

# Social Security

Germany has one of the best healthcare systems in the world, offering its citizens both general and comprehensive health insurance. Around 85% of the population is covered under a public health insurance scheme, while the rest are privately insured.

You don't need to worry about making social security payments, as your employer will make these contributions directly to your insurance funds.

If you work in Germany, you'll usually have these five different types of insurance:

## Statutory health insurance

Most Germans pay into the statutory health insurance fund (GKV). Employees with a gross annual income of under 52,200 EUR (4,350 EUR a month) are obliged to make contributions to the GKV. These monthly contributions currently equate to 15.5% of your gross income. The maximum monthly rate is 610 EUR. Employees pay 53% of the monthly amount, while the remaining 47% is paid by employers. Even if your gross annual income significantly exceeds the threshold of 50,850 EUR, your contributions won't change. That's one of the benefits of the German system. Health insurance is also compulsory for students, but they only pay a monthly contribution of 77 EUR.

The medical practice fee of 10 EUR, which patients used to pay for their first visit to the doctor or dentist each quarter, was abolished as of 1 January 2013. However, you still have to pay 5-10 EUR per prescription for medicine and 10 EUR a day for your first 28 days in hospital (this fee will not apply if you are admitted to hospital following an accident).

The biggest advantage of the GKV is that the policy holder's non-working relatives (e.g. spouse or children) who live at the same address are also included on the policy at no extra cost. Lots of people insure themselves and their families with the GKV and then take out additional private insurance to cover the cost of things like homoeopathy, alternative treatments and single rooms in hospitals, and to enjoy better services and dental treatments.

All GKV insurance providers in Germany are self-managing public entities that maintain the statutory health insurance system. Some are big companies with millions of members (e.g. AOK, BEK, DAK), while others only have a few thousand members (e.g. IKK and BKK). However, this doesn't mean the basic services are different, because all GKV insurance providers must observe the statutory regulations. If your statutory health insurance provider increases its contribution fees, you can cancel your membership with a notice period of two months and switch to another provider. You must remain a member for a minimum of 18 months.

## **Statutory health insurance**

Statutory health insurance funds provide cover to you and your family, so that illnesses do not become a financial risk. Your statutory health insurance provider will cover the cost of doctor's appointments and medication. You'll be spoilt for choice, as Germany has many different health insurance providers to choose from. If you're not happy with your health insurance provider, you can also switch to another one.

Contributions to the statutory health insurance fund currently amount to 15.5% of your gross income: You pay 8.2% of this, while your employer pays the other 7.3%.

You can find more information in the "Health Insurance" section.

## **Accident insurance**

In Germany, this form of insurance covers you against the high costs you might incur in the event of an accident at work. Accident insurance providers bear the costs of any medical treatment and reintegration into working life following a work-related accident. Contributions to the accident insurance fund are only paid by your employer; you don't have to pay anything.

## **Unemployment insurance**

Unemployment insurance provides you with an income for a certain period of time if you're made redundant. The only condition is that you have to have been insured for at least one year over the past two years, and you have to be looking for work. You'll receive support from Germany's national employment agency, the Bundesagentur für Arbeit.

Contributions to the unemployment insurance fund currently amount to 3% of your gross income: You and your employer each pay 1.5% of this.

## **Pension fund**

The statutory pension fund will pay you a pension once you've gone into retirement. The contributions you pay depend on your income and the amount of time you've worked in Germany.

If you leave Germany, you obviously won't lose your entitlement to your German pension. Once you've reached the retirement age, you'll be entitled to receive a pension from each Member State of the EU or EEA in which you've worked, as determined by each country's conditions. If you've worked in Germany and Spain, for example, you'll receive pension payments from both countries.

Contributions to the statutory pension fund currently amount to 19.6% of your gross income: You and your employer each pay 9.8% of this.

### **Cross-reference**

[Health insurance](#)