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Factsheet for case **DE-2020-13/404**

Basic income support for solo-self employed

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|--------------|--|
| Country | Germany, applies nationwide |
| Time period | Temporary, 23 March 2020 - 30 June 2020 |
| Type | Legislation or other statutory regulation |
| Category | Income protection beyond short-time work – Extensions of income support to workers not covered by any kind of protection scheme |
| Case created | 09 April 2020 (updated 05 May 2020) |

Background information

The German Federal Government decided to ease up rules for basic income support for solo-self employed persons. Usually, basic income support is only available for persons in need looking for work. As many orders and engagements of solo self-employed persons were cancelled, the basic income scheme was opened for new target groups, such as solo self-employed persons temporarily out of orders/work. This measure is part of a broader rescue package adopted by the government at the end of March 2020, in order to help out German business, freelancers and micro entrepreneurs. The whole package consists of reducing tax burdens, easier access to loans, start-up support, lowering companies personnel costs by improved short-time working scheme and other financial help for solo- or micro entrepreneurs.

Content of measure

The German Federal Government eased rules for basic income support, in order to help solo self-employed persons to get through the crisis. As it is hard to find new work for solo self-employed and free lancers and many of their jobs are cancelled during the Corona crisis, the Federal Government opened up the basic income scheme. The new scheme also includes groups that are not truly looking for a new job, but are only temporarily out of business, such as solo self-employed. Applicants for basic income support working as solo self-employed will not have to make any statements on their financial assets and will also not have to tap these assets within the next six months, before being granted basic income support. With the basic income support, they should be able to pay rent or finance their housing. The new rules also provide that application

will be provisionally approved and the usual means-testing will be conducted later. In this way, the government hopes to facilitate easier and faster access to these grants.

Use of measure

No information to date.

Actors, target groups and funding

| Actors | Target groups | Funding |
|--|--------------------|----------------|
| National government Public employment service | Solo-self-employed | National funds |

Social partners

| | |
|-------------------------|-----------|
| Role of social partners | Consulted |
| Form of involvement | Other |

German social partners are usually consulted by the Federal Government on broader measures, though no formal tripartite social dialogue structure exists in Germany at the federal level

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 09 April 2020: For jobs and the economy: Immediate Assistance Programme and Economic Stabilisation fund (www.bundesfinanzministerium.de)
- 30 April 2020: Corona-Pandemie: FAQ zur Grundsicherung (www.arbeitsagentur.de)