

## *The Employment Contract*

**Those who complete an application and go through a first, second and possibly even third interview automatically receive an employment contract from the company upon being offered the job. It is important to check that everything is correct.**

Good to know: in Germany, there is a lot of regulation in place in terms of employment law, and there are numerous laws to protect employees. You should check that all that you and your interviewer agreed upon during the interview is included in the contract. If something is missing, there is usually no malicious intent behind it: it can simply be that an agreement from the interview was not forwarded to the department responsible for drawing up contracts. So, if something is missing, make sure you chase it up. **It is also important that you take relevant notes even during or shortly after the interview.**

### **Components of the employment contract**

If everything is generally as discussed, read carefully through your employment contract. It must contain the following points:

- Name and address of the contracting parties
- Start of the employment relationship
- Job description and workplace of the employee
- Reference to the collective agreement
- Duration of the trial period (or waiving of the trial period)
- Collectively agreed salary group: depending on the specific agreement and circumstances, the following details may also be included:
  - payments exceeding the collectively agreed rate of pay
  - special agreements
  - reference to applicable company and works agreements
- For cases of fixed-term employment relationships: length of fixed-term, if more than two years: reason for fixed-term
- For cases of part-time employment relationships: duration of working hours, work place and salary as a proportion of the collectively agreed salary

If there is no reference to a collective agreement, the employment contract should contain the following regulations:

- Agreed working hours (duration and work place); if applicable, payment or offset for overtime and travel times;
- Composition and amount of payment including all bonuses, allowances, premiums, special payments and other components as well as their due date, agreements regarding commission and profit sharing and, if applicable, reference to a salary grouping system used by the company;
- Annual holiday allowance, holiday pay;
- Termination notice periods

**Important:** always make sure that the minimum legal standards, any minimum collectively agreed standards and any minimum standards agreed within the company itself are adhered to. You should never agree to less than that. In collective agreements, not only important issues relating to salary are agreed but also working hours and holidays as well as conditions of termination.



### **Employment law is non-negotiable**

An employment contract can go beyond the requirements of employment law: for example, an employer can of course pay more than the minimum wage - and this is most often the case - but an employer must never pay less than the minimum wage (exceptions are not considered here).

The requirements of employment law include **rights to protect the employee** such as:

- Employment contract law in the German Civil Code (BGB)
- The German Works Constitution Act (BetrVG)
- The German Collective Agreements Act (TVG)
- The German Co-Determination Act (MitbestG)
- The German Minimum Wage Law (MiLoG)
- The German Labour Court Act (ArbGG)
- The German Law on Part-Time and Fixed-Term Employment (TzBfG)
- Legal requirements for working hours in the German Working Hours Act (ArbZG)
- Employment protection rights in the German Employment Protection Act (KschG)
- The German General Equal Treatment Act (AGG)
- Maternity protection rights in the German Maternity Protection Act (MuSchG)
- Law concerning severely disabled persons in Book IX of the German Social Code (Sozialgesetzbuch IX)
- Law on company pension schemes in the German Company Pensions Act (BetrAVG)

Your employment contract should firstly describe the workplace, the job and the area of responsibility. The more specific the better, as then the company cannot suddenly send you from Munich to Hamburg! In principle, you as an employee are bound to the employer's right to give instructions (Section 106 of the German Industrial Code (GewO), The Employer's Right to Give Instructions).

**Example:** if you are employed as a technical sales consultant for example, your employer can appoint you to perform tasks within this field in the sales department. So, it may be that although you were employed to sell bulldozers, you are now also responsible for selling cranes.

## The trial period is two-sided

When you begin your first job, you normally start with a six-month trial period. This can be terminated by either party at any time with two weeks' notice. This is a sensible regulation in the sense that it allows both parties to get to know each other - and of course, you yourself can also "pull the plug" if you realise that the job, the company or your colleagues are not suited to you! The trial period can by no means last longer than 6 months.

## Fixed-term - advantages and disadvantages

Although permanent jobs are the norm in Germany, some people entering the job market are able only to find fixed-term positions. This can be for various reasons:

- In some areas such as universities/colleges, organisations, foundations and associations, often the only jobs available are those tied to projects. Therefore, the funds are also available only for the duration of the project. The custom here is for fixed-terms of six months and one to two years. It is then down to the job holders themselves to raise the required funds from third parties.

In order to prevent misuse, the law stipulates a number of regulations:

- Fixed-terms of up to two years can be agreed also without giving any reasons. If such an employment relationship is agreed for a time period shorter than two years, it can be extended a maximum of three times up to the maximum duration of two years. If a contract is extended, it cannot be changed. If this occurs nonetheless, it is worth looking through the contract more closely and possibly getting advice from a solicitor specialised in employment law.

## Advantages

Sometimes an employer is also unsure as to whether a job can be financed permanently. Especially if an application process is proving difficult, you should take the job into account despite the fixed-term as in doing so, you could start gaining some professional experience and even receive a kick-start to your career. In the public sector, many jobs are also tied to projects and are therefore only advertised as one- to two-year positions.

## Disadvantages

However, you should be wary of companies who hire many fixed-term employees and continue to offer permanently only fixed-term contracts, for example. This means employees are held systematically reliant upon the employer and are always under pressure. Another disadvantage is that you hardly have any security to plan your personal life. For example, you may find that starting a family or saving and planning to purchase a property always has to be postponed.

**Tip:** in a situation like this, you have to make your own provisions and position yourself well on the job market, for example through training, specialist knowledge and good networking.



### Check-list for an employment contract:

- Check that all agreements from the interview have been included in the employment contract.
- Check that the employment contract contains every important point.
- Also check for adherence to legal regulations. For example, if your employer agrees to give you 20 days holiday with a six-day week, this is invalid as the law stipulates more (24 days holiday with a six-day week). Academics can generally presume a five-day week.
- If you are expecting more contractual offers, take your time before you sign. You always have one week to return the contract.
- If an employer offers you fixed-term employment, ask yourself:  
Is this customary in your industry/sector?  
Are the other conditions met in full?

Will this job allow me to make a name for myself?

Have you been searching for a job for a long time? Sometimes, especially if you've been searching for a long time and still haven't found many options, the most important thing at some stage is to take your first step onto the job market. This could even be in the form of an internship if necessary. In the meantime, make the most of the opportunity to look for new options.

## Recommended reading and websites:

Comprehensive and a good read: Oliver Haag: **Arbeitsrecht für Dummies**. Alles, was Arbeitsrecht ist. (**Employment Law for Dummies**. All you need to know about employment law.) 2nd, updated edition. Wiley-VCH Weinheim 2015, ISBN 978-3-527-71133-8, EUR 16.99.

You can find very good information on the employment contract in the "**Employment Contract Guidebook**" by IG Metall (German Industrial Union of Metalworkers), which you can download free of charge online: [Ratgeber Arbeitsvertrag](#)

In this case, there is also helpful information in the Wikipedia article on employment law (and at the pages hyperlinked), primarily also on issues such as **breaches of contract by the employer**:  
[Wikipedia-Artikel Arbeitsrecht](#)

**Tip:** if something is really unclear or a conflict arises relating to the employment relationship, it is important to get qualified help: seek advice from a solicitor specialised in employment law. If you are in doubt, such advice can save a lot of money and be given on a one-to-one basis.

**Haben Sie noch Fragen?**

**Wir beraten Sie gerne auch persönlich:**

<http://www.uni-due.de/abz/career.php>

**Viel Erfolg bei Ihrer Bewerbung!**