



Employing Employees for the First Time

This check list sets out the issues that new employers should consider when employing employees for the first time. It covers the minimum obligations of employers under German laws.

Check List:

- 1. Register as an employer with the Federal Agency of Employment.** You receive a company number (Betriebsnummer) when employing the first employee under which all reports to the health insurance funds shall be made (e.g. registration, annual notification etc.). Most new employers can register online (only available in German): <https://www.arbeitsagentur.de/unternehmen/betriebsnummern-service>
- 2. Get the relevant information from the employee for registration with the relevant authorities** by providing a standardised personnel questionnaire.
- 3. Check that each potential recruit has the legal right to work in Germany** by reviewing the work permit of a (Non-EU) candidate before you employ them. You could face a criminal and civil penalty if you fail to do so and employ an illegal worker. For information on the documents that are sufficient to prove the right to work in Germany go to: <http://www.bamf.de/EN/>
- 4. Register employee with the competent employers' liability insurance association.** All employers are generally required by law to insure against liability for injury or disease to their employees arising out of their employment. With the notification to the competent employers' liability insurance association (*Berufsgenossenschaft*) the respective employee is compulsorily insured under the statutory accident insurance scheme: <https://www.dguv.de/en/bg-uk-lv/bgen/index.jsp>
- 5. Register as an employer with the competent Health Insurance Funds.** To register an employee and to pay the monthly statutory contribution for health, nursing, pension and unemployment insurance, the social insurance number and the health insurance funds of the respective employee is required.
- 6. Get Employee's Tax Identification number and register as an employer with tax authority** before the first payday. The electronic

[Migration/Arbeiten/arbeiten-node.html](#)

notification must be authenticated with a certificate. Wage tax, solidarity surcharge and church tax must be withheld from the wage and paid accordingly. Employers can obtain binding information about questions of the wage tax deduction procedure from the responsible tax office. See: https://www.steuerliches-info-center.de/EN/SteuerrechtFuerInvestoren/Allgemeine_Informationen/Arbeitgeberpflichten/Arbeitgeberpflichten_node.html

7. **Pay the National Minimum Wage to your employees.** There are certain exceptions where there is no obligation to pay the minimum wage, e.g. for apprentices or seasonal workers. You can find more information about the minimum wage here: <https://www.bmas.de/EN/Our-Topics/Labour-Law/minimum-wage-laws.html>
8. **Provide a written employment agreement or written statement of employment particulars to each employee** at the latest one month after their start date. When employing an intern, the internship agreement has to be provided before the start date.
9. **Make policies and procedures available to employees.** Certain written policies and procedures must be made available to employees if they are referred to but not contained in the employment contract or written statement of employment particulars. You may be legally required to have other written policies in place, such as a data protection policy. Certain other policies are not required by law but are strongly recommended.
10. **Put payroll procedures in place** and give employees written itemised pay statements with details of the gross and net pay they receive on or before pay day.

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