

# Global Tax Update

## Germany

Deloitte Tohmatsu Tax Co.

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### At a glance: Important information as of 1 January 2017 relevant for employers

As every year, 2017 has also important changes in the area of wage tax and the social security right. There are many small changes, which should be noticed. This article lists the most important changes you need to know for your current wage tax billing.

#### (1) Changes in income tax law

##### 1) ELStAM-Procedure

- ELStAM-Data are obligatory for the employer
- Increase of the basic tax-free allowance
- Wage tax class is simultaneously applicable to all remunerations (e.g. active employment and pension plan payments)

##### 2) Travel expenses

- Foreign travel allowances have changed as of 1 January 2017
- The rules regarding attestation "M" are extended until the end of 2017
- Benefits in kind values apply, corresponding with those for social insurance purposes for

breakfast	EUR 1.70
lunch/dinner	EUR 3.17

- Benefits in kind up to EUR 44.00 monthly continue to be income tax-free. If this threshold is exceeded, the entire value of the in kind will be subject to income tax. Flat-rate taxed benefits in kind are not to be included.

##### 3) Company events

Company events: tax exempt amount of EUR 110,00 per participating person / maximum two events per year / all additional costs (room rent, family members) have to be included / exceeding amounts are subject to wage tax (flat-rate-tax is possible).

#### (2) Changes in social insurance law

##### 1) Contribution rates of social insurance:

Health insurance	14.60 % (ER 7.3 %, EE 7.3 %)
Nursing care insurance	2.55 % (additional fee for childless 0.25 %)
Statutory pension insurance	18.70%
Unemployment insurance	3.00%
Unemployment insurance	0.09%
Additional health insurance	depends on health insurance company (borne by EE)
Average additional health insurance	1.1%
For self-employed artists/journalists (Künstlersozialkasse)	4.80%

2) **Social insurance contribution ceilings**

■ Health- and nursing care insurance for all Federal States

Health- and nursing care insurance for all Federal States	EUR 4,350.00 monthly EUR 52,200.00 annually
Yearly statutory remuneration ceiling	EUR 57,600.00
Special yearly statutory remuneration ceiling	EUR 52,200.00

■ Pension and unemployment insurance

	monthly	annually
Old Federal States	EUR 6,350.00	EUR 76,200.00
New Federal States	EUR 5,700.00	EUR 68,400.00

3) **Subsidies to the health- and nursing care insurance:**

Members of private health insurance	half of contribution; maximum
Health insurance	EUR 317.55
Nursing care insurance	EUR 55.46

- The maximum limit for earnings of persons in marginal employments amounts to EUR 450.00. These "Minijobs" are insured in the statutory pension insurance, an exemption is possible. Marginal and temporary employees are obliged to disclose further marginal and/or temporary employments.
- Temporary employment occurs when employment does not exceed 3 months or 70 days
- For low-income earners the limit remains unchanged at EUR 325.00. The employer must also bear the surcharge in the nursing care insurance for childless individuals.

4) **Monthly monetary value of benefits in kind**

Free accommodation	EUR 223.00
Meals (total)	EUR 241.00
Breakfast	EUR 51.00
Lunch/or dinner resp.	EUR 95.00

5) **Due date of data transfer of statements of contributions paid and of payments of total social insurance contribution amounts (fixed by law)**

Month	5th last bank business day (data transfer)	3rd last bank business day (payment)
January	25	27
February	22	24
March	27	29
April	24	26
May	24	29
June	26	28
July	25	27
August	25	29
September	25	27
October	24	26
November	24	28
December	21	27

When health insurance companies are charging or raising the additional health insurance rate there is a special right of cancellation. The binding period after a change remains un-changed.

**(3) Miscellaneous**

- Minimum wage for (almost) all business lines EUR 8.84
- Employment of pensioners:  
No more unemployment insurance contributions by the employer (limited until 2021)  
The ceiling for the permissible additional income changes on 1.07.2017

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