

MINIMUM WAGE IN GERMANY



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In Germany, a statutory minimum wage has been in place since January 1, 2015. It serves as the lowest wage threshold for almost all employees, with only a few exceptions. According to the Minimum Wage Act, the Minimum Wage Commission decides on wage adjustments, which are then made legally binding through an ordinance.

When introduced in 2015, the statutory minimum wage was set at €8.50 gross per hour and has since been gradually increased over several stages.

Minimum Wage 2025

The next increase in the statutory minimum wage will take place on January 1, 2025. The minimum wage will rise to €12.82 (from €12.41 in 2024).



Who Decides the Minimum Wage?

The level of the minimum wage is determined by the Minimum Wage Commission of the Federal Government. It consists of representatives from trade unions, employers, and independent academics.

The primary task of the Minimum Wage Commission is to submit a proposal to the Federal Government every two years on adjustments to the minimum wage. As part of a comprehensive assessment, the commission evaluates how high the statutory minimum wage needs to be to ensure adequate minimum protection for employees.

The Minimum Wage Commission is supported in its work by an administrative and information office, which also provides advice to employees and companies on issues related to the minimum wage.

Who Receives the Minimum Wage?

The statutory minimum wage is a general, nationwide minimum wage for all of Germany. With a few exceptions, it applies to all employees regardless of the employee's nationality, the employer's company location, or the employee's place of residence. This means that cross-border workers and seasonal workers are also covered by the minimum wage's protection.

For monthly fixed salaries, piecework, or performance-based wages, employers must calculate the hourly wage. Even in such cases, employers are not allowed to pay below the minimum wage.



In addition to the statutory minimum wage, some industries have their own specific minimum wages, known as sectoral minimum wages. These are negotiated by trade unions and employers, formalized in collective agreements, and declared universally binding. This means the sectoral minimum wage applies to all employees in the respective industry, even if the company is not bound by the collective agreement. Examples include minimum wages in the construction industry, building cleaning, and the nursing sector.

Important: Even for sectoral minimum wages, the statutory minimum wage serves as the absolute lower limit.

What exceptions are there?

Even in 2025, there are still exceptions to the statutory minimum wage.

It does not apply to:

- Minors under the age of 18 without a completed vocational training,
- Apprentices, regardless of their age, during their vocational training,
- Long-term unemployed individuals during the first six months of their employment after the end of unemployment,
- Interns, if the internship is mandatory as part of a school or university education,
- Interns, if the internship is voluntary and lasts up to three months for orientation purposes before starting vocational training or higher education,
- Young people participating in pre-vocational training programs or other preparatory courses under the Vocational Training Act,
- Volunteers.

Is There a Minimum Wage for Apprentices?

Apprentices do not receive the statutory minimum wage but rather a minimum training allowance. Although often referred to informally as the "minimum wage for apprentices," it is distinct from the statutory minimum wage.

For apprentices starting their training in 2025, the minimum training allowance is as follows:

- €682 in the first year of training,
- €805 in the second year of training,
- €921 in the third year of training,
- €955 in the fourth year of training.

Impact on Mini-Jobs

The statutory minimum wage applies to all, regardless of how often or how many hours an individual works – including mini-jobbers.



Since 2022, the earnings threshold for mini-jobs has been dynamically linked to the minimum wage. As a result, every minimum wage increase also adjusts the income cap for mini-jobs. From January 2025, mini-jobbers can earn up to €556 per month, which corresponds to about 43.3 hours of work per month.

This adjustment ensures that mini-jobbers do not have to reduce their working hours as the minimum wage increases. It is particularly important for employers and employees to monitor working hours and hourly wages to comply with the income cap and avoid unintended violations.

What Happens in Case of Minimum Wage Violations?

The Customs Administration's Financial Control of Undeclared Work (FKS) is responsible for monitoring compliance with minimum wage laws. It ensures that employers pay the statutory or applicable sectoral minimum wage and comply with documentation obligations



In industries prone to undeclared work, such as construction, hospitality, logistics, and building cleaning, employers are required to document working hours. They must record the start, end, and duration of each workday within seven days of the performance. These records must be kept for at least two years – preferably four years.

Failure to fulfill documentation obligations can result in fines of up to €30,000. A fine exceeding €2,500 may also lead to exclusion from public contracts. Violations of minimum wage payments can attract fines up to €500,000



Important for Employers: The minimum wage increase requires employers to check compliance with the €12.82 minimum wage for mini-jobbers and low-income earners by the end of 2024.

Additionally, businesses that outsource services are responsible for ensuring that subcontractors comply with the minimum wage law.



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HEUSER - RECHT UND STEUERN Magazine

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IMPRINT

PUBLISHER

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Am Kiekenbusch 15 • 47269 Duisburg GERMANY

(Person responsible for content under § 6 MDStV)

VAT ID No.: DE161602762

LAYOUT & DESIGN

HEUSER Media UG

Image Sources: [canva.com](https://www.canva.com)

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