA II, article 41). Part-time employees receive a prorated property accrual.
- (4) Overtime Pay**                        Overtime hours worked will be paid by the hourly basic compensation plus an overtime supplement in the amount of 25% (first five hours) or 30% (from 6th hour on) of the hourly rate (CTA II, articles 10 and 20). Other overtime conditions may be stipulated in the appendices of the CTA II. The basic pay can be compensated by time-off; however, the supplement still applies.
- (5) Night Work**                         A supplement in the amount of 25% of the hourly rate is paid to employees who are required to work between 2100 and 0600 hours (CTA II, articles 11 and 20).
- (6) Sunday Work**                        Subject to the conditions set forth in articles 12 and 20, CTA II, a pay supplement of 25 % of the hourly rate is paid if time off is subsequently granted on a weekday and 50 % of the hourly rate if time off cannot be granted.
- (7) Holiday Work**                        Subject to the conditions set forth in articles 13 and 20, CTA II, the pay supplement for work performed on a legal German holiday is 50 % of the hourly rate if time off is subsequently granted on a weekday and 100 % if time off cannot be granted.

## **(8) On-call Duty**

(1) Subject to the conditions set forth in Article 8 CTA II, employees may be scheduled for on-call duty to perform emergency services or other unexpected urgent work that cannot be postponed to regular work hours.

(2) Hours of on-call duty will be compensated by 12.5 % of the regular hourly rate; hours of on-call duty on a Saturday, Sunday or legal holiday will be compensated by 20 % of the hourly rate (CTA II, article 9, paragraph 8. d).

(3) If called to work during on-call duty, employees will receive the compensation in accordance with (2) above, and, in addition, their personal hourly pay, if applicable to include supplements, for the actual time worked and for travel time. If the sum of accumulated periods of work during on-call duty is less than three hours, employees will receive compensation for a minimum of three hours, to include supplements as if it were overtime. Official phone calls (responding to technical questions and technical consultation) will also be regarded as actual time worked. If employees do not have to leave their location and the total period of accumulated time worked (official phone calls) does not exceed one hour, they will receive compensation for at least one hour, to include supplements as if it were overtime. Furthermore, employees will receive compensation for actual time worked.

(4) Without their consent, employees will not be assigned to perform on-call duty for more than 14 days per month, including no more than two weekends, and may not be assigned to perform on-call duty on weekends adjoining a multi-day annual leave period (CTA II, article 9, paragraph 8).

## **(9) Clothing Allowance**

Normally, employees who require protective clothing receive an issue free of charge in accordance with AR 385-10, due to exposure to health hazards or severe working conditions. If occupational clothing cannot be provided, employees are paid an occupational clothing allowance consisting of the initial allowance, a replacement allowance and a maintenance allowance (USAREUR Regulation 690-69).

## **(10) Severity Allowance**

Will be paid for each work hour during which employees are subjected to severe working conditions. These conditions and the percentage of payment are outlined in CTA II, Appendix S.

#### **(11) Relocation Costs**

Are paid when an employee is involuntarily transferred outside his/her commuting area because of a reduction in force (RIF) or in lieu of a RIF and may (in specific situations) be paid if an employee is appointed from outside the commuting area. The affected employee is entitled to receive compensation of travel expenses, rental subsidy, moving expenses and incidental costs in accordance with the provisions of Army in Europe Regulation 690-68. Allowances are not approved when the transfer is for personal reasons of the employee.

#### **4. Contributions according to German law and CTA II**

##### **a. Statutory Pension Scheme**

Contributions are borne in equal parts by the employer and employee. Total contribution amounts to 18.7% of basic compensation up to the 2016 monthly assessment limit of € 6,200.

##### **b. Health Insurance**

The total contributions amount to 14.6% of basic compensation up to the 2016 monthly assessment limit of € 4,237.50. Contributions are borne in equal parts by the employer and employee (7.3% each, though the employee may be obligated to contribute more, based on the insurance carrier).

##### **c. Nursing Care Insurance**

Total contribution amounts to 2.35% of basic compensation up to the 2016 assessment limit of € 4,237.5. Contributions are borne in equal parts by the employer and employee; however, employees aged 24 and above who have no children pay an additional 0.25%.

##### **d. Unemployment Insurance**

Contributions are borne in equal parts by the employer and employee. Total contribution amounts to 3% of basic compensation up to the 2016 monthly assessment limit of € 6,200.

##### **e. Death Benefits**

Following an employee's death, the beneficiaries receive a death benefit in the amount of two monthly salaries. This sum is increased to three monthly salaries if the death was caused by a job-connected accident (CTA II, article 38).

## 5. Leave Entitlements by tariff and/or law

- a. Annual Leave** 30 workdays per year for all employees with a five day work week (CTA II, article 33). Severely handicapped employees receive an additional six days leave per year (CTA II, article 34). Employees with a workweek of less than five days are entitled for partial annual leave accordingly. Unused annual leave entitlements of the current calendar year will be forfeited after 31 Mar of the following year unless otherwise stated in the Tariff provisions.
- b. Excused Absence** Upon request and production of evidence, employees will be given paid time-off, needed for a limited period for specific reasons. Specific cases and the number of days for which excused absence is granted are listed in CTA II, Article 28. Examples of situations for which excused absence is granted are: death in the immediate family, own marriage, serious illness of a family member, and performance of general civic duties under German law (CTA II, article 28).
- c. Sick Absence and Benefits** Employees are entitled to continued payment of earnings for a period of up to six weeks for absences due to illness. After the six week period, employees with at least one year of creditable employment are entitled to receive a sick pay supplement. This supplement amounts to the difference between the sickness benefit paid by the health insurance carrier and the employee's regular earnings for a period of up to 12 weeks per calendar year (CTA II, article 29).
- d. Maternity Leave** Employers are not allowed to employ pregnant women six weeks before the birth (unless the mother declares the opposite; this decision is revocable at any time). Employers are prohibited from employing mothers eight weeks after the birth of the baby. Salary/wage is not earned during maternity leave but the employer must pay a subsidy. The subsidy corresponds to the difference between the benefits from the statutory health insurance carrier and the net amount of the regular earnings.
- e. Parental Leave** Following the birth of the baby, unpaid parental leave of up to three years may be taken by either or both parents.. If both parents take parental leave, the three-year period is divided between them in increments that they choose.

A 12-month portion of parental leave may, upon approval by the employer, be used by one parent up until the time the child is eight years of age. Employees will not be paid by their employer during absence due to parental leave, but will receive benefits from the German Government. The employee may request a reduction of the weekly work hours or an adjustment of the work configuration. Any agreement on part-time work with the current or any other employer may not exceed a work time of 30 hours per week. Annual leave entitlements will be reduced proportionately.

#### **f. Nursing Care and Family Nursing Care Leave**

The law on nursing care and family nursing care leave provides three additional entitlements to unpaid (fulltime or part-time) work release for LN employees who have to assume responsibility for the care of close family members:

1) Short term: Upon prior notice, employees are entitled to an absence from work of up to 10 working days if necessary in order to organize care as needed in connection with an unexpected acute care situation, or to provide care during this period.

2) Nursing care leave up to a maximum of 6 months: Employees are entitled to nursing care leave of up to six months if they provide care in a domestic environment. Employees must provide proof of the family member's care dependency. Nursing care leave requires a prior notice of at least 10 work days.

Employees have no pay entitlements for the time they are absent due to nursing care leave. However, periods of home care leave will be considered creditable periods of employment IAW Article 55 CTA II. Any partial release from work for nursing care leave is subject to an agreement with the employer. Annual leave entitlements will be reduced proportionally for each month of full-time release.

3) Family nursing care leave up to a maximum of 24 months: Employees are entitled to family nursing care leave up to even 24 months but this entitlement requires a weekly work-time of at least 15 hours. The family nursing care leave requires a prior notice of at least 8 weeks. The employer only pays for the reduced work-time. The employee may apply for an interest-free loan provided by German authorities to finance the loss of income.

Release from work due to nursing care leave under 2) and family nursing care leave under 3) may not exceed 24 months in total for each family member needing care.

Employees on nursing care or family nursing care leave may not be terminated during their period of absence.

#### **g. Educational Leave**

Based on state law in most of the federal states in Germany, employees are entitled to request paid leave (5 work days within a CY that can be transferred into the next CY) to attend an officially acknowledged function/course for educational purposes (in the meaning of professional and/or political education in particular). The employee is obligated to submit appropriate documentation that justifies the entitlement in advance to receive employer's prior approval. The employer neither pays the course fees nor will the employee be reimbursed for any costs/expenses. The responsible CPAC provides advice and answers questions regarding this entitlement.

### **6. Legal Holidays**

The number of legal holidays in Germany can reach up to 13 days per calendar year, depending on the federal state the duty station is located at. No extra day off is given when a legal holiday falls on a non-workday. Based on individual shop agreements, LNs may also have off on US holidays as a compensation for working above the regular weekly work hours according to the CTA II.

### **7. Indemnity Pay**

In accordance with the Tariff Agreement on Protection from Rationalization Measures, Termination of Employment, and Income Protection (Protection Agreement) of 2 July 1997, employees who are terminated for reasons outlined in paragraph 1.c.2 above receive an indemnity of 1/3 months' pay for each full year of employment with a maximum of seven months' pay. Employees who meet the criteria of paragraph 1.c.3 (SSA) above, have been employed for at least 10 years, and are aged 40 or above, receive two months' pay.

The Enhanced Annulment Contract Program for Local National (LN) Employees in Germany is available to eligible local national employees. Additional benefits are available to employees eligible for early retirement. Annulment contracts are not an employee entitlement, must always be approved first by management based on the organization's mission requirements, and finally approved by USAREUR G1, Civilian Personnel Directorate.

Managers and employees who have questions concerning this program should contact their local civilian personnel advisory center for information and assistance.

## Enhanced Annulment Contract

This program grants enhanced indemnities to employees:

- whose positions will be abolished as a result of Reduction in Force (RIF) actions,
- who vacate a position for placement of an employee whose position has been abolished
- whose positions are subject to workforce restructuring.
- who are subject to termination of employment due to the relocation of their employing organization outside the commuting area.
  
- For employees not entitled to benefits under the Social Security Agreement (SSA) or those waiving their SSA entitlements:
  - one month's pay per creditable year of service for the first ten years, **plus**
  - one half month's pay per creditable year of service starting with the eleventh year up to a maximum of 5 months' pay, **plus**
  - 50% of salary savings if the individual notice period is waived.

The maximum indemnity for employees observing their individual notice period will be 15 months' pay and for those employees leaving earlier the maximum indemnity pay can amount up to 18.5 months' pay.

- For employees taking advantage of SSA benefits:
  - 2 months' pay IAW the Tariff Agreement of 2 July 1997 on Protection from Rationalization Measures, Termination of employment and Income Protection (Protection Agreement), **plus**
  - an additional 8 months' pay, **plus**
  - 50% of salary savings if the individual notice period is waived.

The maximum indemnity pay for employees observing their individual notice period will be 10 month's pay and for those employees leaving earlier the maximum indemnity pay will amount to 13.5 months' pay.

## Employees eligible for early retirement

The enhanced indemnity pay program offers additional incentives to employees who meet the criteria for an annulment contract, are eligible for early retirement, and wish to leave employment earlier.

- This group of employees will receive the indemnity offered to those employees not entitled to benefits under the Social Security Agreement (SSA) or those waiving their SSA entitlements plus the following benefits:
  - a lump-sum equivalent to the amount they would need to pay into their social insurance account to avoid a pension deduction (the employee can elect to have this lump sum payment included in the indemnity or authorize the Foreign Forces Payroll Office (FFPO) to pay the amount directly to his/her social insurance carrier), **and**
  - 4% of the annual salary for each year they retire before reaching age 65 to compensate for loss of premium payments to the Group Life Insurance.

For any type of annulment contract the total amount of indemnity pay will **not** exceed the total expenses the employer would have incurred had the employee continued to serve until he/she reached regular retirement age.