Self-employed persons are their own bosses. They receive no work instructions from others and decide themselves how to perform the work they have contracted to do.

Self-employed persons are paid to perform specific services and are paid not for their working time. They negotiate the price for their services with their clients.

Self-employed persons bill their clients for the work that they do and receive only after deducting income tax, turnover and trade tax- and security contributions, but only for the last three months during which you were fictitiously self-employed, at most. You may receive no work instructions from others and decide yourselves how to perform the work they have contracted to do.

Employees work for employers. They receive work instructions and are told what to do and when and where to do it.

Employees are paid a fixed hourly wage by their employers. The minimum wage is currently set at Euro 8.50 per hour (gross).

Employees are paid monthly or weekly and receive a pay slip from their employers. The employer is responsible for paying taxes as well as health insurance and social-security contributions, etc. Employees have the right to receive their wages, even if the employer suffers losses.

Employees receive their wages even if their work is deficient – except when damages are caused by gross negligence or malicious intent.

Employees are entitled to continue receiving their wages when they are on annual or take paid vacations as prescribed by law. They are required to plan vacation time in consultation with their employers.

Employees are not responsible for obtaining or transporting their own working materials or tools. That is the employer’s responsibility.

Self-employed persons or their companies are liable for defective work. That can cost them a lot of money even years later.

Self-employed persons do not receive sick pay or vacation pay from their clients. They make their own decisions about when to take vacations.

Self-employed persons maintain their own workplace (office, warehouse etc.). They ordain their own working materials. They are responsible for arranging transport of such materials themselves.

What happens when the authorities determine that you are fictitiously self-employed?

Should the authorities determine that you are fictitiously self-employed, the client for whom you have been working will be required to pay all social-security contributions – for health, home nursing care, pension and unemployment insurance, etc. – as well as income taxes retroactively. You will also be required to pay your own share of social-security contributions, but only for the last three months during which you were fictitiously self-employed, at most. You may also have to pay a fine for petty offence. Your contracting client could also face a fine of up to Euro 500,000.00.

How can trade unions help?

Trade unions are committed to defending the rights of working people. They fight for fair, safe working conditions, fair working hours and social justice. They can organize strikes and negotiate collective bargaining agreements with employers. Without the efforts of unions, the minimum wage of Euro 8.50 per hour introduced in 2015 would not exist. Unions are not connected with a political party or the government. They are independent, but not apolitical. They get involved in politics. More than six million people are members of a union in Germany. Different unions serve the needs of different occupational groups. Most of these unions are independent, but not apolitical. They get involved in politics. More than six million people are members of a union in Germany. Different unions serve the needs of different occupational groups. Most of these unions are organized within the Deutscher Gewerkschaftsbund (DGB).