You independently look for a domestic helper in the field of your choice. We have summarized useful tips for you in our blog article Where do I find a domestic helper.

Use our free salary calculator to find out your employer costs in advance or click through our multiple employment calculator to find out the effect of different employment relationships for you.

Register yourself and your domestic help non-bindingly with quitt. Afterwards, you determine the contractual conditions in the sample employment contract and top up your account for the first time. This last step is the trigger for us to officially register your employment with the authorities.

We'll always update you via your quitt customer area whilst you enjoy more free time."

Regardless of the type of employment, quitt charges a monthly fee of EUR 6 plus EUR 1 service fee per hour worked by your domestic help (but not more than EUR 39 per month). These costs only incur with active employment contracts. There is neither a registration fee nor a minimum term. quitt stands for transparency, fairness, and customer satisfaction.

"quitt is aimed at private employers for household-related services such as cleaning, gardening, child- or senior care, regardless of the level of income. This means that quitt can cover minijobs as well as midijobs and part-time and full-time employment.

Our service package includes registration, declaration, administration, and accounting of the employment relationship. Our service includes, among other things, payroll, payment of social security contributions, submission of claims for reimbursement in the event of illness, as well as pregnancy or occupational accident.

For you as an employer, all information about your employment relationship is made available in your online customer area. Here you will find all kinds of useful documents, such as a sample employment contract or an overview of your annual wage costs for the tax return. An outline of the hours worked, a vacation and multiple employment calculator, or templates such as a key handover protocol or a letter of termination are also accessible."

"For marginal employment (minijobs), the Minijob-Zentrale is the responsible authority. For employment subject to social security contributions (midijobs and part-time or full-time jobs), the Bundesagentur für Arbeit, sv.net, Unfallversicherung (UK|BG) and ELSTER are responsible as interfaces for registration, de-registration, and declaration of the employment relationship.

In the case of authorities and insurance providers, it is not a matter of competition, but of cooperation. quitt takes over the entire process cycle for you and offers a digital platform for the administration and

accounting of your domestic help via a personal customer area. In addition, a passionate and competent customer service is available to you in German and English.

Compared to a cleaning company, on the other hand, advantages of private employment are huge, especially for your domestic help. A private employment is not only more trustworthy for both parties, but also financially more attractive.

More information can be found in our two blog articles Why should I register my domestic help via quitt and not directly via the Minijob-Zentrale and What are the advantages of private employment of a domestic help compared to an online cleaning agency."

Since the employment may legally lie maximum 6 weeks in the past and all data of the employment relationship must be provided to quitt first, a contract start date of maximum 4 weeks in the past is possible with quitt. Exceptions can be made case-by-case. Please contact us via our support number 089 208 044 341 for more information.

"Yes. In this case, you select during the registration process that your domestic help has already been registered with the authorities. To manage your employment fairly and correctly, we will still ask for all relevant data.

To ensure a smooth re-registration, the start date for already registered employment relationships subject to social security contributions (midijobs and part-time and full-time jobs) cannot lie in the past or before the 01.01. of every month. Furthermore, past declarations must have already been processed, as quitt cannot accept any liability for additional fees for retroactive declarations.

For marginal employment relationships up to EUR 520 (mini-jobs) however, quitt can overtake the declaration prior to the contract start date with quitt for the last calendar half-year. In this case, we will contact you after registration to ask for the total hours worked and the amount of salaries already paid to your employee. We will then enter these manually in your customer area so that the employer costs incurred can be settled via quitt. In case of past declarations, both the monthly fee of EUR 6 EUR and the service fee of EUR 1 per working hour applies for employers. Possible interest on arrears from the authorities due to late declarations will also be charged by quitt.

"No. quitt only registers and declares employment relationships for which an employment contract has been created in your customer area. Our service does not start until your customer account has been topped up for the first time.

Depending on the employment relationship, the social security and tax contributions must be adjusted to the total wage of the domestic help. If your employee exceeds the legally prescribed earnings limits in

one month (e.g., over EUR 520 for minijobs and over EUR 2,000 for midijobs) and this is not reported to the authorities on time and correctly, this can be considered as tax evasion. Therefore, it is essential that quitt receives the information about the total wages of all employment relationships"

"We strive for a legal employment relationship in private households because fair employment is close to our hearts.

In Germany, more than 3 million households employ their domestic help on the black market - this corresponds to about 89% of households. As a result, employers and employees are not covered by social security or accident insurance and there is no right to paid vacation or continued payment of wages in the case of illness or maternity. Due to the lack of pension insurance, employees are also directly threatened by old-age poverty. They have no chance to contribute to or to be part of society.

We at quitt would like to put an end to this by promising employers a correct employment relationship, taking over the work and giving them time."

"After successful registration, you will be automatically redirected to your personal customer area to get started right away.

Here, you manage your employment relationships, such as register employees, create employment contracts, record working hours, download important documents and templates like key handover protocol or pay slips, or even adjust your personal account settings.

Employer costs including salary payment to the employee are settled by quitt. You can top up your customer account via manual input, QR code or create a standing order."

"quitt simplifies your life. We pay the agreed net salary directly to the account of your domestic help and can thus declare transparently and correctly. Thanks to this process, we can also submit reimbursements for you, for example in case of illness. These reimbursement amounts are transferred directly to your bank account by the employer insurance. In addition, this is the only way we can provide you with a salary cost overview which you can use for your tax declaration to receive a tax reduction.

"If your employees' salary was not paid on the specified payday via quitt, this may be due to the following reasons:

The balance on your customer account is insufficient. Please check the open amount, which you can see under My Balance in the overview of your customer area and transfer this as soon as possible. The salary will automatically be paid to the employee as soon as the customer account has been topped up.

Important information for the registration is missing. This can be the case especially if you have entered a new employment relationship and have not yet entered all contract or employee details. We always mark the required data with a red dot next to the relevant field in your customer area."

From 2024, the health insurance company will switch to a new portal. quitt will use this portal to apply for a mandate to manage your employment relationship. For this to be activated, we need your mandate code, which will be sent to you by post by SV-Meldeportal. You can easily upload the mandate code in your customer area. If you do not provide quitt with your mandate code, neither the registration nor the monthly declarations for social security can be taken over for you.

As part of the registration process, you electronically grant quitt a power of attorney so that we can communicate and settle accounts with the relevant authorities and insurance partners on your behalf and provide information to them. The power of attorney is a legal requirement as without your consent, quitt cannot act on your behalf. You can download the granted power of attorney in your customer area under Documents at any time.

"For minijobs, we register your employment directly with the Minijob-Zentrale.

For employment subject to social security contributions (midijobs and part-time or full-time jobs), we register you with the Bundesagentur für Arbeit for operational number, with sv.net for social insurance, with the UK|BG for the accident insurance and with ELSTER for income tax."

"Ideally, quitt receives and handles all correspondences from and to the authorities related to your employment.

However, in individual cases, some correspondences may be sent directly to you by mistake. Should this occur, please forward the document as a photo to support@go-quitt.de. This is especially important for registration confirmations, credit notes, reminders, or invoices. Please do not become active yourself. quitt will take care of this mail and will report the correct postal address again to the responsible authority."

"The statutory minimum wage in Germany was increased from EUR 12 to EUR 12.41 gross per working hour as per 01.01.2024.

At the same time, the earnings threshold for minijobs, that is for marginal employment, was increased from EUR 520 to EUR 538. If you currently pay the minimum wage of EUR 12 per hour or if the gross wage of your employee is between EUR 520 and EUR 538, your earnings must be adjusted.

The earnings threshold for employment in the transitional area, that is midijobs, is currently between EUR 538.01 and EUR 2,000.

From 2024, the social insurance institutions will switch registration, administration, and everything else from SV-net to the SV-Meldeportal. If you are a quitt customer, all you need to do is send us the activation code that you will receive by post. quitt will take care of everything else.

"The earning limit for early retirement pensions has been abolished as of 01.01.2023. This means that there is no limit on additional earnings with a reduction of pension. Previously, this only applied to pensioners who have already reached the standard retirement age.

In addition, the earning limit for pensions due to full or partial reduction in earning capacity was raised as of January 1, 2023. Please contact the information and advice center of the German Pension Insurance (free service phone 0800 1000 4800) for your exact income limit.

"The following requirements must be met before registering with quitt:

Work permit: must have been issued prior to the contract start date. More information can be found on Make it in Germany, the German government's portal for skilled workers from abroad. EU citizens receive their work permit automatically.

Statutory health insurance: Your domestic help must have chosen and registered with a German statutory health insurance company. You can find a list of all health insurance companies at Krankenkasseninfo.de.

Please understand that quitt cannot take over the above steps."

"As a private employer you are obliged to register your domestic help no later than 6 weeks after the start of employment, regardless of the amount of the salary. Officially registering private domestic help is not only required by law, but also brings many advantages for both employers and employees.

As an employer, you enjoy tax advantages, are covered in the event of accidents at work and, thanks to the employer insurance, are entitled to reimbursement in the event of absence due to illness or pregnancy. Your domestic help, on the other hand, contributes to society, has a right to paid leave and is covered by social, pension and accident insurance.

In addition, illegal work can result in heavy fines and retroactive payments of social security contributions for both parties. In the event of an accident at work, a registered employment relationship must be proven. Furthermore, customs also carry out random checks in Germany.

For more information, please visit our blog article Undeclared work is illegal. Full stop."

It is a legal requirement to officially register any type of employment relationship, regardless of earnings. Thanks to quitt, you can register your employment relationship in the private household in a few minutes. Whether it is a minijob (income up to EUR 520), midijob (income between EUR 520.01 and EUR 2,000) or part-time and full-time job (income over EUR 2,000), we will help you register your employment relationship correctly.

"Your domestic help may perform all so-called household-related activities in the private household. These are activities that are usually performed by people in the household, such as cleaning, child- or elderly care, shopping, gardening, or pet sitting.

A complete list of activities can be found in our blog article Which activities belong to household-related services."

"Convincing your domestic help to register officially is worthwhile as there are many advantages both for employers and employees.

Useful convincing tips can be found in our blog article My domestic help does not want to register - how do I convince with quitt."

"Your domestic help may perform as many minijobs as desired up to EUR 520 per month. Social security contributions and flat-rate tax are paid by the employer.

It is also possible to have one minijob (earning up to EUR 520 per month) alongside a main job (earning more than EUR 520 per month such as a midijob, part-time or full-time job). Additional minijobs, on the other hand, are not possible. If a second minijob is carried out in addition to a main job, this automatically becomes an employment subject to social security contributions (midijob, part-time or full-time job) with tax class VI. The first minijob remains in place and without social security contributions.

The same principle applies to midijobs. Your domestic help may work numerous midijobs between EUR 520.01 and EUR 2,000 if the legal maximum of EUR 2,000 is not exceeded. As soon as the income exceeds EUR 2,000, full social security contributions and taxes are collected by the authorities for all employment relationships subject to social security contributions."

"To be able to offer all employment relationships unbureaucratically, quitt is currently unable to cover the hiring of some groups of people in private households.

These include, amongst others, relatives and in-laws up to second degree. In addition, the same job can only be hired once by the same employer. Furthermore, gardeners working on a property over 2,500m2 and horse care cannot be covered as activities.

Please contact us if you are unsure about hiring a particular group of people."

The statutory minimum wage in Germany is EUR 12 gross per hour and applies to all employees and interns over the age of 18, regardless of the activity, working hours or scope of employment. You can read more about this in our blog article What is a fair wage for private domestic help.

"For employees from other EU countries, the European Economic Area or Switzerland, two main questions must be clarified:

Does German or foreign law apply?

Is there a right of residence in Germany?

For employees from third countries, German social security law applies, regardless of whether they are employed abroad. Persons from third countries require a work permit to work in Germany.

An overview of the applicable social security systems can be found in our blog article What to consider for employees from abroad.

"Whether a minijob, midijob, part-time or full-time job, an employment contract should be concluded regardless of the activity and the salary level.

A written employment contract is not legally essential as it is subject to the so-called freedom of form and can be closed in writing or orally. However, the risk with an oral contract is very high for both sides. After all, evidence must be presented in the event of inconsistencies. An exception is, for example a fixed-term employment contract, which must be concluded in writing.

However, it is legally obligatory to record the general conditions in a written document between you and your domestic help.

You can find more information on the topic in our blog article Employment contract for domestic help."

"You as an employer are obliged to:

pay the minimum wage,

pay wages in case of illness, incapacity to work, pregnancy and maternity leave, work accident, and on holidays,

provide minimum leave,

give notice of termination in compliance with the statutory notice period."

"For the employment of domestic help in private households you will receive a tax reduction during your tax declaration.

For marginal employment in private households (minijobs), you are entitled to a discount of 20% of the total employer costs, but not more than EUR 510 per year. These costs can be entered in row 4 of the Schedule of Household-Related Expenses.

For private household employment subject to social security contributions (midijobs and part-time and full-time jobs), you enjoy a tax reduction of up to EUR 4,000 per year. Employer costs must be entered in row 5 of the Schedule of Household-Related Expenses.

In addition, 2/3 of the childcare costs for children up to the age of 14 can be claimed back during the tax declaration for any employment relationship. This corresponds to up to EUR 4,000 per child per year. The expenses must be entered in the child annex on page 3. Please note that you can claim either childcare expenses or household-related expenses for childcare provided by the same employee. quitt will provide the necessary documentation for your tax declaration.

For more information, please visit our blog article Register your domestic help as minijobber and enjoy tax benefits."

"According to the German Federal Vacation Act (BUrlG), your domestic help is entitled to 24 days of vacation per year if he/she works 6 days a week, regardless of the hours worked. This means, you must grant your domestic help the minimum vacation days:

24 days if 6 days worked per week,

20 days if 5 days worked per week,

16 days if 4 days worked per week,

12 days if 3 days worked per week,

8 days if 2 days worked per week,

4 days if 1 day worked per week.

In addition, your domestic help is entitled to special leave, for example 1 day for the birth of an own child, own wedding, or relocation."

"Your domestic help is entitled to continued payment of wages in the event of holiday, illness, illness of the child, pregnancy- and maternity leave and public holidays.

Your domestic help is entitled to full salary:

up to 6 weeks in case of illness and incapacity to work for the days on which the work would have been performed (but only 4 weeks after the start of the contract). In the case of a minijob, you will be reimbursed 80% of the salary paid by the employer's insurance. In the case of midijobs, part-time and full-time jobs, the contribution rate is based on the statutory health insurance fund of your domestic help.

A total of 5 days in case of illness of a child of your domestic helper (but only for children under 12 years or with a disability). You can exclude this individually in the employment contract, which entitles your domestic help to unpaid leave.

from 6 weeks before and until 8 weeks after the birth of your employee's child (or from employment ban due to pregnancy). Here you will receive 100% of the paid wages back through the employer's insurance."

"In principle, your employee may not work more than 8 hours per day.

Since the minijob limit is EUR 520, minijobbers are not allowed to work more than 43.3 hours per month for an hourly wage of EUR 12.

Since the midijob limit is EUR 2,000.00, midijobbers may not work more than 166.6 hours per month for an hourly wage of EUR 12.

If the wage is higher, the number of hours that may be worked is reduced."

Your domestic help may only work on Sundays and public holidays by arrangement. In principle, you may not employ your domestic help on Sundays and public holidays as these are considered nonworking days. If your domestic help does want to work, she may be entitled to supplements, which are tax-free up to EUR 25.

It is essential that you request confirmation from your domestic helper of all main and side jobs in relation to the type of employment so that all social security contributions and wage tax are correctly paid to the authorities. quitt will point this out to your domestic helper on every payslip.

If you or your employee wish to terminate the contract, both parties must abide to statutory notice period. This is regulated in your sample employment contract under §5 Termination and probation

period. quitt provides you with a termination letter to download in your customer area under Documents. You can sign this and provide it to your employee as official notice of termination.

"In principle, you as employer must bear the risk for property damage in the private household. Private liability insurance does not apply here. Your domestic help must only bear the costs if he/she caused the damage intentionally.

You can insure your items with various insurance policies:

Private professional liability insurance for employees (employers can also insure employees).

Employer's homeowner's insurance"

"Your domestic help is automatically covered by the statutory accident insurance after registration, even if you already have private accident insurance. This means that your employee is covered in the event of a work accident, an accident on the way to work or an occupational disease. The statutory accident insurance covers, for example, costs for treatment, medication, care, and transport or pays injury and transitional benefits. But beware: it is mandatory to see a transit doctor.

You will find more information in our blog article What do I do if I have an accident at work."

"In the event of an accident at work, illness, or pregnancy, both you as employer and your employee are insured. This means that your domestic help is entitled to continued payment of wages for the days on which the work would have been performed.

You can easily enter the sick days in your customer area by clicking on hours in payments and selecting sickness. You will be reimbursed 80% of the costs for a minijob and between 60% and 70% of the costs for a midijob as well as part-time and full-time employment, depending on the contribution rate of the health insurance of your employee. Your domestic help does not have to provide you with a medical certificate until the third day of illness. However, you can also request this after the first day of illness. It is important that you keep this in your records.

This procedure also applies to sick leave due to an occupational accident, commuting accident, or occupational disease. In addition, accidents at work must be reported immediately to the statutory accident insurance. For this purpose, quitt provides you with an accident form under Documents in your customer area. Please fill this out within 1 working day with your employee and send it directly to support@go-quitt.de.

In case of pregnancy, please inform us of the expected date of delivery of your employee. Your employee may work up to 6 weeks prior to delivery (unless a doctor's note is provided). Continuation of wages applies 6 weeks before and up to 8 weeks after birth. You will receive 100% of the paid wages back from the employer's insurance.

quitt will take care of the reimbursement for you in all cases. You will receive the refunded amount from the authorities directly on your bank account."

"Minijobs are so-called marginal employments with monthly earnings of up to EUR 520.

A major advantage of minijobs is that no wage tax and hardly any social security contributions are due. The gross earnings correspond to the net earnings. Employers take care of the taxes and contributions.

If the earning limit is exceeded, the minijob becomes an employment subject to social security contributions.

For more information, visit our blog article What to consider for minijobs in private households."

"A household check is a form that must be filled out for the registration or de-registration of all minijobs and submitted to the Minijob-Zentrale.

As part of our service package, we handle all communication with the authorities and submit the household check for employers.

Visit our blog article What is the household check and how does the household check procedure work for more information."

"To register as an employer, you need an email address and the following information:

First name and last name

Date of birth

Address (street, postal code, city)

Operational number (if not available, quitt will apply or this on your behalf)

Tax number

For the registration of your employee, the following information is required:

First name and last name

Address (street, postal code, city)

Date of birth

**Nationality** 

**IBAN** 

Pension insurance number or social security number (if not available, quitt requires maiden name and place of birth)

Information whether statutory health insurance

Whether a main job (earnings over 520 EUR per month) is performed

Whether your employee wishes to pay voluntary pension contributions"

"Employers must pay the following contributions in addition to the agreed wage:

5% health insurance

5% pension insurance

1,1% employer's insurance for reimbursement in case of illness (U1)

0,24% Employer's insurance for reimbursement in case of pregnancy (U2)

1,6% accident insurance

2% Flat tax

6 EUR monthly fee + 1 EUR service fee per worked hour of your employee (but not more than 39 EUR per month)

When filing your tax declaration, you will receive a tax reduction of up to 510 EUR. This means that the employer's costs will hardly exceed the salary of your employee. You can calculate your expenses directly in our salary calculator."

No contributions will be deducted from the gross monthly salary of your domestic helper if no voluntary pension insurance contributions are paid. In this case, the gross salary is equal to the net salary. If your domestic helper wishes to pay voluntary pension contributions, then these amount to 13.6% of the gross wage (minimum EUR 32.55).

Your domestic help may earn more than 520 EUR in individual months, if the annual earnings limit of 6,240 EUR is not exceeded. There is an exception in the case of unforeseeable overruns, for example, in the case of sickness replacement. Here, your domestic helper may earn a maximum of EUR 1,040 per month in up to two calendar months and thus a maximum of EUR 7,280 per year.

"Employer insurance includes coverage in the event of illness, maternity, and work accidents. To keep the costs within reasonable limits for you as an employer, you are automatically insured.

Employers pay a maximum contribution of 14.94% for minijobs in private households. Levy 1 (U1) applies to continued payment of wages in the event of illness and amounts to 1.1% of the earnings of your domestic help. Levy 2 (U2) includes maternity protection pay in the event of employment prohibitions as well as the supplement to maternity pay and amounts to 0.24% of your domestic help's earnings. For coverage in the event of a work accident, you pay 1.60% of your domestic helper's earnings.

Should these cases occur, you will have your expenses reimbursed proportionally (80% of the salary in the case of U1) or completely (100% of the salary in the case of U2). quitt will take care of the application and reimbursement.

You can find more information in our blog article How are employers and employees insured in minijobs."

"Your employee can decide whether to pay voluntary pension insurance contributions in the amount of 13.6% (at least EUR 32.55) of the salary or to be exempt. The following should be considered:

If your employee already has a main job, he/she is already covered by pension insurance,

If your employee's monthly income is very low, the contribution fee may be higher than the earnings,

If your employee is already a pensioner or retiree, the voluntary pension insurance contributions have only a very small effect on the further pension entitlement.

An exemption of pension insurance contributions is valid for the entire period and for all already completed employments under 520 EUR. If your employee wants to pay the voluntary pension insurance contributions, an inquiry should be made beforehand at the information and advice center of the German Pension Insurance (free service phone 0800 1000 4800).

As an employer, you must pay a mandatory contribution of 5% of your employee's salary to the pension insurance.

If someone has several minijobs with an income limit of 520 EUR altogether, the total amount of the individual salaries counts:

If the sum of the wages is at least 175 EUR, the total contribution to the pension insurance is calculated according to the total earnings.

If the sum of the wages is less than EUR 175, the minimum contribution of EUR 32.55 applies."

"The half-term household check is a form that must be submitted to the Minijob-Zentrale every six months. quitt reports the hours worked in the last calendar half-year so that the correct social security contributions and tax levies are collected by the authorities.

You can find out more information in our blog article What is the household check and how does the household check procedure work."

"quitt keeps everything in view for you as an employer. You don't have to remember deadlines or set reminders. We will inform you as soon as it's time to hand in a declaration to the authorities.

Correctness and punctuality are very important to us. Therefore, we have prepared an overview of all important deadlines for you so that we can provide the necessary information to the authorities for you on time.

The overview of the most important deadlines can be found in our blog article Which deadlines must be observed in the minijob."

If you or your employee wish to terminate the contract, both parties must abide to statutory notice period. This is regulated in your sample employment contract under §5 Termination and probation period. quitt provides you with a termination letter to download in your customer area under Documents. You can sign this and provide it to your employee as official notice of termination.

"A midijob, also known as marginal employment in the transitional area, is an employment relationship subject to social security contributions with earnings between EUR 520.01 EUR and EUR 2,000.00 per month.

This means that with the increase of the salary, the social security contributions of the employee increase and those of the employer decrease. Taxes are due depending on the tax class of the employee."

"Employers pay between 20% and 28% social security contributions. The higher the earnings of the employee, the lower the contributions for the employer. In addition, annual accident insurance contributions must be paid which depend on the health insurer of the employee.

The tax contributions depend on whether the employment a main or side job is and which tax class the employee has. In tax classes I to IV hardly any taxes are payable. Tax classes V and VI are taxed."

"Employees pay reduced social security contributions for statutory health, nursing care, pension, and unemployment insurance. These accrue from 11% to 21%, depending on the increase of the salary.

The tax contributions depend on whether the employment a main or side job is and which tax class the employee has. In tax classes I to IV hardly any taxes are payable. Tax classes V and VI are taxed."

"Your employee must pay church tax if he/she is a member of the protestant church, catholic church, or Jewish religious community. Muslims and orthodoxies are not subject to church tax.

Church tax is an additional levy on income tax. It amounts to 9% of the income tax in all federal states, except in Bavaria and Baden-Württemberg, where it amounts to 8%."

Social insurance is a statutory insurance system that includes health, nursing care, pension, accident, and unemployment insurance. Should an insured risk occur, employees are entitled to benefits from the respective insurance providers.

"The salary of your household help will be paid by quitt on the 25th of every month.

Please make sure that the balance on your customer account covers both the salary of your household help and the employer costs including quitt costs. Only then can we ensure a salary payment and a timely declaration to the authorities.

Therefore, we recommend transferring the total employer costs at least two months in advance and no later than the 22nd of every month. Alternatively, you can set up a standing order.

Additional costs incurred in case of late submission of social security contributions and taxes by the authorities will be charged by quitt."

"In Germany there are 6 different tax classes which mainly depend on the personal and family situation of the employee. For each tax class there are different tax allowances.

We have compiled the following overview of the tax classes:

Tax class I = single, unmarried, divorced or widowed

Tax class II = single, divorced with children, single parents or widows

Tax class III = Married or living in a registered partnership and sole or double earner, where one of the two partners has applied for tax class 5

Tax class IV = Married or living in a registered civil partnership and double earner

Tax class V = married or registered civil partners where one of the two partners is assigned to tax class III, hence earns the higher income

Income tax class VI = Employees who have several jobs that are subject to social insurance contributions."

"To calculate the correct amount of tax, updated tax tables are published every year by the Federal Ministry of Finance (BMF). The tax is calculated based on various characteristics, the so-called LohnSteuerAbzugsMerkmale (ELStAM). These tables are used to calculate how much wage tax employers must withhold from their employees and pay to the tax office.

The wage tax deduction characteristics include:

Tax class

Child allowance

Tax allowance

Additional amounts

Contributions for private health and nursing care insurance

Information on avoidance of double taxation

Church tax

Tax identification number"

"Wage tax is a monthly advance payment of the annual income tax which is deducted or withheld by employers directly from the gross wages of employees and paid to the tax office in the form of a declaration.

The gross wage of the employee consists of the wage, the tax, the social security contributions, the solidarity surcharge and, if applicable, the church tax.

The tax class specifies the amount of income tax to be withheld. The amount of income tax is listed in the annual wage tax certificate."

If the midijob limit is exceeded due to special payments (e.g., vacation money or Christmas bonus) or due to another midijob, the full social security contributions will be due in that month, same as for regular part-time or full-time jobs. There is no change in the wage tax levy.

If you or your employee wish to terminate the contract, both parties must abide to statutory notice period. This is regulated in your sample employment contract under §5 Termination and probation period. quitt provides you with a termination letter to download in your customer area under Documents. You can sign this and provide it to your employee as official notice of termination.

"Full social security contributions apply to both part-time and full-time employment. Legally, no difference is made in social security contributions between the two employment types if the gross monthly salary is above EUR 2,000. If this is below 2,000 EUR, lower contribution rates will be deducted from the earnings of your domestic help. In this case, the employment is considered a midijob.

In the case of full-time employment, the working hours are usually between 35 and 40 hours with a 5- or 6-day week.

In the case of part-time employment, the number of working hours is reduced compared to full-time employment. Hence, the working hours are less than 35 or 40 hours a week"

"Employers pay between 20% and 28% social security contributions. The higher the earnings of the employee, the lower the contributions for the employer. In addition, annual accident insurance contributions must be paid which depend on the health insurer of the employee.

The tax contributions depend on whether the employment a main or side job is and which tax class the employee has. In tax classes I to IV hardly any taxes are payable. Tax classes V and VI are taxed."

"Employees pay reduced social security contributions for statutory health, nursing care, pension, and unemployment insurance. These accrue from 11% to 21%, depending on the increase of the salary.

The tax contributions depend on whether the employment a main or side job is and which tax class the employee has. In tax classes I to IV hardly any taxes are payable. Tax classes V and VI are taxed."

"Your employee must pay church tax if he/she is a member of the protestant church, catholic church, or Jewish religious community. Muslims and orthodoxies are not subject to church tax.

Church tax is an additional levy on income tax. It amounts to 9% of the income tax in all federal states, except in Bavaria and Baden-Württemberg, where it amounts to 8%."

Social insurance is a statutory insurance system that includes health, nursing care, pension, accident, and unemployment insurance. Should an insured risk occur, employees are entitled to benefits from the respective insurance providers.

"The salary of your household help will be paid by quitt on the 25th of every month.

Please make sure that the balance on your customer account covers both the salary of your household help and the employer costs including quitt costs. Only then can we ensure a salary payment and a timely declaration to the authorities.

Therefore, we recommend transferring the total employer costs at least two months in advance and no later than the 22nd of every month. Alternatively, you can set up a standing order.

Additional costs incurred in case of late submission of social security contributions and taxes by the authorities will be charged by quitt.

"In Germany there are 6 different tax classes which mainly depend on the personal and family situation of the employee. For each tax class there are different tax allowances.

We have compiled the following overview of the tax classes:

Tax class I = single, unmarried, divorced or widowed

Tax class II = single, divorced with children, single parents or widows

Tax class III = Married or living in a registered partnership and sole or double earner, where one of the two partners has applied for tax class 5

Tax class IV = Married or living in a registered civil partnership and double earner

Tax class V = married or registered civil partners where one of the two partners is assigned to tax class III, hence earns the higher income

Income tax class VI = Employees who have several jobs that are subject to social insurance contributions."

"To calculate the correct amount of tax, updated tax tables are published every year by the Federal Ministry of Finance (BMF). The tax is calculated based on various characteristics, the so-called LohnSteuerAbzugsMerkmale (ELStAM). These tables are used to calculate how much wage tax employers must withhold from their employees and pay to the tax office.

The wage tax deduction characteristics include:

Tax class

Child allowance

Tax allowance

Additional amounts

Contributions for private health and nursing care insurance

Information on avoidance of double taxation

Church tax

Tax identification number"

"Wage tax is a monthly advance payment of the annual income tax which is deducted or withheld by employers directly from the gross wages of employees and paid to the tax office in the form of a declaration.

The gross wage of the employee consists of the wage, the tax, the social security contributions, the solidarity surcharge and, if applicable, the church tax.

The tax class specifies the amount of income tax to be withheld. The amount of income tax is listed in the annual wage tax certificate."

If you or your employee wish to terminate the contract, both parties must abide to statutory notice period. This is regulated in your sample employment contract under §5 Termination and probation period. quitt provides you with a termination letter to download in your customer area under Documents. You can sign this and provide it to your employee as official notice of termination.

"quitt is a service for private employers of domestic help. This includes, among other things, the employment of cleaners, babysitters and nannies, gardeners or elderly carer.

quitt takes over the entire administration and accounting of the private employment relationship, regardless of the amount of the salary. This means, quitt covers mini-jobs as well as midi-jobs, part-time and full-time employments."

"An official employment relationship is not only required by law, but also brings many advantages for employers.

You as an employer create a legal and fair working relationship with your domestic helper, have tax advantages, are covered in case of a work accident, and enjoy a right to reimbursement for absences due to illness or pregnancy thanks to the employers' insurance.

Your domestic helper, on the other hand, contributes to society, has a right to paid leave and social, pension, health, and accident insurances.

Furthermore, both you and your employee may be subject to high financial penalties and claims of social security contributions, either due to a work accident or via a random control of customs duty in Germany."

"The ideal time to register with quitt is before the start date of your private employment relationship, as it takes at least 2 weeks to register with the authorities and insurance companies.

Nevertheless, you can also register your employment relationship up to 4 weeks retrospectively via quitt. Please note that the first salary can only be processed after we have registered your domestic help with all authorities."

"For the employment of a domestic helper in the private household, you will receive 20% (max. 42.50 euros per month or 510 euros per year) of the total employer costs back during your tax return. This tax benefit can sometimes be even higher than the employer costs you pay.

2/3 of the childcare costs (max. 4.000 euros per child) up to the age of 14 can be claimed back at the time of tax declaration as a special expense.

Please note that you can either claim back 20% of the total employer costs for household activities or 2/3 of the childcare costs for the same employee."

"Finding a suitable domestic helper is not so easy at all

Whether cleaning, childcare, gardening, or support for seniors, domestic help is in great demand. However, finding help that is a good all-round fit is not always easy. Many households continue to rely on recommendations by family, friends, and neighbors or search through advertisements in the local newspaper or on bulletin boards. The chances of success are rather uncertain, hence online job placement platforms may be a good alternative.

### Online job placement platforms as an alternative

In the case of online job placement platforms, it is important to make sure that these only establish contact between you and your potential employee, rather than providing or offering employed domestic help on an hourly basis. This way you are in charge. You agree the hourly salary rate with your domestic helper and set terms for your employment relationship. To find the best person possible to help in your household, we have listed and compared some job placement platforms in Germany for you. For the search of a cleaner we recommend Putzperle.de. At Consulting Home & Garden you will find domestic staff on part-time or full-time basis. Our recommendation to find a babysitter or nanny is Hallo Babysitter and for long-term private childcare Meine Nanny."

"Babysitting is a highly accountable job that requires not only time and energy, but also a special skillset. However, there are no binding qualification criteria for babysitters and consequently no set standard that would define the perfect hourly wage for babysitters. The wage depends on various factors.

Factors that influence the hourly wage for babysitters

When determining an appropriate hourly pay for the childcare provider the actual tasks and skillset should be taken into account. Mentioned down below are a few capabilities to consider:

Experience, qualifications, and tasks

Babysitters with comprehensive experience, relevant certificates or professional qualifications can generally charge higher hourly rates. Additional appointed tasks like homework assistance, light housekeeping or cooking should be considered when deciding on an hourly wage.

Number and age of children

The number of children to be cared for has a direct influence on the hourly wage. Looking after several children requires a higher level of attention and greater experience.

Caring for babies usually requires greater skills than for example, picking up a pre-school child from kindergarten. This also applies if the child has certain medical needs.

#### Place and time

Your own location, the average hourly salary in the region, as well as the time of day or if an overnight stay is required can also influence the employer's costs. In metropolitan areas, the wages tend to be a little higher, due to the number of potential employers.

For occasional babysitting, for instance only in the evenings, parents usually pay less than for complex childcare situations or flexible assignments.

### Average salaries

On job platforms such as HalloBabysitter.de, the average hourly wage for babysitters is between €13 and €15 per hour. Babysitters with more experience, additional qualifications, or a special skillset ask for €15 to €20 per hour or even more.

### Minimum wage and fair salary

Whether the employment takes place in a business or a private household, every employer is bound to pay the statutory minimum wage. Underage babysitters and, ultimately, self-employed careers are not

covered by the applicable minimum wage regulations: Nevertheless, parents should also pay a fair wage in this case.

Negotiations and transparency

Parents and babysitters should be open to negotiations and make clear agreements in advance. Understanding the needs of both parties – parents and babysitters – is crucial to establishing a fair and reasonable hourly rate.

Parents who are looking for reliable care, where the sitter will not only look after their children, but also ensure their safety, entertainment and well-being, an appropriate hourly wage is therefore an expression of the responsibility given to the babysitter and the service that is expected to be provided.

Register with quitt after you have found suitable childcare with Hallo Babysitter and determine the general conditions such as salary and working hours yourself – quitt includes everything parents need as private employer."

"All necessary data are summarized below. For employments subject to social insurance (monthly salary over 538 €), and minijobs (monthly salary under 538 €), different information is required in some cases:

Employer data

Title, first and last name, maiden name if applicable

Address, e-mail and phone number

Date of birth

Operating number (if none exists, quitt will apply for it free of charge)

Tax number (not tax ID)

Employee data

Title, first and last name

Address, e-mail, and phone number

Nationality

Bank account holder and IBAN

Date of birth

Pension insurance number (if not available, name, place and country of birth)

Existence of a statutory health insurance

Existence of student status

Tax ID (only for jobs over 538 € per month)

Name of health insurance company (only for jobs over 538 € per month)

Number of children and date of birth of children (only for jobs over 538 € per month)

Contract information

Other employment relationships of employee

Place of work and job

Start of contract and end of contract, if applicable

Monthly gross salary or hourly wage (only for minijobs)

Workload on how many days per week or per month

Wage payment date (only for minijobs)

quitt only asks for data that are necessary for the registration with authorities and accounting of your domestic help or caregiver.

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"With our salary calculator, you can calculate the net salary and your employer costs for your domestic or garden help, caregiver, or private childcare without obligation and for free.

What the article is about:

Wage cost calculator for mini-jobs and employments subject to social security contributions

Costs for private employments of domestic help or childcare

Calculate wage costs for pensioners and students as employees in private households

Find out your employer costs and the net salary with our quitt salary calculator

Our wage cost calculator for private households is available for all types of employment and professions in private households, from nanny to cleaning help and gardener.

For mini-jobs, we recommend our "simple" calculator, as far less information is required for an accurate calculation.

For employments subject to social security contributions, i.e. midijobs or part-time or full-time jobs, we recommend our complex salary calculator, so you can calculate employer costs and net wages more precisely.

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"Whether it's the granny as nanny, the nephew as gardener, one's mother as household help or the son as elderly care, private employers can employ relatives as well as friends in their own household.

What the article is about:

Relatives and friends can be employed in private households if there are two residences

Employees are insured and employers save taxes

Employment contract, no cash payment of salary, etc. are obligatory, as with employment with a stranger

Can family members be employed as household help?

Especially in the area of elderly care and private childcare, employing family members or friends is very popular, due to the existing relationship of trust. In principle, this is also possible, but there is one essential requirement: you are not allowed to live together in the same household. If there are different residences, employment is possible both on a minijob and midijob basis or even full-time. Registering an employment relationship even becomes obligatory if it is a regular activity with an agreed salary and fixed hours. Hiring your nephew as caregiver or your grandma as babysitter may sound unusual at first glance, but it has significant advantages for both sides.

Advantages of a registered job in the private household?

For employees, the same advantages exist as with other employment relationships. The related domestic help, child care or elder care pays into the pension and unemployment insurance and is covered by health and care insurance. In the worst case of an accident, both employer and employee are covered. In addition, the times are fixed by the official employment relationship and a framework is given, which may prevent one or the other discussion in the family.

Also the grandparents, who are already in old age pension, have no deductions of their pension payments. Whether you then support them financially with your salary or grandma and grandpa invest the money for the grandchildren can be freely chosen.

As a private employer, you are insured and can save taxes. The entire employer costs can be claimed against tax. How high the potential tax savings are, can be calculated with our salary cost calculator.

What should be considered in the case of an employment relationship with family members?

Since employment relationships with relatives in private households are sometimes subject to close examination, particular attention must be paid to ensure that a written employment contract is concluded, including, e.g. a job description, salary, vacation and workload – similarly to an employment relationship with a stranger. If, for example, you employ grandma or your own parents as private childcare, it is essential to ensure that a proper childcare contract has been signed. In addition, a separate timesheet should be kept and the salary must not be paid in cash.

Can I register an employment relationship with relatives via quitt?

quitt takes care of the registration, monthly accounting, and management of private employment relationships, whether it is a mini-job, midi-job or even a full-time job. At the end of the quitt registration process, a sample employment contract is available, and you receive your own personal customer area. With quitt, relatives can also be employed in private households, if there are two households.

"Darum geht's

The statutory minimum wage in Germany is €12,41 this also applies in private households

Our fair wage recommendation is 15 € per hour or depending on the place of residence more

With quitt you can choose the wage freely, registration is only possible in compliance with the minimum wage

What does minimum wage mean?

The minimum wage is a legally prescribed wage limit that may not be undercut. It is regulated by the Minimum Wage Act (MiLoG). The aim is to create fair pay, prevent underpayment and protect against old age poverty.

The minimum wage in Germany

The statutory minimum wage in Germany is € 12,41 gross per working hour and it applies to all employees and interns over the age of 18, regardless of the activity, working hours or scope of employment. Employers are obliged to record working conditions and working hours. The time sheet must be kept for two years.

Develop the Statutory Minimum Wage in Germany

The statutory minimum wage in Germany is € 12,41 gross per working hour and it applies to all employees and interns over the age of 18, regardless of the activity, working hours or scope of employment. Employers are obliged to record working conditions and working hours. The time sheet must be kept for two years.

Monitoring compliance of the minimum wage payment is the responsibility of the Financial Control of Clandestine Employment (FKS) of the Federal Customs Administration. Violations of the Minimum Wage Act can result in a fine of up to 500.000 euros and violations of obligations, such as the documentation of working hours, can be punished with up to 30.000 euros.

What is a fair pay for my household help?

In Germany, private domestic helpers receive an average of between € 14 to 15 per hour. However, the actual wage is highly dependent on where you live. We recommend an hourly wage of at least € 15 to create a fair and trusting working relationship.

What does this all mean for quitt customers?

Agree on a reasonable wage directly with your household help. When registering with quitt, you can freely choose the wage, but it cannot fall below the minimum wage. However, please note that with the increase in the minimum wage in January 2024, the remuneration limit in the minijob was also adjusted from € 520 to € 538 per month. The limits have an impact on the type of employment as well as the employer costs.

"Whether cleaning lady, cleaner, gardener or nanny, mini-, midi- or full-time job, an employment contract should be closed regardless of the activity and salary.

However, a written employment contract is not legally binding. An employment contract is subject to the so-called freedom of form and can be held into account in writing or verbally. However, the risk with a verbal contract is very high on both sides. After all, evidence must be presented in the event of inconsistencies. An exception is, for example, a fixed-term employment contract, which must be concluded in writing.

However, it is legally obligatory to record the general conditions in a written document between your domestic helper and yourself as the private employer."

"f you close an employment contract with your domestic helper or create a written record, some aspects are to be included by law. These are, for example, place of work, start and, if applicable, end of employment, salary, annual leave, but also holiday entitlement and type of activity. You can make further provisions on a voluntary basis, such as the mandatory presentation of a certificate of good conduct or confidentiality agreements on matters within your own four walls.

Of course, any form of employment contract is null and void in the case of undeclared work and is only valid upon official registration.

quitt offers a fair model employment contract for private households

Regardless of the obligation, we strongly recommend concluding a written employment contract in order to mutually determine the general conditions and prevent disagreements. At the end of your registration with quitt, you will receive a legally verified sample employment contract that has been filled out in advance with your sample data and includes all mandatory information. We thus ensure fair working conditions for both sides. You can then adapt the sample contract to your personal requirements."

"For the employment of private household help as a minijob, you will receive a reduction of 20% (maximum 42,50 euros per month or 510 euros per year) of the total employer costs in the course of your tax return.

This tax benefit can sometimes even be higher than the taxes you pay during the year.

Let us show you an example:

Example 1

Your household help earns 150 euros a month

This means that the official registration of your household help is even cheaper at the end of the year than the illegal employment with cash payments. Even your minijobber has no taxes, the gross earnings are equal to the net earnings.

Example 2

Your household help earns 520 euros a month

Childcare costs can be claimed separately

Childcare costs, for example the employer's costs for a nanny or babysitter as a minijobber, can be deducted from the tax return for children up to the age of 14 as a special expense in the amount of 2/3 of the childcare costs. A maximum of 4.000 euros per child can be claimed against tax.

Please note that you can only claim either special expenses or the 20% tax reduction for childcare provided by the same employee; you cannot claim both.

quitt provides all necessary documents and information for you to apply for the tax reduction.

"It is often employees who do not want to officially be registered. They are frequently afraid of the bureaucratic effort or high payroll taxes. Moreover, there is often ignorance about the risks of illegal work, but also about the many advantages of registration.

Therefore, we would like to encourage you as an employer to emphasize already when looking for a household help that only an official employment, for the safety of both sides, comes into question. In another article you will find some arguments to convince your household help to register: "My domestic helper does not want to register – how do I convince with quitt?""

"Social insurance is a compulsory insurance that employers pay for employees to protect them against important risks in life. Social insurance in Germany includes health, accident, nursing care, pension and unemployment insurance. The amount of the insurance contributions depends on the wage level of the employees.

Employers pay a maximum of 14.94% of contributions for minijobs in private households. Employees pay 13.6% of their earnings towards voluntary pension insurance, unless they have exempted themselves.

Overview of total contributions for minijobs:"

"Unemployment Insurance

Unemployment insurance is not covered in the minijob. This means that employees are not entitled to unemployment or short-time working benefits.

**Employer Insurance** 

Employers are automatically insured through the Knappschaft-Bahn-See employer insurance scheme. This includes coverage in case of illness and maternity protection.

Levy 1 (U1) entails continued payment of wages in the event of illness and amounts to 1.1% of the earnings of your household help. Levy 2 (U2) includes maternity protection pay in the event of employment prohibitions due to pregnancy/maternity as well as the maternity benefit supplement and amounts to 0.24% of the earnings of your household helper.

If these cases occur, you can get your expenses reimbursed proportionally (80% of the wage in the case of U1) or entirely (100% of the wage in the case of U2). You do not have any effort here, quitt takes care of the application for reimbursement for you.

#### Health Insurance

Employers only pay 5% of their employee's earnings if the household help is compulsorily, voluntarily or family-insured in the German statutory health insurance.

Employees do not have their own health insurance coverage over this flat-rate contribution and are not entitled to sickness benefits.

#### Care Insurance

Care insurance is free of charge for employers and employees.

#### Pension Insurance

Employers must pay a compulsory contribution of 5% of the earnings of their household help to the pension insurance.

Employees, on the other hand, can decide whether to pay voluntary pension insurance contributions of 13.6% (at least 32.55 euros) of their salary or to be exempt.

#### **Accident Insurance**

Employers pay 1.6% of their household help's earnings for coverage in the event of a work accident, commuting accident or occupational illness. The statutory accident insurance covers, for example costs for treatment, medication, care and transport or pays injury and transitional benefits. As an employer, you are thus insured in the event of an accident."

"For employees from other EU countries, the European Economic Area or Switzerland

Is the German or foreign law applicable?

Is there a requirement for residence permit in Germany?

Employees from third countries

In this case, German social security law applies, regardless of whether employment is performed abroad. Persons from third countries require a work permit in order to work in Germany.

Overview of the applicable social security systems

Overview of compulsory health and pension insurance

Quitt operates similarly in Germany, offering a streamlined process for employing domestic help while ensuring compliance with local regulations. Here's how quitt works in Germany:

# 1. Registration:

• **Employer Registration:** Employers sign up on the quitt platform, providing details about their domestic help, such as the type of employment (e.g., cleaning, childcare) and the agreed salary.

# 2. Employment Contracts:

• Contract Generation: Quitt generates legally compliant employment contracts tailored to German labor laws, including all necessary terms and conditions.

# 3. Social Security Registration:

• **Employer Obligations:** Quitt handles the registration of the employer and the employee with the relevant social security institutions, ensuring compliance with all legal requirements.

# 4. Payroll Management:

• Salary Calculations: The platform calculates the gross and net salary, considering all necessary deductions such as social security contributions, taxes, and insurance premiums.

• **Payslips:** Employers and employees receive monthly payslips detailing the salary and deductions.

### 5. Insurance:

- **Mandatory Insurance:** Quitt manages mandatory insurances, including health insurance, pension insurance, unemployment insurance, and accident insurance.
- **Additional Insurance Options:** Employers can opt for additional insurance coverage for their employees if desired.

## 6. Tax Filing:

- **Income Tax:** Quitt handles the calculation and payment of income tax on behalf of the employee.
- **Annual Tax Documents:** The platform provides all necessary documents for the annual tax declaration for both the employer and the employee.

# 7. Legal Support:

- **Legal Updates:** Quitt stays updated with changes in German labor laws and ensures that all processes and documents remain compliant.
- **Support:** The platform offers support and advice on employment-related legal matters.

### 8. Online Dashboard:

- User Interface: Employers can manage all aspects of their domestic help employment through an online dashboard, including contract details, salary information, and insurance status
- **Document Storage:** All important documents and payslips are securely stored and can be accessed at any time.

## 9. Termination of Employment:

- Contract Termination: Quitt assists with the legal aspects of terminating an employment contract, ensuring compliance with notice periods and final salary settlements.
- **Final Settlement:** The platform calculates the final settlement, including any outstanding payments and unused vacation days.

# **Key Features Specific to Germany:**

• **Mini-Job and Midi-Job Management:** Quitt handles the specific regulations and requirements for mini-jobs and midi-jobs, which are common employment arrangements for domestic help in Germany.

• **Household Check Procedure:** The platform assists with the household check procedure ("Haushaltscheckverfahren"), which simplifies social security registration and contributions for domestic workers employed in private households.

## **Monthly Fees:**

- **Basic Service:** €6 per employee per month (including VAT)
  - o Additional €1 per hour worked (including VAT)
  - o Maximum €39 per employee
  - o Cancel anytime
  - o No registration fee

## Who Can Use Quitt:

- **Private Individuals:** Homeowners employing domestic help such as cleaners, gardeners, caregivers, or babysitters.
- **Small Businesses:** Employers with domestic staff.

## Why the Service is Worthwhile:

- **Compliance:** Ensures legal compliance with registration and insurance requirements.
- Convenience: Manages payroll, contracts, social security, and taxes.
- **Tax Benefits:** Offers tax discounts for employing domestic help.
- **Ease of Use:** Provides a straightforward, user-friendly platform for managing all aspects of domestic employment.

# **Benefits of Employing Private Employment via Quitt:**

- 1. **Legal Compliance:** Quitt ensures all legal and regulatory requirements are met, including social security and tax obligations.
- 2. **Time-Saving:** The service automates payroll, contract management, and insurance registrations, saving you time and reducing administrative burden.
- 3. **Tax Benefits:** Access potential tax deductions for employing domestic help.
- 4. **Security:** All processes are handled securely, ensuring data privacy and compliance.
- 5. **Support:** Access to expert advice and customer support for any employment-related queries.

You can officially register your domestic help via quitt retroactively for up to three months from the current date. This allows you to ensure that all necessary legal and administrative requirements are met for the period in question.

Yes, you can use quitt even if your domestic help is already registered. Quitt can take over the existing registration and handle all administrative tasks, ensuring compliance with legal requirements and streamlining payroll, insurance, and tax processes. This transition is designed to be smooth and hasslefree, allowing you to benefit from quitt's comprehensive services.

Not all employment relationships in a household must be registered via quitt. Quitt is an optional service that simplifies and automates the registration and management process for domestic help. If you choose to handle the administrative tasks yourself, you can do so. However, using quitt ensures compliance with legal requirements and streamlines payroll, insurance, and tax processes.

Your customer area in quitt contains:

- 1. **Dashboard:** Overview of your employment relationships and their status.
- 2. **Employee Management:** Details of your employees, contracts, and employment history.
- 3. Payroll Administration: Monthly payroll calculations, payslips, and salary payments.
- 4. **Insurance Management:** Information and management of mandatory insurances.
- 5. **Legal Documents:** Access to employment contracts, tax documents, and other legal paperwork.
- 6. **Support:** Access to customer service and legal advice.

Your employee's salary is paid via quitt for several reasons:

- 1. **Compliance:** Ensures all legal and regulatory requirements are met.
- 2. **Accuracy:** Automates accurate salary calculations, including deductions for taxes and social security.
- 3. **Convenience:** Saves you time by handling the entire payroll process.
- 4. **Transparency:** Provides clear and detailed payslips for both employer and employee.
- 5. **Security:** Ensures secure transactions and data protection.

A power of attorney is required with quitt to:

- 1. **Register with Social Security Institutions:** Handle the paperwork and formalities.
- 2. **Manage Insurance:** Communicate with insurance providers.
- 3. File Taxes: Submit tax-related documents.
- 4. **Process Payroll:** Make salary payments and handle deductions.
- 5. **Ensure Legal Compliance:** Act on your behalf with government agencies.

This authorization allows quitt to efficiently manage these tasks, ensuring compliance and saving you time.

When you use quitt, you will be officially registered with the following authorities:

- 1. **Minijob-Zentrale:** For mini-jobs.
- 2. **Tax Office:** For tax purposes.
- 3. **Health Insurance Funds:** For health insurance.
- 4. Accident Insurance Providers: For accident insurance coverage.
- 5. **Pension Insurance Funds:** For pension contributions.

# **Increase in Statutory Minimum Wage and Minijob Limit (Effective 01.01.2024)**

1. Statutory Minimum Wage:

o New Rate: €12.41 per hour

2. Minijob Earnings Limit:

o **New Limit:** €538 per month

This change ensures that employees earn a fair minimum wage and adjusts the earnings limit for minijobs accordingly.

## **Minijob Insurances Coverage:**

### 1. Health Insurance:

- Coverage: Basic medical care, hospitalization, outpatient services, and prescription medications.
- o **Note:** Only applicable if the minijob is the employee's sole employment.

#### 2. Pension Insurance:

- **Coverage:** Contributions to the state pension system, which count towards the employee's pension entitlements.
- Opt-out Option: Employees can choose to opt-out of pension insurance contributions, resulting in lower contributions but also lower future pension benefits.

#### 3. Accident Insurance:

- Coverage: Medical treatment and rehabilitation costs related to work accidents or occupational diseases.
- Provided By: The employer, covering accidents that occur at the workplace or on the way to and from work.

### 4. Unemployment Insurance:

- o **Coverage:** Eligibility for unemployment benefits in case of job loss.
- Contribution: Typically not required for minijobs, but employees may have partial coverage if they hold additional jobs subject to unemployment insurance.

# **Insurance for Employers and Employees in Minijobs**

For Employees:

#### 1. Health Insurance:

- Coverage: Basic medical care, hospitalization, outpatient services, and prescription medications.
- Note: Typically covered through the employee's primary health insurance if the minijob is secondary. If the minijob is the only employment, it might not include health insurance unless they opt into voluntary coverage.

### 2. Pension Insurance:

- Coverage: Contributions to the state pension system, counting towards the employee's future pension entitlements.
- Opt-out Option: Employees can choose to opt-out of mandatory pension contributions, reducing their contributions but also lowering future pension benefits.

#### 3. Accident Insurance:

- Coverage: Provides coverage for accidents at the workplace or on the way to/from work, including medical treatment and rehabilitation.
- o Contribution: Fully covered by the employer.

### 4. Unemployment Insurance:

• **Coverage:** Minijobbers typically do not pay into unemployment insurance and thus may not be eligible for unemployment benefits based on their minijob income alone.

### For Employers:

### 1. Accident Insurance:

o **Contribution:** Employers are required to cover the cost of accident insurance premiums for their minijob employees.

### 2. Social Security Contributions:

- Health Insurance Contribution: Even if employees are covered by other health insurance, employers must contribute a flat rate (around 13% of gross wages) to health insurance.
- Pension Insurance Contribution: Employers contribute a flat rate (15% of gross wages) to pension insurance.

### 3. Administrative Responsibilities:

- Registration and Reporting: Employers must register minijobbers with the Minijob-Zentrale and handle all necessary reporting and contributions.
- Payroll Processing: Employers are responsible for accurate payroll calculations and ensuring timely payments.