

## COUNTRY NOTE

Database on Social Expenditure ([www.oecd.org/social/expenditure.htm](http://www.oecd.org/social/expenditure.htm))

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

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## 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](http://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:

- |                     |   |
|---------------------|---|
| <b>1980 onwards</b> | 4. Health: OECD Statistics ( <a href="http://www.oecd.org/health/healthdata">www.oecd.org/health/healthdata</a> )   |
| <b>2000 onwards</b> | 5.2.1.2 Childcare (pre-primary education adjustment for 6 years old):<br>OECD Education database ( <a href="http://www.oecd.org/education/database.htm">http://www.oecd.org/education/database.htm</a> ). |
| <b>1985 onwards</b> | 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  
<https://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	2000	2010	2015	2016	2017	2018	2019
(1)	<b>ESSPROS Social protection benefits</b>	<b>1100000</b>	<b>302,873</b>	<b>585,631</b>	<b>735,836</b>	<b>850,662</b>	<b>889,469</b>	<b>925,056</b>	<b>956,331</b>	<b>1,002,774</b>
-	(2) - ESSPROS Disability Economic integration of the handicapped	1121114	578	839	825	793	804	804	754	761
		1121122	0	0	0	0	0	0	0	0
		1122114	1,953	6,722	10,584	13,104	13,835	14,389	15,095	16,059
		1122122	0	0	0	0	0	0	0	0
-	(3) - ESSPROS Sickness Benefits in kind	1111200	70,598	138,708	198,742	239,181	248,412	258,524	267,847	281,632
		1112200	3,526	3,427	3,049	3,357	3,539	3,249	3,310	3,594
-	(4) - ESSPROS Unemployment Cash - Vocational training allowance	1161114	4,221	12,013	2,552	1,587	1,618	1,696	1,621	1,672
		1161121	0	0	0	0	0	0	0	0
		1162114	5	4	0	0	0	0	0	0
		1162121	0	0	0	0	0	0	0	0
	Benefits in kind	1161200	1,908	4,170	2,017	1,729	2,389	2,300	2,401	2,632
		1162200	1	144	0	0	0	0	0	0
-	(12) - ESSPROS Family Tax part of Public transfers to support families with children	1111200 (partially)		20,018	21,760	24,050	24,655	25,475	26,465	27,155
+	(5) SOCX/ Health HEALTH Public benefits in kind	276.10.4.0.0.0	79,163	155,751	204,894	245,769	256,310	266,279	275,618	289,001
(6)	SOCX / EDU-EAG FAMILY Services Child care (pre-primary education)	-	-	-	-	-	-	-	-	-
	Child day care (pre-primary - adjustment for 6yo)	276.10.5.2.1.2	m	-1,175	-949	-1,122	-1,184	-1,332	-1,391	-1,559
+	(7) SOCX/ ALMP ACTIVE LABOUR MARKET PROGRAMMES	276.10.6.0.0.0	11,215	26,297	23,093	19,395	19,665	21,539	22,931	20,606
-	(8) = SOCX MANDATORY PRIVATE SOCIAL EXPENDITURE	276.20.90.0.0.0	20,254	27,313	55,479	72,324	76,361	80,342	85,143	89,991
+	ESSPROS Scheme 14 Entgeltfortzahlung	20,254	27,313	32,794	46,832	50,439	53,942	57,467	60,998	
	SOCX/ Health HEALTH Mandatory private insurance, benefits in kind	276.20.4.2.0.0	a	a	22,685	25,492	25,922	26,400	27,676	28,993
-	(9) = SOCX VOLUNTARY PRIVATE SOCIAL EXPENDITURE	276.30.90.0.0.0	24,897	36,279	30,466	35,103	36,110	37,091	38,025	38,172
	ESSPROS Scheme 15 Betriebliche Altersversorgung (BAV)	9,996	15,121	21,151	24,414	25,160	25,604	26,145	26,387	
	ESSPROS Scheme 17 Sonstige Arbeitsgeberleistungen	1,182	840	792	691	666	642	630	630	
	ESSPROS Scheme 28 Personal pension scheme (private Altersversorgung)	0	0	120	310	340	375	420	510	
+	(10) SOCX/ Health HEALTH Voluntary private insurance, benefits in kind	276.30.4.2.0.0	13,718	20,318	8,403	9,688	9,944	10,470	10,830	10,645
=	(11) SOCX PUBLIC SOCIAL EXPENDITURE	276.10.90.0.0.0	279,029	537,186	668,488	758,656	792,404	824,541	851,335	888,791

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](http://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](http://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
<b>1 OLD AGE</b>		
276.10.1.1.1.1	Statutory pension insurance	To qualify for a standard pension, a person must be 65 years and 8 month of age and have contributed for at least five years (waiting period).
276.10.1.1.1.5	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 years and 8 months 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 %.
<b>2. SURVIVORS</b>		
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.
<b>3. INCAPACITY-RELATED BENEFITS (Disability, Occupational injury and disease, Sickness)</b>		
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. At standard retirement age (2019: 65 years and eight months), disability pensions are converted into old-age pensions.
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).
276.10.3.1.3.0	Paid sick leave	Include both :
276.10.3.1.4.0	(occupational injury and disease, and other sickness daily allowances)	1- Transitional allowance for medical treatment (Übergangsgeld bei Heilbehandlung) which is provided as a wage substitute for the duration of the medical treatment. The amount of the transitional allowance is determined by the insured remuneration and family circumstances of the person concerned immediately prior to commencement of the treatment.  2- Sickness benefit (Krankengeld) which corresponds to 70% of the gross remuneration up to the upper limit for the calculation of contributions, but may

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		not exceed 90% of their most recent net income. Following six weeks of continued payment of wages (by the employer), a sickness benefit is payable for a maximum of 78 weeks during a three-year period. A sickness benefit is payable for up to ten days per year for each child under the age of 12 who, according to a doctor's attestation. The entitlement to the benefit increases to a maximum of 20 days per insured child if the insured person is a single parent. Not more than 25 working days per year can be claimed by each insured parent (a maximum of 50 working days for single parents); in the case of seriously ill children, there is no time limit (for one parent).
276.10.3.1.5.22	Early retirement benefit due to reduced capacity to work (Statutory pension insurance) (non means tested)	Cash benefit paid to insured persons with partial (see above) and full reduced earning capacity pension (see above). The partial reduced earning capacity pension is paid at half the rate of a full-reduced earning capacity pension. In principle, people are eligible if during the last five years they paid contributions over a period of at least three years or prior to 1984 satisfied the general waiting period requirements and from 1984 onwards have each month completed pension insurance periods up to the occurrence of the reduced earning capacity. The waiting period of five years must be completed before the person has become disabled. However, certain periods will be considered for the waiting period to be extended (for example: period of training or unemployment; parental periods; home care). If disability is due to an accident during work, both the three-year contributory period and the five-year waiting period are not necessary for being eligible for a disability pension.
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).
<b>4. HEALTH</b>		
276.10.4.2.0.0	Public Expenditure on Health	See <i>OECD Health Statistics</i> .
<b>5. FAMILY</b>		
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.
276.10.5.2.1.1	Child day care : youth assistance	Include : 1- Early Childhood Education and Care (ECEC). Children have a right to attend ECEC services (centre-based child care or family day care) from the age of three years until starting school since 1996. In 2013 this entitlement to an ECEC place was extended to children from the age of one year. Participation contributions and charges are levied for children attending ECEC, and these usually depend on income and/or the number of children. Since any support provided is recorded in ESSOS as a net figure, i.e. after deduction of such charges and contributions, means-testing is involved. Both direct expenditure by public bodies and the subsidies accorded to privately run institutions (voluntary welfare organisations, churches, youth associations) are recorded.  2- Support for private youth-welfare bodies. Public expenditure on supporting private bodies providing individual and group-based assistance is recorded on a net basis (also see 4.2a ).
<b>6. ACTIVE LABOUR MARKET PROGRAMMES</b>		
		See OECD Labour Market Policy database.
<b>7. UNEMPLOYMENT</b>		
276.10.7.1.1.4	Short-time work	Public compensation for labour hoarding of limited hours if this avoids dismissal.

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	compensation	
276.10.7.1.1.12	Unemployment assistance : ALG II	Subsistence allowances for job-seekers are provided for employable persons in need of help and their households ("communities of need") (Arbeitslosengeld II).
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.
<b>9.</b>	<b>OTHER SOCIAL POLICY AREAS</b>	
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.