

GERMANY

Basic principles

In Germany there are, on the one hand, special provisions for certain groups of self-employed (notably craftsmen), who are compulsorily insured with the statutory pension insurance and, on the other, independent social security systems for farmers (including assisting family members), self-employed artists and publicists and the special schemes for the members of the professions, which have the right to form associations.

Self-employed also have the opportunity within the statutory pension insurance to be compulsorily insured upon request or to pay voluntary contributions.

Persons who have been compulsorily insured against unemployment as employees for at least 12 months during the 24 months preceding the self-employed activity or persons who have received unemployment allowances before becoming self-employed, may benefit from optional continued insurance, on request to the Federal Employment Agency (*Bundesagentur für Arbeit*).

Agriculture

Financing

Health insurance of working farmers is almost totally financed from contributions, with contributions assessed on the basis of surface values and laid down in 20 contribution categories. The benefits granted to the pensioners or retired farmers are funded from tax revenues, if they are not covered by their contributions and solidarity supplement included in the contribution of the working farmers. Since 2005 the working farmers have been increasingly contributing to financing the benefits granted to non-active members. The share of tax revenues amounts to approximately 50% for the system as a whole.

Such risks as invalidity, old age and survivors are financed through a special system (old-age insurance for farmers) with approximately 77% from tax revenues and approximately 23% from flat-rate contributions. Unlike the general pension insurance scheme, the old-age insurance for farmers offers only a partial coverage. The partial nature of the old-age insurance for farmers is reflected in the level of contributions and of pension payments. There is a single, not-income-related contribution rate for the old-age insurance for farmers. The contribution amount takes into account the lower benefit level of the old-age insurance for farmers compared to the statutory pension insurance.

Approximately 81% of the expenses under the schemes for accidents at work and occupational diseases are financed by contributions, 14% from taxes and 15% from other sources. Contributions consist of a basic contribution and a risk-oriented contribution and are calculated in a uniform way at federal level.

Family benefits and basic security benefits for job-seekers are financed from tax revenues.

Sickness and maternity: Benefits in kind

In case of membership in the general statutory health insurance system: benefits in kind are granted according to the provisions of the general scheme.

Sickness and maternity: Cash benefits

For farmers, no statutory protection system has been set up.

Long-term care

Long-term care insurance is compulsory for any person who subscribed to compulsory health insurance for farmers, but also for those persons who subscribed to sickness insurance from a private body.

Benefits in cash and in kind are paid according to the regulations of the general system (like for the employees). Long-term care social insurance is financed by contributions. There is no specific autonomous protection scheme for farmers.

Invalidity

Membership is compulsory in the old-age insurance for farmers. It is only possible to receive benefits once the agricultural undertaking has been given up and if a qualifying period of 5 years has been fulfilled.

Old-age

Membership is compulsory in the old-age insurance for farmers. Before the beneficiary is able to receive the benefits, he should have reached the legal retirement age and the agricultural undertaking must be given up. The qualifying period is 15 years.

Survivors

Widows/widower can receive survivor's benefit if they have not remarried, the agricultural undertaking of the deceased has been given up, the deceased held insurance for at least 5 years, or died as a result of an accident at work or an occupational illness, and the survivor is aged at least 45 or has a child under the age of 18 or is incapacitated for work within the

meaning of statutory insurance. The amount of benefits for widows/widowers is calculated on the term of insurance, and credited periods have to be taken into account if death occurred before attaining the age of 60. As far as half-orphans and full orphans are concerned, 1/5 of the invalidity pension which the deceased parent or the deceased persons would have received will be allotted to them.

Accidents at work and occupational diseases

In the event of accidents at work and occupational diseases farmers are as a rule covered under the provisions of the general system. Special provisions apply when pensions and injury benefits are calculated and when farm helps and household helps are provided.

Family benefits

Farmers are granted family benefits under the provisions of the general system.

Unemployment

There is no compulsory unemployment insurance for self-employed farmers. If there is no sufficient income and no disposable assets, the self-employed farmers are in principle entitled to the standard allowance granted to jobseekers (*Arbeitslosengeld II*), a universal allowance granted to the gainfully employed to secure their subsistence.

Crafts and commerce

Financing

The risks invalidity, old age and survivors are financed from contributions and from tax revenues (federal level). The protection scheme accidents at work and occupational diseases is financed by means of contributions, and the amount of contributions is determined in relation to the risk. Family benefits and basic security benefits for job-seekers are covered by tax revenues.

Sickness and maternity: Benefits in kind

There is no independent statutory protection system for craftsmen and retailers.

Sickness and maternity: Cash benefits

There is no independent statutory protection system for craftsmen and retailers.

Long-term care

Long term care insurance is compulsory for any person who subscribed to compulsory sickness insurance but also for those persons who subscribed to sickness insurance from a private body.

Benefits in cash and in kind are paid according to the regulations of the general system (like for the employees). Long-term care social insurance is financed by contributions. There is no specific autonomous protection scheme for farmers.

Invalidity

Craftsmen and retailers having a home-based business are subject to compulsory membership of the statutory pension insurance; other retailers have the possibility of joining the statutory system.

Provided that the qualifying period of 5 years is fulfilled and the beneficiary has paid compulsory contributions for 3 years in the past 5 years preceding a reduction in earning capacity, he is granted benefits according to the regulations of the general system.

Old-age

Craftsmen and retailers having a home-based business are subject to compulsory membership of the statutory pension insurance; other retailers have the possibility of joining the statutory system. The qualifying period is 5 years, and benefits are granted in accordance with the regulations of the general system.

Survivors

Craftsmen and retailers having a home-based business are subject to compulsory membership of the statutory pension insurance; other retailers have the possibility of joining the statutory system. Survivor's benefits are granted in accordance with the regulations of the general system.

Accidents at work and occupational diseases

There is no compulsory accident insurance for craftsmen and retailers in the statutory system. Some occupational accident insurance funds (*Berufsgenossenschaften*) offer compulsory insurance to entrepreneurs and their assisting spouses or partners under certain conditions and in accordance with the statutes (i. e. the Occupational Accident Insurance Fund for Health Service and Welfare Work (*Berufsgenossenschaft für Gesundheitsdienst und Wohlfahrtspflege*) to hairdressers, or the Occupational Accident Insurance Fund for Economics of Transport Services, Post, Logistics, Telecommunication (*Berufsgenossen-*

schaft Verkehrswirtschaft Post Logistik Telekommunikation) to taxi drivers). Moreover, under certain conditions entrepreneurs have the possibility to insure themselves on a voluntary basis with the competent occupational accident insurance fund of their branch of industry.

Family benefits

The general system applies.

Unemployment

There is no compulsory unemployment insurance for self-employed craftsmen and retailers. If there is no sufficient income and no disposable assets, the self-employed farmers are in principle entitled to the standard allowance granted to jobseekers (*Arbeitslosengeld II*), a universal allowance granted to the gainfully employed to secure their subsistence.

Liberal professions

The traditional professions having the right to form associations (such as surgeons, pharmacists, notaries, lawyers, accountants, tax agents, veterinaries, auditors and sworn auditors, dentists, psychological therapists, civil engineers) have their own self-financed schemes assuring compulsory coverage for old-age, invalidity and survivors on the basis of national law provisions. Each *Bundesland* decides over the appropriateness and necessity of setting up insurance bodies for professions. Benefits provided by such professional schemes are only financed through member contributions and asset returns. The state does not provide funding. The schemes are supervised by authorities in the *Länder*. Delegates are elected from among the members/ the insured and decide upon contributions and benefits. The relationship to be established with regard to the provision of services comes into existence by operation of law.

Self-employed artists and publicists

Through the Artists' Social Insurance (*Künstlersozialversicherung*) self-employed artists and publicists are covered by the statutory schemes for pension, sickness and long-term care insurance. Compulsory insurance requires the artist or publicist to conduct his or her activities on a commercial basis, to attain a minimum annual income more than €3,900 from such activities and to employ not more than one person in the context of said activities.

Financing

The scheme is financed from the following sources: 50% come from the contributions paid by the insured, 20% are a federal subsidy and 30% are the social security charges for artists (*Künstlersozialabgabe*) paid by the entrepreneurs that commercialize art and journalism. The social security charges for artists are levied on all fees paid to self-employed artists and publicists, irrespective of the artist's membership of the Artists' Social Insurance. The Artists' Social Insurance Fund (*Künstlersozialkasse*) collects 50% of the income-related insurance contribution from the insured person and transfers a total contribution to the pension insurance and to the insured person's health fund.

Sickness and maternity: Benefits in kind and cash benefits

Membership of statutory sickness insurance is compulsory.

Long-term care

Membership of statutory long-term care insurance is compulsory.

Invalidity, old-age and survivors

Membership of statutory pension insurance is compulsory.

Accidents at work and occupational diseases

There is no independent regime for self-employed artists and publicists.

Family benefits

There is no independent regime for self-employed artists and publicists. The general system applies.

Unemployment

There is no compulsory unemployment insurance for self-employed artists and publicists. If there is no sufficient income and no disposable assets, the self-employed artists and publicists are in principle entitled to the standard allowance granted to jobseekers (*Arbeitslosengeld II*), a universal tax-financed allowance granted to those capable of work to secure their subsistence.