## **Elterngeld – parental allowance**

Parental allowance ("Elterngeld") gives families the right amount of space after the birth of a child to allow them to enjoy a good start to life with the new family member.

Parental allowance makes it easier for mothers and fathers to give up work temporarily or to start working part-time, leaving them more time to look after their child.

Contact your designated contact person

# As we cannot provide an in-house interpreter for you, we would ask you to bring a person who can interpret for you, if needed.

(Da wir leider keine eigenen Dolmetscher in unserem Haus für Sie bereithalten können, bringen Sie bei Bedarf bitte jemanden mit, der für Sie übersetzt.)

### To receive parental allowance, parents must

- be resident or normally resident in Germany,
- look after and raise the child themselves,
- be primarily responsible for the child and live in the same household as the child.
- work for not more than 30 hours a week.

Parental allowance is available for the employed, self-employed, unemployed, students, trainees and also for adoptive parents and, in exceptional cases, for relatives up to the third degree.

## Parental allowance – key points:

Parental allowance compensates for the loss of net income for the parent looking after the child. The rate at which the allowance is paid is calculated based on the amount of income **before the birth of the child:** 

- Net income over €1,240 = replacement rate 65%,
- Net income between €1,000 and €1,200 = replacement rate 67%
  (Net income between €1,200 and €1,240 gradual reduction to 65%)
- Net income lower than €1,000 = replacement rate increases gradually to 100%

The parental allowance amounts to a **minimum of \in 300** and **a maximum of \in 1,800**. For multiple births, the parental allowance increases by  $\in 300$  for each additional child.

Families with an older child under 3 years of age (or 2 older children both under 6 years old) benefit from a sibling bonus.

The basic parental allowance can be claimed **within** the first 14 months of the child's life. A parent can receive parental allowance for a minimum of two and a maximum of twelve months. The parents have an additional two months if both parents use the parental allowance and they lose at least two months' pay.

The parents can share the monthly allowance freely between themselves. They can receive parental allowance one after the other or at the same time.

Whilst claiming parental allowance, it is possible to work **part time** for up to 30 hours per week.

For the calculation of the **unemployment allowance II (Arbeitslosengeld II)**, social security benefit and the children's allowance, parental allowance has been fully taken into account as income since 01/01/2011.

Parents who were receiving work-related earnings before the birth, however, receive a **parental allowance exemption**. The parental allowance exemption corresponds to the income before the birth of the child and amounts to a maximum of €300. Up to this amount, the parental allowance is exempt for the above-mentioned benefits.

There is no entitlement to the parental allowance if the beneficiary has earned more than €250,000 in the calendar year preceding the birth of the child (or if the total income for both beneficiaries exceeds €500,000).

#### Parental Allowance Plus (for births after 01/07/2015)

For births from 1 July 2015 onwards, parents can benefit from Parental allowance plus ("Elterngeld Plus"). You can find up-to-date information on the Parental allowance plus, on the partnership bonus and on flexible parental leave for parents and for employers here Elterngeld Plus

#### **Advice and application**

The legal provisions for parental allowance are too complicated to present in full here. Please ask at your local parental allowance office for advice and seek information from the following websites: <a href="Bundesministeriums für Familie">Bundesministeriums für Familie</a>, Senioren, Frauen und Jugend (German Ministry for families, senior citizens, women and young people).