K&L GATES

Germany

Employer Guide

10TH ANNIVERSARY EDITION

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INTRODUCTION

Germany remains one of the most employee-protective employment law regimes in the world. Apart from strict material requirements, formalities such as certain strict wet-ink signature requirements and consultation obligations remain very important, as they can heavily impact the legal validity of measures an employer takes in Germany.

Moreover, the employment law landscape in Germany continues to change rapidly. German employment law comes with an ever-increasing complexity, making it challenging for employers to navigate compliance obligations. For example, arrangements with professional employer organizations (each, a PEO) increasingly result in legal challenges. Further, caselaw developments around employers' obligations to introduce a system to record their employees' daily working hours has raised uncertainties in recent years. Legislation clarifying the exact obligations has been expected numerous times over the last years, and also in 2024; however, it is still pending.

Finally, remote work and cross-border employment work arrangements remain a hot topic with increased consultation needs in the cross-junctions of employment, immigration, social security, and tax laws.

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EMPLOYMENT RELATIONSHIPS

I. PRE-EMPLOYMENT

Immigration/Visa Requirements

Employers must ensure that their employees are lawfully allowed to work in Germany.

In principle, employees are required to apply for a visa allowing them to work in Germany before entering the country. Visa requirements vary depending on the country of origin.

Employees from EU member states generally do not need visas.

Reference/Background Checks

An employer may ask employees to provide and verify information that is relevant for a particular job and task. However, comprehensive background checks without the employee's consent are generally not permissible. Employee consent alone is generally not a suitable tool to justify background checks in the hiring process, as it is not considered to have been given voluntarily.

Police and Other Checks

Permitted in limited circumstances with the applicant's consent, if necessary to determine suitability for a particular job.

Medical Examinations

Permitted in limited circumstances with the applicant's consent, if necessary to determine fitness for a particular job.

Minimum Qualifications

Businesses may ask for minimum qualifications to ascertain an applicant's suitability for a role.

II. TYPES OF RELATIONSHIPS

Employee

Employment relationships may be full time or part time, as well as unlimited in term or fixed term. Fixed-term contracts are permissible only in certain circumstances and often require an objective reason. In principle, employees must be treated equally and enjoy the same rights regardless of the form of employment.

Independent Contractors, Freelancers, or Consultants

Individuals engaged as independent contractors, freelancers, or consultants do not qualify for a wide range of legislative protections. These individuals do not fall within the scope of the statutory social security system and different tax obligations apply. Misclassification can result in additional liabilities and risks for the employer, especially (a) individuals claiming employment resulting in the applicability of statutory employee protective rights and benefits, and (b) liability for back pay of social security contributions plus interest and wage tax as of the commencement of the engagement. Moreover, misclassification can also constitute an administrative offense punishable by a fine or even result in criminal charges.

Labor Hire (Agency Work)

Labor hire (agency work) is highly regulated and permissible only for a temporary period. The labor hire firm generally requires an official permit and remains the employer of the labor hire workers. Violations of the labor hire regulation may, for example, result in employees being able to claim employment with the hiring entity as well as fines or even criminal charges for the companies.

PEO and employer-of-record arrangements will often fall within the scope of this regulation. As a consequence, they will generally be permitted only on a temporary basis.

III. INSTRUMENTS OF EMPLOYMENT

Contracts

A written contract of employment is not legally required but is strongly advised in order to minimize the risk of disputes. On the first day of employment (at least for certain key terms), the employer must provide the employee with a written summary of certain fundamental employment conditions, such as details of pay, overtime, notice periods and termination procedures, duties, holidays, and hours of work. Employers can comply with this obligation by entering into a written contract of employment at the start of the relationship.

Collective Agreements

Collective bargaining agreements with trade unions and works agreements with works councils cover a broad range of topics relating to employment conditions, such as remuneration, notice periods, and leave entitlements. A collective bargaining agreement applies by law to every individual contract of employment between an employer (that is bound by the agreement) and any employee who is a member of the union. Employers may further choose to make reference to collective bargaining agreements and thereby implement them voluntarily by contract. A works agreement applies with very limited exceptions to all employees of the business that are subject to such works council (i.e., regardless of any specific membership of the individual employees or contract reference).

Registered Agreements

Collective bargaining agreements may be declared generally binding by public order for all employers in a business sector.

Policies

Policies are not required but are often introduced to achieve consistent standards throughout a company or group of companies. In many cases, such policies touch upon mandatory codetermination rights of the works council and, therefore, cannot be introduced unilaterally if a works council has been established.

IV. ENTITLEMENTS

Minimum Employment Rights

Employment conditions set out in German labor law can be divided into two main categories:

- Mandatory provisions.
- Provisions that allow deviations only to the benefit of the employee.

In some cases, deviations are permissible only by way of collective agreements (i.e., collective bargaining agreements with trade unions or works agreements with works councils). For the majority of provisions protecting employees' rights, no deviations or only limited deviations from the law may be agreed on.

Important minimum employment rights include:

Hours of Work

The statutory maximum limit for the working time of an employee generally is eight hours per day. Breaks are not taken into account for this. A work day may be extended to a maximum of 10 hours. However, such extensions must be balanced by ensuring that the working time (including overtime) does not exceed an average of 48 hours per week over a reference period of either six calendar months or 24 weeks.

Employees are entitled to at least 11 hours of uninterrupted rest time after each work day. In principle, employees are not allowed to work on Sundays and public holidays.

Annual Leave

All employees are entitled to four weeks' paid annual leave a year, which is calculated on a pro rata basis for part-time employees. Public holidays must be granted in addition to this.

Severely disabled employees receive an additional entitlement of one week's leave.

Maternity and Parental Leave

Women are entitled to at least six weeks' paid maternity leave prior to, and eight weeks following, the birth of their child and generally do not work during this period.

Women may be entitled to longer periods of maternity leave for medical reasons.

A parent may request parental leave in order to care for and educate his or her child for up to three years. During parental leave, the employer generally has no obligation to continue to remunerate the employee (unless the employee works part time during the parental leave). The employee will be able to apply for statutory parental leave benefits for a period of up to 14 months during the parental leave period.

Flexible Working Arrangements

Employees may request a reduction of their working time, i.e., work part time. Furthermore, employees on parental leave may request to work part time during their parental leave instead of being fully released from their working duties.

Protection Against Unfair Dismissal

Protection against unfair dismissal rules, as outlined in the "Dismissal Action" section of this Germany guide, are binding and may not be agreed otherwise between the parties.

Continued Pay (Illness, Public Holidays, and Other)

During public holidays and in the case of sick leave, employees are generally entitled to continuous pay of their regular remuneration. Employees are entitled to up to six weeks' full pay for each period of illness, except employees who have been employed for less than four weeks, who receive no pay when absent. Employees can also be entitled to continuous pay in the case of other short-term leave, i.e., when taking care of sick children or attending a close family member's wedding.

Public Holiday

The number of public holidays varies among the different German federal states and ranges from 10 to 13 days per year. In principle, employees must not work on a public holiday.

Minimum Wage

A general statutory minimum wage of €12.41 gross per hour applies since 1 January 2024. It is generally reviewed every two years. The next increase of the minimum wage is scheduled for 1 January 2025 (€12.82 gross per hour). There are only very limited exceptions from the minimum wage.

Higher minimum wages can apply for certain sectors based on collective bargaining agreements that have been declared generally binding by public order.

Notice of Termination

When an employer terminates a full-time or part-time employee's employment, it must observe the following notice periods:

- Less than two years of service – four weeks.
- Two but less than five years of service – one month.
- Five but less than eight years of service – two months.
- Eight but less than 10 years of service – three months.
- 10 but less than 12 years of service – four months.
- 12 but less than 15 years of service – five months.
- 15 but less than 20 years of service – six months.
- 20 years of service and more – seven months.

For employees who are in a probationary period (up to six months), a notice period of two weeks may be agreed on.

There are no legal obligations regarding severance or redundancy payments when terminating employees.

Wage Taxes and Social Security Contributions

Employers must pay social security contributions toward the employee's statutory health insurance and wage taxes to the appropriate tax authority. The German statutory social security systems include pension insurance, unemployment insurance, health insurance, nursing care insurance, and accident insurance.

Social security contributions currently amount to a total of 40% of the employee's monthly gross remuneration, but they are capped at a maximum of €2,620.08 per employee for Western Germany and €2,598.88 for Eastern Germany. The employer's contribution represents approximately 50% of the social security contributions and is capped at €1,310.04 and €1,299.44, respectively.

Discretionary Benefits

Bonuses

Employers may choose to incentivize employees by including bonus provisions in employment contracts. Bonuses are usually subject to individual, department, or business performance. Once bonus payments have been agreed upon, there are only limited ways in which they can be revoked or kept fully discretionary.

Additional Annual Leave

Additional annual leave can be granted in addition to the statutory minimum of four weeks.

Other Benefits

There is a wide variety of further benefits, such as a company car, company housing, and travel allowances, that may be provided. These discretionary benefits may be calculated as taxable income and are also considered when calculating the social security contributions.

TERMINATION OF EMPLOYMENT

I. GROUNDS

Termination can be brought about by mutual agreement, upon expiry of a fixed-term contract, by the employer with or without notice, or by the employee.

Employees may enjoy statutory dismissal protection under the Dismissal Protection Act if the employer regularly employs more than 10 employees in Germany (in certain rare circumstances, this threshold may be reduced to five employees). Employees gain protection against dismissal from the Dismissal Protection Act only after they have worked for the employer for at least six months.

Generally, the employer can validly dismiss an employee under the Dismissal Protection Act only if there is a sufficient reason relating to:

- The employee, such as inability to perform contractual duties (for example, because of long-term illness).
- A breach of contract, such as misconduct.
- A restructuring of the business resulting in redundancy.

Special additional rules on the dismissal procedure apply if the employees have established a works council. Furthermore, certain employees enjoy special dismissal protection. This includes, *inter alia*, employees who are pregnant, on maternity or parental leave, or family or caretaker leave; employees who are severely disabled; or employees who are members of the works council or who are appointed as a data protection officer (DPO). In such cases, termination might be permissible only for cause or with prior approval by a state authority.

In case the Dismissal Protection Act does not apply, dismissing employees is, in principle, possible without reason, provided that the termination is not for a discriminatory, arbitrary, or retaliatory reason.

II. MINIMUM ENTITLEMENTS

Payments/Notice

When an employer terminates an employee's employment for reasons other than for good cause, it must provide the notice as described under the "Entitlements" section of this Germany guide.

An employer can dismiss without notice for good cause. However, where a termination is based on breach of contract, a prior written warning is almost always required before the employment relationship may be terminated. Short and strict deadlines apply for such a termination without notice.

Employees must observe a notice period of at least four weeks (two weeks during a probationary period). However, in practice, it is generally agreed that the employee has to observe the same notice periods as the employer, as described under the "Entitlements" section of this Germany guide.

Statutory Entitlements

Payment on termination includes:

- Outstanding wages for hours already worked, including hours accrued on working time accounts.
- Outstanding bonus amounts or other variable remuneration (prorated, if applicable).
- Continued remuneration until the end of the notice period.
- Accrued annual leave.

III. REDUNDANCY

Genuine Redundancy

A redundancy will justify a dismissal pursuant to the Dismissal Protection Act only if the employer can prove that the job reduction is a result of the implementation of an entrepreneurial decision (such as restructure) and the following preconditions are met:

- There is a lack of positions available in the company to transfer the employee to.
- The affected employee has to be chosen under observation of the social selection criteria (e.g., length of service, age, family obligations, and whether the employee is handicapped).

For the social selection process, the general rule is that if there are (company-wide) employees comparable to those whose positions have ceased to exist, employees with the lower "social data" must be made redundant first.

IV. FORMAL REQUIREMENTS

Consultation

If a works council has been established at the business, it must be consulted before every termination. Furthermore, approval by a state authority must be granted in cases where the employee is pregnant, severely disabled, or on parental leave.

Notice of termination must be in writing (with an original wet-ink signature of authorized person(s) included).

V. REMEDIES

Dismissal Action

Unfair Dismissal

Employees may bring an unfair dismissal claim against their former employer.

If the employer has sufficient reasons, the dismissal is valid and the employer will not be obliged to pay severance. If the employer does not have sufficient reasons, the dismissal will be found to be invalid and the employment relationship must be continued. Again, no severance needs to be paid. Reinstatement is the only remedy. There are no other alternatives, such as granting compensatory awards.

In spite of the rules in the Dismissal Protection Act, most claims for dismissal protection end with a settlement providing for the termination of the employment relationship and severance for the employee.

As there are no rules on severance, it is a matter of negotiation. A "typical" severance would be one-half of the employee's monthly salary per year of employment with the employer.

Adverse Action

Employers are prohibited from taking "adverse action" (including termination) against employees who exercise their rights (e.g., joining a trade union or demanding minimum working entitlements) or because of a protected attribute (see the "Discrimination" section in this Germany guide below).

Such adverse action is null and void. It may further result in affected employees being able to claim damages.

BUSINESS TRANSFER AND RESTRUCTURING

I. LEGAL REQUIREMENTS

Transfer of Business

German legislation prescribes a number of rules that apply if there has been a “transfer of business” (often referred to as a “transfer of undertakings”).

Generally speaking, these rules apply when:

- A business, or a part of a business, is transferred from one company to another while keeping its identity (i.e., transfer of an economic unit).
- The new company continues the business.

The main effects of the rules are that:

- All employees transfer to the new company.
- Existing employment conditions, in principle, continue to apply after the transfer.
- Terminating employees due to the transfer is not permitted.

The particulars of a “transfer of business” are highly regulated and subject to ever-changing caselaw.

II. RESTRUCTURING

Notification

Restructuring can trigger a variety of notification obligations (e.g., in relation to the employment agency, a works council, or an economic council).

Consultation

If a works council has been established at the affected business and the restructure constitutes a change of business (e.g., breakup of a business or a merger), a reconciliation of interests and a social compensation plan may have to be negotiated and agreed on with the works council before carrying out the restructure. Such negotiations will, among other things, typically result in severance payments for the affected employees. The process can be very time-consuming and can take several months or more.

PROTECTION OF ASSETS

I. CONFIDENTIAL INFORMATION

Most contracts of employment include provisions protecting the employer's confidential information, including intellectual property and client information. Trade and business secrets of the employer are also protected by law.

II. CONFIDENTIAL RESTRAINTS AND NONCOMPETES

Confidentiality provisions may restrict employees from using confidential information for anything other than the performance of their work duties. However, there are limited ways to prevent employees from using the knowledge they acquired during the term of their employment after termination.

Many employment contracts (especially with executives and key knowledge carriers) contain noncompete provisions that protect an employer's legitimate business interests and can be enforced and protected by contractual penalty clauses. These provisions usually prevent an employee from competing with his or her former employer for a period of up to 24 months after the termination date. However, noncompetes are binding on the employee only if they provide for a noncompete allowance in the sum of at least 50% of the compensation last received by the employee, including any variable remuneration and other benefits, such as car allowances. A shortfall of this commitment makes the entire post-contractual noncompetition covenant unbinding.

III. PRIVACY OBLIGATIONS

The General Data Protection Regulation (GDPR) is a comprehensive data protection regulation that was introduced by the European Union to strengthen the rights of individuals regarding the collection and processing of their personal data. In Germany, the GDPR was implemented in the Federal German Data Protection Act (BDSG). The GDPR and BDSG also apply in employment relationships where employees maintain their general constitutional right to privacy. As a result, any act of collecting/processing personal data of employees requires a legal basis.

Processing Employees' Personal Data

Under the GDPR, the most relevant legal basis for each processing must be selected among the following six possibilities:

- Consent of the individual.
- Necessity for the performance of a contract to which the data subject is party.
- Necessity for compliance with a legal obligation.
- Protection of the vital interests of the data subject or another natural person.
- Public interest.
- Legitimate interest pursued by the controller or by a third party.

Although an employee's consent may seem a viable option, the hierarchical imbalance between employees and employers could challenge the "freely given" requirement for consent to be valid in human resources relations. Moreover, consent may be freely revoked, which can also prove challenging in business process continuity.

The processing of sensitive personal data (i.e., ethnic origin, political opinions, religious beliefs, union membership, genetic or (certain) biometric data, or data relating to health or sexual orientation) is, in principle, prohibited. There are some limited exceptions under the GDPR only (e.g., data processing necessary to protect the vital interests of the employee or where required expressly by law).

Record-Keeping Obligations

Employers are required to maintain records of their personal data processing activities (ROPA). In the context of employment law, this includes documenting what, how, why, for how long, and by whom employee data is collected and processed. The ROPA must be provided to the competent supervisory authority upon request, and failure to establish or maintain an up-to-date ROPA would in and of itself be a breach of the GDPR's accountability tenet.

When processing operations are likely to result in high risks to data subjects (e.g., when involving new technologies such as artificial intelligence), employers will need to conduct a specific Data Protection Impact Assessment detailing, in addition to the information required under the ROPA, the risks and ways to remediate such risks, prior to implementing such processing operations. For example, this can relate to processing pertaining to (a) automated evaluation of video or audio recordings to evaluate the personality of those affected, or (b) large-scale processing of personal data on the conduct of employees, which can be used to evaluate their work activities with legal or similar significant effect.

Notification Obligations

The employer is obliged to inform individuals in detail about the collection and processing of their personal data, including data sharing and international transfers, and legal rights in this regard. Such information generally should be provided through various privacy notices for each category of individuals (e.g., employees, applicants) in order to convey only the information relevant to that category. Upon substantial update to the privacy notice, individuals should be notified of such changes. As the employer is responsible for ensuring and providing evidence for compliance with the GDPR by its personnel, proper training and documentation is recommended.

As part of the accountability tenet of the GDPR, the employer is responsible for ensuring that its personnel comply with GDPR requirements and for providing evidence for compliance with the GDPR by its personnel. One such way to demonstrate compliance may be achieved by proper training of the personnel.

Data Sharing

Data sharing with third parties (including service providers such as payroll providers and marketing partners) must be thoroughly assessed and framed within a data sharing agreement to ensure that GDPR requirements are complied with all through the data life cycle. Additionally, both disclosure to and acquisition from third parties must be indicated in the ROPA. There are no intragroup exemptions, so group companies have to be treated as third parties and any data flows among group companies need to be carefully assessed.

There are limited ways in which data can be transferred to third parties outside the European Economic Area. Where the recipient is not located in a country benefiting from an "adequacy decision" or all involved parties have implemented binding corporate rules, a data transfer agreement will generally need to be implemented to ensure that GDPR requirements are complied with all through the data life cycle.

Other Rights and Obligations

Employees also have several statutory rights under the GDPR with regard to their personal data, namely:

- Right to access, rectify, or delete their data.
- Right to restrict the processing.
- Right to data portability.
- Right to object.

- Right to freely withdraw consent.

Upon receiving such data subject access request, the employer will need to address the request within 30 days of its receipt.

Employers, especially larger organizations, may be required to designate a DPO responsible for monitoring GDPR compliance and engaging with data subjects and supervisory authorities. Among the requirements to properly perform his or her activities, the DPO must have expert knowledge of data protection, a good understanding of the organization's operations, and independence when performing his or her tasks. The DPO is a protected employee who may not be dismissed for performing his or her tasks.

Noncompliance with the GDPR might result in fines up to €20 million or up to 4% of the global annual turnover, whichever is higher.

IV. WORKPLACE SURVEILLANCE

Surveillance of employees with cameras or other technical means is strictly regulated and permitted only in limited scenarios. The constitutional right to privacy also applies at the workplace, and ongoing/permanent monitoring of employees would interfere with this right. Involvement of the works council (if one exists) may be necessary.

Allowing employees to use the employer's information technology infrastructure for private purposes (e.g., sending and receiving personal emails, visiting non-work-related websites) or tolerating such usage can vastly restrict the options of the employer to record, monitor, or investigate respective data.

V. WORKPLACE INVESTIGATIONS

Investigations may be permissible in the case of suspected crime or substantial contract violations. They may be required before a dismissal for conduct-related reasons is lawful.

Investigations may violate the BDSG and the GDPR and constitute criminal offenses if carried out incorrectly.

WORKPLACE BEHAVIOR

I. MANAGING PERFORMANCE AND CONDUCT

Employment contracts, policies, and agreements may set out the employer's expectations regarding employees' performance and conduct.

The ability to terminate an employee due to poor performance is very limited.

A prior written warning is almost always required before an employment relationship may be terminated due to misconduct.

II. BULLYING AND HARASSMENT

Workplace bullying and harassment are not covered by any special legislation in Germany. Depending on the circumstances, bullying may be covered by anti-discrimination law (see the "Discrimination" section in the Germany guide below).

Bullying and harassment by an employee may constitute a form of misconduct that justifies termination of employment.

III. DISCRIMINATION

Discrimination in employment (including during the recruitment process) is prohibited by anti-discrimination legislation. It is unlawful to discriminate on the basis of race, ethnicity, sex, religion, ideology, disability, age, or sexual identity.

Limited objective reasons may justify discrimination in certain cases. Also, positive action in order to prevent or compensate for existing disadvantages may be seen as lawful.

Furthermore, all employees are entitled to equal treatment where different treatment cannot be justified by objective reasons (regardless of the grounds on which the different treatment is based).

IV. UNIONS

Representation

Trade unions are employee representation coalitions for multiple employers or businesses. The main purpose of unions is to agree to collective bargaining agreements, either with employers' associations or with individual employers. However, not all industries or employers are bound by collective bargaining agreements.

At the business-unit level, the interests of the employees are represented by the works council. A works council may be established in a business with at least five permanent employees who are over 16 years of age. Employers can agree to "works agreements" relating to certain mandatory codetermination rights with the works council, such as questions relating to the behavior of the employees or the organization of remuneration systems. Employers are also free to agree to voluntary works agreements to regulate other work-related areas that are not covered by collective bargaining agreements.

Employees' personal data relating to their union activities is considered to be sensitive data under the GDPR and may be processed only in limited scenarios.

Right of Entry

If a works council has been established at the business, representatives of trade unions may be allowed to enter the workplace in order to exercise specific rights in connection with the Works Constitution Act.

External representatives of trade unions are generally not permitted to enter the workplace, except in the above circumstances.

Works council members are allowed to enter the workplace, as they are employees of the business.

Industrial Disputes

It is lawful for trade unions to undertake industrial action (i.e., strikes) under certain circumstances. Currently, no legislation regulating industrial action exists; rather, the framework for, and limitations of, industrial action has been developed by caselaw and remains in a state of flux.

A works council may not undertake industrial action. Disputes between a works council and the employer may be resolved by reconciliation committee proceedings.

V. REMOTE/HYBRID WORK

Remote Work of Locally Employed Employees Within Germany (Germany-Internal Scenario)

In Germany, there currently is no legal entitlement for employees to work (fully) remotely. Employees are therefore allowed to work from home or remotely only if this is expressly permitted by the employer (for example, based on the employment agreement, a company policy, or a works agreement).

If no company office workplace is provided by the employer and the employee will therefore be working fully remotely in Germany, there will be a need to reimburse the employee for reasonable home office expenses (including partial rent, heating, electricity, etc.). Employers are also responsible for ensuring proper working conditions from a health and safety perspective for employees who work remotely in Germany. Employers must carry out risk assessments and inform employees of risks they might be exposed to when working remotely, both physically and mentally. Employers also remain responsible for complying with other regulations, such as the provisions of the German Working Time Act or data protection laws.

Remote Work of Locally Employed Employees Outside of Germany (Germany-Outbound Scenario)

Depending on the country, employees may require a residence permit providing the right to work abroad. Employees who are EU citizens working remotely in the European Union will not need to obtain a residence permit.

Moreover, remote work abroad can have an impact on the applicable employment law, social security law, and wage entitlements, as well as corporate tax law. It should therefore be examined on a case-by-case basis which regulations under foreign law will apply in the case of remote work abroad by employees who are usually employed in Germany.

Remote Work of Foreign-Employed Employees Within Germany (Germany-Inbound Scenario)

Depending on the citizenship of the individual employee, employees may be required to hold a residence permit providing the right to work in Germany. Employees who are EU citizens will not require a residence permit or work permit for Germany.

Employees will generally remain employees of the foreign-employing entity while working remotely in Germany. For permanent arrangements, a local German employment relationship should be put in place. For temporary arrangements, a temporary posting agreement should be concluded. The terms and conditions of the employee's current employment would generally remain in place. However, during the term of the temporary posting, certain mandatory minimum German employment standards will apply from the first day of the posting (such as minimum wage and other mandatory remuneration provisions, maximum working hours and rest periods, vacation entitlements, reimbursement of certain employment-related costs, mandatory health and safety regulations, maternity protection, and anti-discrimination regulations).

For a posting that extends over a period of more than 12 months, generally all German employment laws will become applicable as of such time with the exception of rules on termination of employment, post-contractual noncompete covenants, and company pensions. More favorable employment laws of the sending country that have been agreed upon with the posted employee may nevertheless continue to apply.

Employees working (remotely) in Germany are generally subject to the German social security system. Exceptions to this may apply if, for example, a social security treaty is in place between Germany and the country of regular employment or if the regular employment is within another EU member state.

Furthermore, wage as well as corporate tax law implications should be examined on a case-by-case basis.

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