

COUNTRY NOTE

Database on Social Expenditure (www.oecd.org/social/expenditure.htm)

OECD - Social Policy Division - Directorate of Employment, Labour and Social Affairs

GERMANY

Monetary unit

Social spending is expressed in millions of Euros (EUR).

General notes

There are five social insurance branches: Statutory Pension Insurance, Statutory Sickness Insurance, Statutory Long-term Care Insurance, Statutory Accident Insurance and Unemployment Insurance.

The Federal Ministry of Labour and Social Affairs supervises old age and invalidity pension, insurance, and accident and unemployment insurance. The Federal Ministry of Health is responsible for statutory sickness insurance and long-term care insurance. The Federal Ministry of Family, Senior Citizens, Women and Youth is responsible for child benefits and parental leave benefits.

The individual country notes of the OECD Benefits and Wages (www.oecd.org/social/benefits-and-wages.htm) provide a comprehensive description of characteristics of social programmes (e.g. conditions for receipt, calculation of payment rates, tax treatment of social support, benefit duration, etc.) for the working-age population, including: unemployment insurance and assistance, social assistance, employment-conditional benefits, housing benefits, family benefits, childcare support, and support for sole parent households.

Break in series

Expenditure refers to Western Germany up to and through 1990, and to the unified Germany from 1991 onwards.

Data for 1990 onwards are based on the new ESSPROS methodology format. Coherent spending series for 1980 onwards at the individual programme level were obtained on basis of information for a few years in the early 1990s for which both historical spending series and information based on the new ESSPROS format were available. For certain programmes and aggregate categories, breaks in series (between 1989 and 1990) were inevitable. In general, programmes from the old ESSPROS format which could not be matched with a figure from the new ESSPROS format were set to “missing” from 1990 onwards; similarly, figures from the new ESSPROS format which could not be matched to a programme from the old methodology were set to “missing” for the period 1980-89.

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Secretariat estimates:

Tax part of “Public transfers to support families with children” is estimated at 60.0%; it is excluded.

Adjustment for 6 years old in Childcare pre-primary expenditure is estimated based on enrolment rates from the OECD Education Database.

Sources

1980-89

EUROSTAT (1995), *Social Protection Expenditure and Receipts 1980-1993*, Luxembourg.

EUROSTAT (1996), *Digest of Statistics on Social Protection in Europe -- Old Age and Survivors: an update*, Luxembourg.

Data provided by EUROSTAT (ESSPROS database), except for:

- | | |
|---------------------|--|
| 1980 onwards | 4. Health: OECD Statistics (www.oecd.org/health/healthdata) |
| 2000 onwards | 5.2.1.2 Childcare (pre-primary education adjustment for 6 years old):
OECD Education database (www.oecd.org/edu/database.htm). |
| 1985 onwards | 6. ALMP: OECD Labour Market Policy database. |

(See Table “Passage from ESSPROS to SOCX” next page).

Background information

European Social Statistics, Social Protection, ESSPROS qualitative information
<http://ec.europa.eu/eurostat/web/social-protection/data/qualitative-information>

MISSOC, Mutual information system on social protection in the Member states of the European Union and of the European Economic Area
(<http://ec.europa.eu/social/main.jsp?catId=815&langId=en>)

“*Le système social - vue d'ensemble*”, Ministère Fédéral du Travail et des Affaires Sociales, Bonn.

“*Un pour tous, tous pour un - le système de l'assurance sociale en Allemagne*”, Basis-Info 7/95, Politique sociale, Inter Nations.

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Passage from Esspros to SOCX (public / mandatory-voluntary private)
Germany, in millions of Euro

ESSPROS/SOCX				Code	1990	1995	2000	2005	2010	2011	2012	2013	2014	2015	
(1)	ESSPROS Social protection benefits			1100000	302,873	502,967	586,061	639,655	734,564	739,235	756,635	783,514	811,745	847,698	
-	(2)	- ESSPROS	Disability	Economic integration of the handicapped	1121114 1122114	578 1,953	828 4,750	839 6,722	1,049 8,390	829 10,584	796 10,912	769 11,438	771 11,757	784 12,554	793 13,104
-	(3)	- ESSPROS	Sickness	Benefits in kind	1111200 1112200	70,598 3,526	117,694 7,146	138,710 3,427	151,863 3,306	198,777 3,051	202,966 3,132	207,662 3,204	218,081 3,304	229,132 3,454	239,152 3,360
-	(4)	- ESSPROS	Unemployment	Cash - Vocational training allowance	1161114 1162114	4,221 5	10,868 6	12,013 4	2,913 3	2,642 2	2,223 2	1,857 2	1,769 2	1,759 2	1,760 2
				Benefits in kind	1161200 1162200	1,908 1	3,066 202	4,170 144	1,757 35	1,760 7	1,427 0	1,152 0	1,513 0	1,699 0	1,706 0
-	(12)	- ESSPROS	Family	Tax part of Public transfers to support families with children	1111200 (partially)	0	0	20,018	19,310	21,760	21,790	22,410	22,880	23,440	24,350
+	(5)	SOCX/ Health	HEALTH	Public benefits in kind	276.10.4.0.0.0	79,163	143,131	158,162	173,118	228,312	232,430	237,554	248,351	260,201	272,051
	(6)	SOCX/ EDU-EAG	FAMILY	Services											
				Child care (pre-primary education)	276.10.5.2.1.2	-	-	-1,175	-1,271	-1,252	-1,341	-1,177	-1,297	-1,430	-1,576
				Child day care (pre-primary - adjustment for 6yo)		m	m								
+	(7)	SOCX/ ALMP	ACTIVE LABOUR MARKET PROGRAMMES		276.10.6.0.0.0	11,215	22,017	26,297	25,582	23,093	20,862	18,581	18,132	19,128	19,165
-	(8)	= SOCX MANDATORY PRIVATE SOCIAL EXPENDITURE			276.20.90.0.0.0	20,254	28,408	26,807	22,237	29,995	32,662	36,595	39,724	40,067	42,231
		ESSPROS	Scheme 14	Entgeltfortzahlung		20,254	28,408	26,807	22,237	29,995	32,662	36,595	39,724	40,067	42,231
-	(9)	= SOCX VOLUNTARY PRIVATE SOCIAL EXPENDITURE			276.30.90.0.0.0	24,897	28,580	34,903	42,359	31,289	32,685	34,241	35,553	36,426	37,367
		ESSPROS	Scheme 15	Betriebliche Altersversorgung (BAV)		9,996	13,303	16,125	19,070	22,813	23,455	24,459	25,079	25,689	26,105
		ESSPROS	Scheme 17	Sonstige Arbeitsgeberleistungen		1,182	966	1,066	1,115	1,212	1,232	1,253	1,273	1,292	1,312
		ESSPROS	Scheme 28	Personal pension scheme (private Altersversorgung)		0	0	0	0	160	220	235	270	330	390
+	(10)	SOCX/ Health	HEALTH	Voluntary private insurance, benefits in kind	276.30.4.2.0.0	13,718	14,507	17,952	22,453	7,528	8,234	8,783	9,453	9,670	10,151
=	(11)	SOCX PUBLIC SOCIAL EXPENDITURE			276.10.90.0.0.0	279,029	481,383	539,736	606,338	691,580	690,856	701,051	722,910	749,972	783,631

Notes:

- (1) "ESSPROS / Social protection benefits" are Total ESSPROS expenditures (1000000) less Administration costs (1200000) and other expenditure (1400000, property income and other).
- (2) The ESSPROS data within "Disability / Economic integration of the handicapped" are not included in SOCX database to avoid double counting with SOCX "Active Labour Market Programmes / Measures for the disabled".
- (3) The ESSPROS data within "Sickness / Benefits in kind" are not included in SOCX database to avoid double counting with SOCX "Health / Benefits in kind".
- (4) The ESSPROS data within "Unemployment / Cash Vocational training allowance" "Unemployment / Benefits in kind" are not included in SOCX database to avoid any double counting with SOCX "Active Labour Market Programmes".
- (12) The ESSPROS data within Tax part of Public transfers to support families with children are not included in SOCX database as it is already included in tax breaks for social purposes.
- (5) SOCX Health benefits in kind are from "OECD Health Data (www.oecd.org/health/healthdata)".
- (6) SOCX includes public spending on pre-primary education from OECD education database, unless such data are already included in "5.2.1. Day care services".
- (7) SOCX Active Labour Market Programmes are from "OECD database on labour market programmes".
- (8) Spending on some programmes recorded under the schemes below are categorised as Mandatory private in SOCX.
- (9) Spending on some programmes recorded under the schemes below are categorised as Voluntary private in SOCX (9) Includes (10).
- (10) SOCX Private insurance Health benefits in kind are from "OECD Health Data (www.oecd.org/health/healthdata)".
- (11) = (1) - (2) - (3) - (4) - (12) + (5) + (6) + (7) - (8) - (9) + (10)

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Code	Title of the programme	Description of the programmes and attached notes
1 OLD AGE		
276.10.1.1.1.1	Statutory pension insurance	To qualify for a standard pension, a person must be 65 years of age and have contributed for at least five years (waiting period).
276.10.1.1.1.7	Social compensation, assistance to war victims	Social compensation is paid to war victims, victims of violent acts, victims of injuries sustained in the course of civilian or military service, victims of vaccinations and persons imprisoned for political reasons if they suffer damage to their health.
276.10.1.1.1.8	Pension insurance for independent professions	Only some categories of independent professions are insured automatically. Such is the case for artisans. Artists and journalists are automatically enrolled for disability and old age insurance if their annual incomes exceed a certain threshold, or if they have been employed for less than five years.
276.10.1.1.1.9	Old age assistance for farmers	Farmers are enrolled automatically in the farmers' old-age provident scheme.
276.10.1.1.1.13	Civil servant pension	Civil servants, judges, career military officers, enlisted volunteers and comparable workers employed by governments or public establishments or foundations who are not subject to compulsory insurance.
276.10.1.1.2.1	Statutory pension insurance	A person need not attain the normal age of 65 to be entitled to a pension. However, in this case pension payments are smaller: for each year of early retirement, the rate of the pension is reduced by 3.6 %.
2. SURVIVORS		
276.10.2.1.1.1	Statutory pension insurance	Since 1986, the law has provided equal protection for widows and widowers, but prior to this; a widower was entitled to a pension only if he had been financially dependent on his deceased spouse. The widow's or widower's pension amounts to 60% of the pension for which the deceased spouse would have been eligible. The pension is payable from the age of 45 onwards in case of incapacity or if the widow or widower is bringing up a child under the age of 18 or has no age-related restrictions if bringing up a child who cannot look after itself on account of a mental or physical handicap.
3. INCAPACITY-RELATED BENEFITS (Disability, Occupational injury and disease, Sickness)		
276.10.3.1.1.0	Disability pension	The minimum of level of incapacity giving entitlement to compensation is equal to 20 per cent after the 26th week following the employment injury. During the first two weeks after injury, review is possible at any time; after permanent annuity is fixed, at intervals of at least one year.
276.10.3.1.1.1	Statutory pension insurance	Total incapacity (voll erwerbsgemindert): situation of an insured person when, as result of sickness or infirmity, she or he is not able to work during an indefinite period for at least 6 hours a day in the regular labour market conditions. Partial incapacity (teilweise erwerbsgemindert): situation of an insured person when, as result of sickness or infirmity, she or he is not able to work during an indefinite period for at least 3 hours a day in the regular labour market conditions. For employees, the minimum period of affiliation for entitlement is equal to 60 months, of which 36 contribution months in the 5 years before onset of complaint. For handicapped persons incapable for work, it is equal to 240 months of insurance. In principle, pensions are taxable.
276.10.3.1.2.0	Occupational injury and disease	Accident insurance is compulsory and dates back to 1884. Accident insurance benefits include medical and occupational rehabilitation, cash payments to insured (e.g. indemnities for loss of salary and pension benefits) and, in the event of death, survivors' benefits (e.g., survivor's pension).
276.10.3.1.2.3	Survivors' pension	If the widow is not 45 years of age, he/she is entitled to receive 30 % of the deceased's earnings. If the widow or widower is aged over 45 or is occupationally or generally incapacitated or has at least one child

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		receiving orphan pension, he/she is entitled to receive 40 % of the deceased's earnings.
276.10.3.2.2.1	Rehabilitation for disabled	Functional rehabilitation as part of medical care is at the expense of the employers' insurance association (Berufsgenossenschaft).
4.	HEALTH	
276.10.4.2.0.0	Public Expenditure on Health	See <i>OECD Health Statistics</i> .
5.	FAMILY	
276.10.5.1.1.1	Statutory pension insurance	A family allowance is granted to a single individual in respect of each child until he/she reaches the age of 18. A prolongation to the age of 21 is possible for those available for work as unemployed, to the age of 27 if student or trainee or if no training place available, no age limit if disabled).
276.10.5.1.1.2	Child benefit	Since 1996, the " <i>Familienlastenausgleich</i> " has consisted primarily of tax relief, not cash payments.
276.10.5.1.1.3	Public transfers to support families with children	Tax part of "Public transfers to support families with children" is estimated at 60%; it is excluded.
276.10.5.1.2.3	Parental leave benefits: child raising allowance	All dependent employees, male or female, are entitled to parental leave of up to 36 months, to be taken before their child's third birthday. Leave may be taken alternatively by each parent, up to three times. The recipient enjoys full protection against layoff.
276.10.5.1.2.9	Birth grant: health insurance	All insured women are entitled to birth grant for 6 weeks prior to and 8 weeks after confinement (12 weeks in cases of premature or multiple birth). The difference between the Maternity Benefit paid by the sickness insurance fund and the net income of the insured woman is covered by the employer according to the provisions of the Maternity Protection Act.
6.	ACTIVE LABOUR MARKET PROGRAMMES	
	See OECD Labour Market Policy database.	
7.	UNEMPLOYMENT	
276.10.7.1.1.4	Short-time work compensation	Public compensation for labour hoarding of limited hours if this avoids dismissal.
276.10.7.1.1.5	Bad-weather compensation for construction workers	Under specific conditions, construction workers are paid compensation equal to the partial unemployment allowance for inevitable weather-related loss of employment during the period between 1 December and the end of February.
276.10.7.1.1.6	Bankruptcy compensation	Compensation for unpaid salaries in the event bankruptcy.
8.	HOUSING	
276.10.8.2.1.1	Social compensation, assistance to war victims	Recipients of social assistance or assistance to war victims receive a flat housing benefit.
276.10.8.2.1.3	Statutory pension insurance	Special regulations concerning housing benefits applied to the new <i>Länder</i> until mid-1995.
276.10.8.2.1.5	Other rent benefits (Housing benefit)	Housing support is paid by local governments.
9.	OTHER SOCIAL POLICY AREAS	
276.10.9.1.1.1 276.10.9.1.2.5 276.10.9.2.1.2	Social assistance	Social assistance is provided to persons who are not insured under long-term care insurance and to persons who are not entitled to long-term care insurance. These benefits are granted according to income and assets. The cost-of-living assistance includes in particular food, accommodation, clothes, personal hygiene, household equipment, heating and personal needs of daily life. Amounts are fixed by the <i>Landër</i> . Social assistance is financed out of general location.