

46th General Report
on the Implementation
of the European Code of Social Security
as amended by its Protocol (Article 74)

General Report submitted
by the Government of the Federal Republic of Germany
for the period from 1 July 2016 to 30 June 2017

Germany has ratified all parts of the European Code as amended by its Protocol.

On Part I

The stipulations of the Convention are mainly implemented through the provisions of the Social Code, notably through

- Book III (SGB III) – Employment Promotion (Arbeitsförderung), dated 24 March 1997
- Book Five (SGB V) – Statutory Health Insurance, dated 20 December 1988
- Book VI (SGB VI) – Statutory Pension Insurance (Gesetzliche Rentenversicherung), dated 19 February 2002
- Book Seven (SGB VII) – Statutory Occupational Accident Insurance, dated 7 August 1996; and
- Part X of the Income Tax Law – Child Benefit.

The provisions equally apply to seamen and sea fishermen.

On Part II Medical Care

On Article 9 (or Articles 10 and 12 of Convention 130)

A. The provision of subparagraph (a) is applied.

B. With regard to the group of persons protected in accordance with Article 9 of ILO Convention No. 102 and Articles 10, 12 of ILO Convention No. 130, reference is made to the previous reports (last detailed report no. 40 and general reports nos. 41 to 45). Compared to the last report, the following changes in legislation have occurred during the reporting period:

1. Income thresholds

The general annual earnings threshold up to which workers and salaried employees are subject to compulsory coverage in the statutory health insurance is 57,600 euros in 2017 (section 6 (6) of SGB V). The special annual earnings threshold for employees who were privately insured on 31 December 2002 is 52,200 euros in 2017 (section 6 (7) of SGB V).

	General annual earnings threshold	Special annual earnings threshold
for calendar year 2012	50,850 euros	45,900 euros
for calendar year 2013	52,200 euros	47,250 euros
for calendar year 2014	53,550 euros	48,600 euros
for calendar year 2015	54,900 euros	49,500 euros
for calendar year 2016	56,250 euros	56,850 euros
for calendar year 2017	57,600 euros	52,200 euros

The earnings threshold up to which spouses and children of insured persons are covered as family members under section 10 of SGB V provided they do not have their own insurance coverage, are not exempt from insurance or self-employed on a full-time basis is 425 euros in 2017. For marginal employment, the earnings threshold amounted to 450 euros in the period under review (400 euros until 2012).

	Total income threshold	Income threshold Marginal employment
for calendar year 2012	375 euros	400 euros
for calendar year 2013	385 euros	450 euros
for calendar year 2014	395 euros	450 euros
for calendar year 2015	405 euros	450 euros
for calendar year 2016	415 euros	450 euros
for calendar year 2017	425 euros	450 euros

2. Legislation to update regulations concerning blood and tissue preparation and to amend other regulations

With regard to the statutory regulation on compulsory follow-up insurance (voluntary insurance), section 188 (4) SGB V was amended to include a special arrangement for seasonal workers. In the future, they will only be compulsorily insured if they declare their membership as a voluntary member to their previous insurer within 3 months after they cease to fall under the insurance obligation. The health insurance provider must inform the affected seasonal workers about this right of membership. They must prove that they reside or have their permanent residence in Germany. The health insurance providers can thus determine that German regulations on health insurance are applicable.

Under normal circumstances, seasonal workers return to their previous place of residence in another country after completing their activities. In this case no obligatory follow-up insurance has had to be implemented, because they no longer were living within the area of application of German social legislation (section 30 SGB I, section 3 SGB IV). Despite these contradictory legal regulations, existing insurance cover was therefore continued on a regular basis. The consequence of this was that health insurance providers were able to report insurance periods for the risk structure adjustment scheme and to receive allocations from the health fund, without there being possible expenditure on the allocations.

The amendment is intended to reverse the statutory rule-exception ratio for the group of seasonal workers and to link follow-up insurance to the explicit declaration of membership of the member as well as proof of residence or permanent residence in Germany.

On Part III Sickness Benefit

The monthly benefit assessment ceiling (maximum limit) for the assessment of sickness benefit amounted to 4,237.50 euros in 2016. In 2017, it amounts to 4,350 euros.

(Changes are in the year and in the euro amounts).

On Part IV Unemployment Benefit

For the year 2017, the contribution assessment ceiling, which is adjusted according to gross wage developments, was fixed at 6,350 euros per month for western Germany and at 5,700 euros per month for eastern Germany.

On Part V Old-age Benefit

a) Changes in the period under review

In the period under review the relevant values in the statutory pension insurance have changed as follows:

In the old Länder (West) the current pension value is

29,21 EUR for the period from 1 July 2015 to 30 June 2016

30,45 EUR for the period from 01/07/2016 to 30/06/2017

and in the new Länder (East) it is

27,05 EUR for the period from 1 July 2015 to 30 June 2016

28,66 EUR for the period from 01/07/2016 to 30/06/2017

In the old Länder (West), the contribution assessment ceiling is

	General Pension insurance system	Miners' pension insurance system
for calendar year 2015	72,600 euros	89, 400 euros
for calendar year 2016	74,400 euros	91,800 euros
for calendar year 2017	76,200 euros	94,200 euros

and in the new Länder (East) it is

	General Pension insurance system	Miners' pension insurance system
for calendar year 2015	62,400 euros	76,200 euros
for calendar year 2016	64,800 euros	79,800 euros
for calendar year 2017	68,400 euros	84,000 euros

The total number of Riester contracts for supplementary pension plans amounted to around 16.54 million at the end of 2016, and the number of occupational pension entitlements of active employees (second pillar) at the end of 2015 was around 20.4 million.

Flexible Retirement Act

The legislation to make the transition from working life into retirement more flexible and to strengthen prevention and rehabilitation in working life (Flexirentengesetz) of 8 December 2016 has created opportunities to make the transition to retirement more flexible, self-determined and individualised. Its measures include, new, more flexible supplementary income and partial pen-

sion rights which support work in retirement better than the previous regulations. Due to the possibility of waiving the insurance exemption in the case of employment past the regular age limit with simultaneous full-time pension benefits, the payment of employee contributions, together with the employer contributions that must be deducted in any case, results in higher pension entitlements. The limited abolition of the employer's contribution to the promotion of employment for workers past the statutory retirement age is intended to make their employment more attractive to employers. Through improved prevention, rehabilitation and follow-up benefits, individual health risks are to be identified early and mitigated, and the health and earning capacity of the insured are to be protected and secured, so that they can work longer.

On pension adjustments:

Pension adjustments are based on the development of wages. The wage increase which was relevant to the pension adjustment on 1 July 2016 was 3.78 percent in the old Länder and 5.48 percent in the new Länder. It is a result of the wage development reported by the Federal Statistical Office as calculated by national accounts which, however, did not take account of the impact of work opportunities providing reimbursement of additional expenditure (so-called "one-euro jobs"). In addition, account is taken of the development of earned income liable to pension insurance contributions of insured persons. In addition, a statistical special effect resulted from the revision of the national accounts from the year 2014, which increased the adjustment-relevant wage development by about one percentage point during the pension adjustment in 2016. Thus the statistical effect, which had weakened the previous pension adjustment, was offset.

In addition to wage development, the *sustainability factor*, which transfers the change of the ratio of pensioners to contributors to the pension adjustment, is also an important factor in the pension adjustment formula. In 2016, the sustainability factor was responsible for an increase of 0.18 percentage points in the pension adjustment. In addition to this, the factor of old-age provision expenses is used to transfer the changes in the expenses of employees in setting up their old-age provision to the adjustment of pensions. In 2016 the factor of old-age provision expenses was responsible for an adjustment increase of 0.26 percentage points because the contribution rate in general pension insurance in 2015 (18.7 percent) fell by 0.2 percentage points compared with the year 2014 (18.9 percent) and the "Riester reform scale " was last applied in 2013.

On the basis of this data, there was an increase in the current pension value as of 1 July 2016 from 29.21 euros to 30.45 euros or an increase in the current retirement value (East) from 27.05 euros to 28.66 euros. This corresponds to a pension adjustment of 4.25 per cent in the old Länder and of 5.95 per cent in the new Länder.

In the 2015/2016 period, the figures reflecting developments in the cost of living in Germany on the one hand and developments of wages and pensions on the other changed as follows:

percentage change on year	2016
consumer prices	0.47
wages	2.18
pension value as of 1.7. (old Länder)	4.25

The developments shown in the table indicate that pension adjustments in 2016, at 4.25 percent in the old Länder, lagged behind developments in wages and prices. Compared to wages, the higher pension adjustment is the result of the favourable development in employment of recent years, which also benefits retirees.

On Part VI Employment Injury Benefit

Article 34

As from 1 July 2016, care allowances range from 344 EUR to 1,374 EUR per month in western Germany and from 319 EUR to 1,278 EUR per month in eastern Germany.

Article 36

As from 01 July 2016, employment injury pensions from the statutory accident insurance were adjusted by a factor of 1.0425 in western Germany and 1.0595 in eastern Germany, which meant an increase of 4.25 per cent and 5.95 per cent respectively.

On Part VII Family Benefit

Since 1 January 2016, the monthly child benefit has been 190 euros for first and second children (from 1 January 2017: 192 euros), for third children 196 euros (198 euros) and for the fourth and each additional child 221 euros (223 euros).

On Part VIII
Maternity Benefit

The following changes occurred in the period under review.

As from 10 April 2017:

Privately insured self-employed women have more financial security during the protection periods under the Maternity Protection Act. As a result of amendments to the Insurance Contract Act, self-employed women who have private sick-leave insurance policies are entitled to payment of the agreed daily sickness allowance during maternity leave periods.

As from 30 May 2017:

The protection period after the birth of a child with a disability will be extended from eight to twelve weeks if the application is made accordingly. In this way, maternity benefits and the employer's contribution can be extended accordingly.

The regulations remain otherwise unchanged.

On Part IX
Invalidity Benefit

No changes in the period under review.

On Part X
Survivors' Benefit

No changes in the period under review.

On Part XII
Common provisions

No changes in the period under review.