

#### **WELCOME**



To all readers and those seeking advice,

Article 1 of the German Basic Law establishes respect for human dignity as the highest good of our society. All state action must be guided by this principle. In concrete terms, this means that all people have the right to a minimum level of participation in society and to a minimum standard of living.

In recent years, unemployment benefit II, colloquially known as "Hartz 4", has been in place for this purpose. On 1 January 2023, unemployment benefit II was replaced by citizen's benefit. Such a comprehensive reform of the welfare state also means extensive changes in the administrative process.

People affected by unemployment and income poverty are particularly dependent on advice to create transparency. It is important that rights, services and innovations are known. This need is all the more urgent at a time when basic security for jobseekers has become the subject of ongoing controversial public debate and often leads to uncertainty among those affected about the regulations that apply to them.

The Berlin Unemployment Centre (BALZ) has been doing important work for years in the area of securing the minimum subsistence level and provides information on what you need to bear in mind when claiming your rights from the Jobcenter. Since 2016, the Senate Department for Labour, Social Affairs, Equality, Integration, Diversity and Anti-Discrimination has been supporting the work of the BALZ with funds from the State of Berlin.

This guide is the result of many years of experience at the BALZ and provides comprehensive advice before you visit the authorities. The BALZ is an independent advice centre for unemployed people throughout Berlin. The particular strength of this guide is therefore that it deals with regulations and options in Berlin. I am delighted that the guide is also available in English. This means that it can also be of great help to people who have only just arrived here.

The BALZ wants to help you stand on your own two feet. Sometimes this happens quickly, sometimes it takes longer. Every placement in a suitable job is a success that everyone involved can be proud of. Getting back into work is not always easy, but it is possible. I wish you all the best!

Cansel Kiziltepe

Consel Kizi/kpe

Senator for Labour, Social Affairs, Equality, Integration, Diversity and Anti-Discrimination

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Editorial notes
In the interests of readability, we have avoided gender-specific wording. It goes without saying that people of all gender identities are always meant, even if only one gender is explicitly addressed in some places.

#### **FOREWORD**

#### Dear readers

With the introduction of the "citizen's benefit" on 1 January 2023, the impression was created that social benefits would be easier to apply for and that recipients would be able to step out of the shadows of society. This impression was quickly clouded. Instead, at the beginning of 2024, a campaign began once again to open up undercutting competition in the labour market. The citizen's benefit was said to be too high and would encourage laziness. This was a clever move, as employers had previously blocked an increase in the minimum wage.

The long-term unemployed, refugees, two million children, sick and elderly people, and many working people were pushed into the corner just because they were dependent on citizen's benefit. This encourages people to forego social benefits. Welfare organisations estimate that between 2 and 4 million people do not claim citizen's benefit out of shame or because they feel overwhelmed. Forecasts predict that in the coming years, the proportion of older people (mostly women) living in poverty will rise, and with it the proportion of those entitled to benefits. There was no mention of this in the campaign.

We at BALZ have a different view of humanity. We are in daily contact with people receiving citizen's benefit and can only say that it is not that simple. The IAB statistics prove us right: there are only 29,000 so-called total refusers out of approximately 5.5 million people receiving citizen's benefit.

We want our work to alleviate poverty, not discriminate against poor people. That is why we have produced this practical guide, because citizen's benefit is a complex set of rules. We want to help those who are entitled to benefits, educate them about their rights and inform them about what is important when dealing with the authorities.

Berlin is a colourful metropolis. Hundreds of thousands of people who are not German nationals live in our city. To ensure that we also reach some of these Berliners, we have had this brochure translated into English.

We would like to express our sincere thanks to everyone who contributed to this practical guide or made it possible through funding!

We hope you find this practical guide helpful.

Dr. Kai Lindemann Managing Director of BALZ

# **CONTENTS**

List of abbreviations	. 10
Chapter 1   What is basic income support for jobseekers? What is citizen's benefit?	. 12
1. The "socio-cultural minimum subsistence level"	
2. Three types of minimum income	. 12
2.1 Citizen's benefit, basic income support for jobseekers	. 12
2.2 Social assistance	13
2.3 Benefits for asylum seekers	. 13
3. Differences compared to unemployment benefits	. 14
4. Citizen's benefit under criticism	
Chapter 2   The application – what should you pay attention to?	. 17
1. Benefits are only granted upon application	17
2. Which Jobcenter is responsible?	19
3. You can be accompanied by a "support person"	19
4. What interpreting and translation services are available?	20
5. What rights do hearing and speech impaired people have?	20
6. How long are benefits granted for living expenses?	20
7. How are benefits for living expenses paid out?	21
8. Is it possible to receive an advance payment of citizen's benefit?	21
Chapter 3   Who is eligible for basic income support for jobseekers?	22
1. Citizen's benefit for those eligible for benefits and capable of working	22
1.1 Age limits	22
1.2 Capability of working	22
1.3 Need for assistance	23
1.4 Habitual residence in Germany	23
2. Citizen's benefit for persons who are not capable of working	24
3. Who is not entitled to SGB II benefits?	24
4. Special provisions for foreign nationals	27
4.1 Exclusions from benefits and entitlement to benefits	27
4.2 Does claiming SGB II or SGB XII benefits affect the right of residence?	32
5. Special provisions for trainees, schoolchildren and students	34
Chapter 4   What is the difference between a community at need, a household-sharing-community and a residential community?	. 37
1. Community at need, including "cohabiting couples" (marriage-like relationship)	. 37
2. Household-sharing community with relatives or relatives by marriage	40
3. Residential community	41
Chapter 5   What needs are taken into account when calculating citizen's benefit?	42
1. Standard needs	42

2. Additional needs	44
2.1 Pregnant women	44
2.2 Single parents	44
2.3 Disabled persons entitled to benefits	45
2.4 Expensive diet	46
2.5 Additional need in case of hardship	47
2.6 School books	48
2.7 Decentralised hot water production	48
2.8 Beneficiaries not capable of working with the designation G or aG	48
3. Needs for accommodation, heating and hot water	49
3.1 What belongs to accommodation costs?	49
3.2 What is the waiting period (Karenzzeit)?	. 50
3.3 What accommodation costs are considered "reasonable" in Berlin?	52
a) Guidelines for reasonable gross rent	52
b) Limits for reasonable heating, including central hot water supply	58
3.4 What happens if the individually reasonable housing and heating needs are exceeded?	61
3.5 What applies when renting new accommodation?	
a) In principle, only reasonable housing needs	
b) Unnecessary move	
c) New rental allowance in the event of existing or imminent homelessness	
d) Moving out of the parental home for those under 25 years of age	
e) Coverage of moving costs	
3.6 What else is important when it comes to housing?	
a) Membership in a tenants' organisation	
b) Rent and energy debts	
c) Berlin Hardship Fund for Energy Debts	
c/ Berlin Hardship Fund for Energy Debts	09
Chapter 6   How are recipients of citizen's benefit insured?	. 71
Chapter 7   What other benefits are available to secure your livelihood?	. 74
1. Education and participation (BuT)	74
1.1 Berlin Pass BuT	74
1.2 Benefits for education	75
a) One-day daycare centre or school trips	75
b) Multi-day daycare centre or school trips	75
c) Personal school supplies	75
d) Lunch at daycare, childcare and school	76
e) Supplementary tuition	76
f) School transport	. 76
1.3 Benefits for social participation	77
a) Participation in community activities in culture, sports and leisure	77
b) Purchase of equipment	77
c) Travel expenses	78

2. One-off benefits	78
2.1 Benefits for initial equipment	78
a) Initial furnishings for the home	79
b) Initial clothing and maternity and childbirth expenses	79
c) Orthopaedic shoes and therapeutic devices	80
2.2 Loans in cases of irrefutible need	80
Chapter 8   Integration into work – What do you have to do? What does the Jobcenter do?	
1. What work is reasonable?	
2. What is a cooperation plan?	
3. What benefits can the Jobcenter provide to help you find work?	84
4. Who receives further training bonuses and further training allowances?	87
5. What offers for promoting German language skills does the Jobcenter support? Jobcenter?	87
Chapter 9   How is income taken into account?	
1. Which income is taken into account and which is not?	88
2. How is income set off against the need?	90
Income from gainful employment	
3.2 Fluctuating income and provisional decision	94
4. Income from self-employment	95
5. "Effortless" income	98
6. Income paid retroactively	100
Chapter 10   How are assets taken into account?	102
1. Which assets are realisable and which are not?	102
2. What are the asset allowances?	103
3. What happens if your assets exceed the exemption limit?	105
Chapter 11   How are maintenance and maintenance claims taken into account?	107
Chapter 12   When are sanctions imposed and what is their scope?	
1. What are reporting omissions?	108
2. What are breaches of duty?	
3. What is the sanction for breaches of duty?	
4. What is the sanction in the event of a "persistent refusal to take up employment"?	109
5. What other rules apply in case of sanctions?	111
Chapter 13   What are your obligations to cooperate? Do you have to take advantage of priority benefits?	112
Chanter 14   Are beneficiaries entitled to holiday leave?	114

-	L5   Supplementary child allowance and housing benefit – an alternative to penefit?	115
Chapter 1	16   What benefits do foreigners receive who are excluded from citizen's benefit?	119
-	17   Do you disagree with your decision or have you not received a decision?	
	you do?	
	jection	
•	gal action	
	ssed the deadline for objection? – Request for review	
	e Jobcenter is not taking action? – Action for failure to act	
	nen time is of the essence – urgent application	
	vernment aid for legal fees	
7. Wł	nere can you apply for legal advice and legal aid?	124
8. On	nbudsman offices for Berlin's Jobcenters	124
Chapter 1	L8   Benefits for people with little money	125
1. Do	ctor's visits and medication	125
2. Exe	emption from the public broadcasting service fee	125
3. Exe	emption from co-payments for the purchase of learning materials at schools	126
4. Sul	osidized ticket and more	126
Chapter 1	19   Where can you find advice and support?	129
1. Ad	vice on citizen's benefit	129
2. Ad	vice on tenancy law	129
3. De	bt counselling	130
4. Ad	vice on pregnancy, maternity and family	139
5. Ass	sistance with impending or existing homelessness	130
6. Mi	gration advice	130
7. Ad	vice for people without health insurance	132
8. Fui	ther education counselling	132
9. En	ergy counselling	133
10. A	dvice for single parents	133
11. A	dvice on data protection and freedom of information	133
12. C	risis services	133
List of tal	oles	
Table 1:	Monthly standard need	. 42
Table 2:	Monthly deductions from standard needs due to the granting of benefits in kind in shared accommodation without self-catering facilities	. 43
Table 3:	Monthly additional need for pregnant women	
Table 4:	Monthly additional need for single parents	
Table 5:	Monthly additional needs for disabled persons eligible for benefits who are	
	capable of working	. 45

rabie 6:	Monthly additional needs due to expensive diet	46
Table 7:	Monthly additional needs due to decentralised hot water supply	48
Table 8:	Monthly additional needs for beneficiaries who are not capable of working with "G" or "aG" designation	. 49
Table 9:	Guidelines for the monthly gross rent (excluding heating and hot water)	53
Table 10:	Guidelines for the monthly gross rent (excluding heating and hot water), including hardship allowance	
Table 11:	Recognised accommodation costs (gross rent (excluding heating and hot water) iln existing flats)	55
Table 12:	Recognised accommodation costs in social housing (gross rent (excluding heating and hot water) in existing flats)	56
Table 13:	Maximum rents under the Housing Subsidy Act including security deposit	57
Table 14:	Limit values for heating with heating oil, natural gas and district heating	58
Table 15:	Deductions from the limit value for decentralised hot water production	
	(in flats with heating oil, natural gas or district heating systems)	59
Table 16:	Annual consumption values and heating costs for night storage heaters	60
Table 17:	Parents' share of housing costs when receiving KiZ (supplementary child	
	allowance)	116
Annex		
I. Refere	nce values and limits for reasonable accommodation costs and reasonable	
	equirements in Berlin in accordance with AV-Wohnen	
	es and documents	
III. Furthe	r information	142

# **List of abbreviations**

Para. = Paragraph

Alg II = Unemployment benefit II (from 1 January 2023: citizen's benefit for those eligible for benefits who are capable of working)

Alt. = Alternative

AO = German Fiscal Code

Art. = Article

AsylbLG = Asylum Seekers Benefits Act

AUB = Certificate of incapacity for work

Residence Act = Residence Act

AV = Implementing Regulations

AVV = General Administrative Regulation

BA = Federal Employment Agency

BAB = Vocational Training Allowance

BAföG = Federal Training Assistance Act

BEEG = Federal Parental Allowance and Parental Leave Act

BG = Community at need

BKGG = Federal Child Benefit Act

BSG = Federal Social Court

BuT = Education and Participation

BVerfG = Federal Constitutional Court

BVG = Berlin Transport Services (underground, tram, bus)

eAT = electronic residence permit with online ID function

EFA = European Social Security Agreement

EC = European Community

eID card = electronic identity card

EKS = income of self-employed persons (form)

rrV = Accessibility Regulation

EStG = Income Tax Act

EU = European Union

ECJ = European Court of Justice

e. V. = registered association

EEA = European Economic Area (EU countries plus Iceland, Liechtenstein, Norway)

FAQ = Frequently asked questions

FreizügG/EU = Freedom of Movement Act/EU

gGmbH = non-profit limited liability company

GRC = Geneva Refugee Convention

KfW = Kreditanstalt für Wiederaufbau (German Development Bank)

KiTa = daycare centre

KiZ = Supplementary child allowance

kWh = kilowatt hour

LSG = State Social Court

nPA = new identity card with online identification function

No. = number

OZG = Online Access Act

PKH = legal aid

SG = Social Court

SGB = Social Code

SGG = Social Court Act

V or VO = Regulation

VAG = Insurance Supervision Act

VVG = Insurance Contract Act

WoGG = Housing Subsidy Act

e.g. = for example (exempli gratia)

# Chapter 1 | What is basic income support for jobseekers? What is citizen's benefit?

#### 1. The "socio-cultural minimum subsistence level"

Basic income support for jobseekers and citizen's benefit are part of the tax-financed system of basic or minimum income support in Germany. The benefits of basic income support are intended to secure the "socio-cultural minimum subsistence level" for people who are unable to earn a living from their own resources and efforts and who are considered "in need of assistance" in this respect.

What does this mean? The minimum subsistence level refers to the resources necessary to ensure a person's physical existence. This includes, above all, food, clothing, adequate housing and standard medical care. However, as a *socio-cultural* minimum subsistence level, basic security also includes resources that are intended to enable modest participation in social, cultural and political life.

In basic social security, the legislator sets a certain – usually flat-rate – amount for typical living needs and life situations. The sum of the standard needs, needs for accommodation and heating, additional needs and, if applicable, other needs results in the socio-cultural minimum subsistence level.

Basic security is subordinate. This means that personal income and assets, as well as claims against other social security providers and relatives who are obliged to provide maintenance, can reduce or completely eliminate the necessary needs or benefits. Beneficiaries who are capable of working are also required to use their labour to reduce or eliminate their need for benefits.

The state's obligation to secure the socio-cultural minimum subsistence level arises from the protection of human dignity under <u>Article 1(1)</u> and the welfare state principle under <u>Article 20(1) of the Basic Law</u>. The right to a minimum subsistence level that is fit for human dignity is a human right and applies in principle to all persons living in Germany, regardless of their nationality.

#### 2. Three types of minimum income support

In Germany, there are three types of statutory minimum income support designed to secure the minimum subsistence level.

The introduction of another minimum income, the basic child allowance, was planned for 2025, but the former coalition government of the SPD, Bündnis 90/Die Grünen and FDP, which collapsed prematurely on 6 November 2024, was unable to reach agreement on this.

#### 2.1 Citizen's benefit, basic income for jobseekers

The legal basis for basic income support for jobseekers is the Social Code (SGB) II.

The SGB II distinguishes between two types of benefits: benefits to secure livelihood and benefits to integrate into work. The most important benefit for livelihood is the citizen's benefit (formerly known as "unemployment benefit II" or "Hartz IV").

In order to claim citizen's benefit, applicants must be in particular need of assistance and capable of working. Persons who are not capable of working, for example children under the age of 15, can receive citizen's benefit if they live with at least one person who is capable of working and entitled to benefits.

You can find more information in Chapter 3, Section 2, "Citizen's benefit for persons not capable of working who are entitled to benefits".

If these requirements are met, foreign nationals living in Germany (hereinafter referred to as "foreigners") generally have the same entitlement to citizen's benefit as Germans.

In Berlin, SGB II benefits are provided by the Federal Employment Agency and the State of Berlin. Together, they form so-called joint institutions in the twelve Berlin districts, the Berlin Jobcenters (<u>AGSGB II</u>). The state of Berlin is responsible, among other things, for benefits for "accommodation and heating", "initial equipment for the home, clothing and in the event of pregnancy" and "education and participation in social life" (<u>Section 6 (1) SGB II)</u> – these municipal benefits are dealt with in detail in this practical guide.

**Good to know:** You do not have to be unemployed to receive citizen's benefit. You can also receive basic income support for jobseekers if you are employed part-time or full-time or are self-employed – provided that you do not have an income sufficient to cover your living expenses and no assets that you can use.

#### 2.2 Social assistance

Basic security benefits for jobseekers differ from social assistance (SGB XII) primarily in terms of the requirement to be capable of working. Persons in need of assistance who are not capable of working and do not live with a person capable of working in a joint household receive assistance with living expenses in accordance with Chapter 3 of SGB XII (social assistance). For persons who have already reached the relevant age for regular old-age pension or who are permanently fully incapacitated for work, basic security in old age and in the event of reduced earning capacity under Chapter 4 of SGB XII (social assistance) is generally considered if they are in need of assistance.

# 2.3 Benefits for asylum seekers

Asylum seekers, tolerated and deportation-obliged foreigners, as well as some other foreigners (§ 1 (1) AsylbLG) receive benefits under the Asylum Seekers Benefits Act if they are in need. The conditions for these benefits have recently been significantly tightened.

Asylum seeker benefits are lower than the benefits for living expenses under SGB II and SGB XII during the first 36 months of residence in Germany – until February 2024, this was only the case during the first 18 months. Only after a stay of 36 months is there generally an entitlement to so-called analogous benefits. These are benefits that correspond to social assistance in terms of type and amount.

In contrast to the standard benefits under SGB II, SGB XII and the analogous benefits under Section 2 (1) of the Asylum Seekers Benefits Act (AsylbLG), which were "frozen" this year, the basic benefits under Section 3 of the Asylum Seekers Benefits Act (), which asylum seekers receive during the first 18 months of their stay in Germany, have been reduced by between 13 and 19 euros. Refugee organisations criticise the double standards applied to benefits that secure people's livelihoods: "The minimum subsistence level is the minimum subsistence level, and human dignity cannot be divided, even in migration policy" (Refugee Council of Mecklenburg-Western Pomerania, 5 November 2024; see also Refugee Council of Lower Saxony, 31 October 2024).

Those entitled to asylum seeker benefits receive part of their benefits as credit on so-called payment cards. The majority of benefits are provided in kind. This is intended to reduce cash payments to a minimum in the hope of reducing migration to Germany (critical of the introduction of the payment card: <a href="PRO ASYL e.V.">PRO ASYL e.V.</a> on 9 October 2024).

Migrants who apply for asylum in Germany but for whom another EU country is responsible (so-called Dublin refugees) have, since 1 January 2025, generally no longer been receiving asylum seeker benefits if their departure has been ordered and the EU country in which they entered Europe has agreed to take them in (Section 1 (4) AsylbLG). It is controversial whether this is compatible with EU law and the Basic Law (see press release from PRO ASYL e.V. dated 26 September 2024).

# 3. Differences from unemployment benefits

Citizen's benefit differs significantly from unemployment benefits. Unemployment benefits under <u>SGB</u> <u>III</u> are not means-tested minimum income support, but rather wage replacement benefits from *unemployment insurance*.

Unemployment benefits are paid to unemployed persons who can prove that they have been in employment subject to social insurance contributions in Germany for at least one year in the last two and a half years. The amount of the benefit is usually based on the last salary.

Entitlement to unemployment benefit takes precedence over citizen's benefit. If unemployment benefit is not sufficient to cover living expenses, it can be "topped up" with citizen's benefit.

Our advice: If you have previously worked as an employee in another EU or EEA country or in Switzerland, you may be able to use these periods of employment to claim unemployment benefits – however, this is usually only possible if you were last employed in Germany and subject to social insurance contributions (Art. 61 Regulation (EC) No. 883/2004). Please enquire at your local employment agency.

# 4. Citizen's benefit under criticism

The Citizen's Benefit Act introduced numerous material improvements for benefit recipients in the course of 2023. These include, among other things

- the abolition of priority for job placement, particularly when unskilled workers require further vocational training for long-term integration into the labour market (Chapter 8 of this practical guide),
- the introduction of grace periods that guarantee the retention of housing for a limited period
  of time (Chapter 5) and protect "insignificant" assets from being liquidated (Chapter 10) in
  order to give citizens receiving citizen's benefit the opportunity to concentrate on looking for
  work or further vocational training during the initial period of their need for assistance, and
- improved opportunities to earn additional income, especially for young people (Chapter 9), "in order to reinforce the experience that taking up work pays off" (Bundestag printed paper 20/3873, page 49).

However, this has not silenced criticism of basic income support for jobseekers. There has long been controversy over whether basic income support for jobseekers actually adequately protects the dignity of people in need of assistance.

# **Inadequate calculation of standard needs**

Welfare organisations such as Diakonie Deutschland and the Paritätische Wohlfahrtsverband have long criticised the methods used to calculate standard needs. Even after the introduction of the citizen's benefit, according to Diakonie in its statement on the citizen's benefit act, there is no guarantee that standard needs will be calculated properly: "The old, factually incorrect standard rates remain in place" (written statement by Diakonie Deutschland, page 1).

The criticism expressed by the associations during the last reassessment of standard needs for 2021 remains valid. At the time, the Paritätische had criticised, among other things, that consumption expenditure typically incurred by the lower income groups of the population was wrongly not taken into account by the legislator when calculating the standard rate, for example expenditure on household and liability insurance, cut flowers and houseplants, pets, travel or the purchase or use of a car or motorcycle. (Expertise Regelsatz 2021, various pages; for the Diakonie's criticism of the 2021 standard needs assessment, see: <a href="www.diakonie.de/pressemeldungen/hartz-iv-saetze-lebensnah-berechnen-diakonie-stellt-alternativmodell-vor">www.diakonie.de/pressemeldungen/hartz-iv-saetze-lebensnah-berechnen-diakonie-stellt-alternativmodell-vor</a>).

The Paritätische then presented its own calculations and called for an increase in the standard rate for single persons to 813 euros per month for 2024 (see <u>Standard rates 2024</u>: <u>Update of the Paritätische's standard rate demand – brief expert opinion</u>). By way of comparison, the statutory standard rate for single persons in 2024 was 563 euros per month.

Diakonie Deutschland points out, among other things, that electricity costs in the reference households are still not correctly determined and are too low in the standard rate (<u>Written statement by Diakonie Deutschland</u>, page 11). It calls for a transparent and needs-based recalculation of the standard rate (see <u>Diakonie</u>, <u>Calculating Hartz IV rates in line with reality...</u>).

Conservative and neoliberal voices, on the other hand, often claim that the citizen's benefit offers too few incentives to work. In this context, reference is often made to the so-called wage gap requirement: gainful employment is not worthwhile or is too little worthwhile because basic security benefits are too high. However, according to the prevailing opinion of legal experts, the wage gap requirement is not legally tenable as a benchmark for determining the minimum subsistence level (see Scientific Services of the German Bundestag, On the development of the wage gap requirement, WD 6 - 3000 - 049/23, page 6). The Federal Constitutional Court has stated on this: "The development of gross wages cannot provide any information about changes in the necessary requirements for covering the minimum subsistence level" (Federal Constitutional Court ruling of 9 February 2010, margin number 184).

In addition, the applicable legal provisions ensure that people in employment always have more money at their disposal than those who are not in employment. This is because even low-income workers are entitled to supplementary social benefits, such as housing benefit or child allowance, and part of their earned income remains exempt from state benefits such as citizen's benefit (see <u>specialist information</u> from the Paritätische dated 14 September 2023).

The significant increases in standard rates of 11.75 per cent on 1 January 2023 and 12 per cent on 1 January 2024 do not represent an improvement in the standard of living for citizen's benefit recipients, as is sometimes claimed. The increased standard rates cannot compensate for the loss of purchasing power that basic income recipients have had to cope with since 2021 due to inflation (see <a href="brief expert opinion by Dr Irene Becker">brief expert opinion by Dr Irene Becker</a>, April 2024). Because there will be no increase in standard rates in 2025, the Paritätische even fears further losses in purchasing power for basic income recipients (see Paritätische, statement of 9 September 2024).

#### Benefit cuts below the subsistence level

The welfare associations also view sanctions against benefit recipients critically. From the welfare associations' point of view, benefit cuts interfere with the minimum subsistence level and exacerbate the shortage of goods and services for benefit recipients. Diakonie Deutschland therefore rejects sanctions on basic security benefits that secure livelihoods as a matter of principle (see <a href="written">written</a> statement by <a href="mailto:Diakonie">Diakonie</a> Deutschland, page 12).

According to Diakonie, sanctions "primarily affect people with mental illness, reading difficulties, poor language skills, personal crises or addictions. Diakonie Deutschland knows from its counselling work that sanctions exacerbate the situation of those affected and do not contribute to solving their individual problems" (brief assessment by Diakonie Deutschland on the draft ... of a Second Budget Financing Act 2024 of 8 January 2024, page 2).

In the often populist and uninformed debate on the citizen's benefit, politicians from the former "traffic light coalition" have called for tougher sanctions for unemployed citizens receiving citizen's benefit. So-called total refusers are being used as a pretext to increase pressure on *all* unemployed people to take up employment more quickly, even under worse conditions than before. The conservative opposition in the Bundestag, which will probably soon be in government, goes one step further: It would like to "abolish the citizen's benefit in its current form and replace it with a new basic income guarantee" in which "sanctions can be enforced more quickly, more easily and with less bureaucracy" (resolution of the CDU federal executive committee of 18 March 2024, "The New Basic Income Guarantee").

What these initiatives have in common is that, whether intentionally or not, they reinforce the old prejudice that unemployed people are unwilling to work and promote further stigmatisation of citizen's benefit recipients. The Paritätische rightly complains that the "irresponsible nature of the debate on citizen's benefit ... is creating resentment against citizen's benefit recipients that has no empirical basis whatsoever. ... This promotes division and envy debates ..." (Frankfurter Rundschau, 20 August 2024).

The propaganda against the citizen's benefit often leads to low-income earners who are entitled to citizen's benefit not claiming their benefits out of shame (see MDR.de, 7 May 2024).

With the citizen's benefit reform, the former federal government consisting of the SPD, Bündnis 90/Die Grünen and FDP announced a change in policy: the aim was to treat people who are dependent on citizen's benefit with "more respect" and to create "a new culture of trust" between Jobcenters and citizens (Bundestag document 20/3873, page 2). This promise is currently being called into question by many politicians.

# Chapter 2 | The application – what should you pay attention to?

# 1. Benefits are only granted upon application

Basic income support for jobseekers is granted upon application (§ 37 (1) SGB II). The application is not subject to **any specific form**. It can be submitted in person, by telephone, in writing, by email or online. The key point is that the burden of proof for the receipt of the application lies with the applicant.

You can prove **that your application has been received** by having an employee of the Jobcenter confirm receipt of your application on site with the date and stamp on a copy. In its <u>directive 201806011 of 20 June 2018</u>, the Federal Employment Agency recommended that Jobcenters issue a confirmation of receipt at the express request of the person entitled to benefits. However, it is now only possible to submit applications in person with confirmation of receipt in Berlin Jobcenters in rare cases.

You should always have verbal or telephone applications confirmed in writing. This will enable you to prove later that you submitted an application and when you did so.

You can submit an application by email if the Jobcenter has set up a contact email address for this purpose (Section 36a (1) SGB I). The Federal Social Court assumes this to be the case if the authority has published an email address on its website as a means of contact that does not exclude applications for benefits (BSG of 11 July 2019 - B 14 AS 51/18 R, margin number 16f.). Some Jobcenters are currently closing email access for "customers" again, such as the Berlin-Spandau Jobcenter, and referring them to the mailbox service on the jobcenter.digital internet platform.

If you sent your application by simple email, a printout of your email with the correct email address of the Jobcenter only proves that the application was sent, not that it was received. In the aforementioned BSG decision, the confirmation of dispatch was exceptionally recognised as sufficient because the Jobcenter had failed to check its email inbox within the deletion period, contrary to its obligations (margin number 32).

To apply for citizen's benefit online, go to the relevant section of the Federal Employment Agency's website "www.jobcenter.digital" for initial applications and for applications for continued approval.

To use jobcenter.digital, you must first register and set up a personal user account. In your user account, you can check under the menu item "History" whether your application has been successfully submitted and is now being processed. You can download your submitted application as a PDF file with the date of application.

The new "Jobcenter App" allows you to access your user account at jobcenter.digital via a smartphone or tablet.

If you would like to submit your application in writing, you should use the application forms and instructions for completing the application (in several languages) provided by the Federal Employment Agency in <a href="the download centre">the download centre</a>. In addition to the <a href="application for citizen's benefit under SGB II (HA)</a>, further information is required in various attachments. You can find out which attachments you need in the main application form. If you send the application by post, we recommend registered mail – in case of doubt, sending it by regular mail is not sufficient. You can find the postal address of your Jobcenter using the <a href="office search">office search</a> on the landing page of the Federal Employment Agency.

According to a decision of the Federal Social Court (ruling of 20 October 2009 –  $\underline{B}$  5 R 84/09 B, margin number 10ff.), an effective application can also be made by fax. The "OK" note on the transmission

report is confirmation that a connection to the Jobcenter's fax machine has been established and that the application has been saved there. Keep the transmission report!). We recommend that you also send the application by post.

Our advice: Do not allow your application to be rejected if the Jobcenter staff believe that you are not entitled to citizen's benefit. The Jobcenters are obliged to accept your application. Always make a copy of any applications you submit to the Jobcenter for your own records. If you are asked to submit additional documents, do not hand over the originals, only copies, as the documents submitted will be destroyed after they have been digitised.

**Good to know:** If you need help filling out the citizen's benefit application or have questions about individual points in your application, you can contact a <u>social counselling centre</u> in your area.

Your application will include all persons living with you in a joint household – they will be considered "beneficiaries". This includes your spouse or partner and, as a rule, your unmarried children under the age of 25 living in your household. Children aged 25 and over must submit their own application if they require assistance from the Jobcenter. You can find everything you need to know about the benefits community in Chapter 4, Section 1, "Community at need, including 'cohabitating couples' (marriage-like community).

The legislator assumes that persons capable of gainful employment who apply for basic income support for jobseekers are authorised to represent the other members of the community at need (Section 38 SGB II). Authorised representatives are the addressees of the approval notices and are entitled to apply for and receive benefits on behalf of the members of the community at need.

From a legal point of view, each person in the community at need has an *individual* entitlement to benefits. The first page of the approval notice shows the total entitlement of all persons in the community at need and the entitlement of each individual person.

Good to know: If you are at least 15 years old and do not wish to be represented by another member of the community at need, you must submit a corresponding declaration to the Jobcenter. You can then submit your own application, receive your own notice and apply for the benefit to be paid to you (see the Technical Instructions of the Federal Employment Agency on Section 38 SGB II, as of 20 May 2011, margin number 38.9). If you are still a minor, your legal guardians may restrict your legal capacity (Section 36 SGB I). Even if you represent yourself, you remain part of the benefits community.

The application for benefits to secure your livelihood usually takes effect retroactively to the first day of the calendar month in which the application is submitted (Section 37 (2) sentence 2 SGB II). This means that income received at the beginning of the month in which the application is submitted is also included in the calculation of benefits.

Our advice: If you are still expecting remuneration from your last employer, make sure that the money is credited to your account before the month in which you submit your application. Otherwise, it will be counted as income by the Jobcenter.

Please note: Some benefits, such as initial household equipment, initial equipment for pregnancy and childbirth, supplementary educational support for schoolchildren and loans for unavoidable one-off needs (see Chapter 7 in Section 2, "One-off benefits"), are not covered by the application for citizen's benefit. You must submit a separate application for these needs.

# 2. Which Jobcenter is responsible?

The Jobcenter in the Berlin district where you have your usual place of residence is responsible for granting basic income support for jobseekers (Section 36 (1) SGB II). This is usually the district where you are registered as resident. Proof of residence is provided in particular by an identity card or registration certificate.

If you have actually moved your centre of life – and not just temporarily or for a visit – to a place other than your place of residence (registered address), this place may also constitute your usual place of residence (Section 30 (3) sentence 2 SGB I).

For homeless persons who have their habitual residence in Berlin, the last registration in a Berlin apartment is considered their "place of residence." Homeless persons without a registration in Berlin or with a Berlin registration address that does not establish jurisdiction under the implementing provisions are generally assigned to one of the twelve Berlin Jobcenters according to their month of birth (see table in <u>Section III, Number 2 of the AV Zuständigkeit Soziales [Social Services Jurisdiction Regulations]</u>).

Persons who, after completion of their asylum procedure, transfer from the social welfare office to the Jobcenter and are accommodated in shared accommodation provided by the State Office for Refugees (LAF) (not: initial reception facilities pursuant to Section 44 of the Asylum Act (AsylG)) must contact the Jobcenter in the district in which their shared accommodation is located. Responsibility changes if these persons move into their own flat or to a new registered address in another Berlin district that establishes responsibility (Section III, No. 1.1 of the AV Zuständigkeit Soziales).

#### Persons with residence restrictions

Persons with asylum entitlement, subsidiary protection or a residence permit on humanitarian grounds who received their residence permit after 1 January 2016 are subject to a residence requirement for a period of three years from the date of recognition or granting of the residence permit. They will then only receive benefits from a Jobcenter in the federal state to which they were assigned for the asylum procedure. This may also be a specific Jobcenter if the residence requirement refers to a specific place of residence. Similarly, the responsibility of Jobcenters in a specific area may be excluded if persons entitled to benefits have been required not to take up residence in that location (Section 36 (2) SGB II in conjunction with Section 12a (1) to (4) Residence Act). The applicable regulation is usually specified in the recognition and residence documents.

Exceptions to the residence requirement apply if applicants, for example, take up or have taken up vocational training or employment subject to social insurance contributions for at least 15 hours per week within a legally defined financial framework for a period of at least three months (Section 12a (1) of the Residence Act). Further exceptions apply, for example, when starting or attending an integration course (Section 43 of the Residence Act) or a job-related German language course (Section 45a of the Residence Act) or subsidised vocational training (Sections 81 and 82 of SGB III), provided that the course or measure cannot be carried out or continued without delay at the place of residence.

#### 3. You can be accompanied by a "support person"

As an applicant, you have the right to be accompanied to the Jobcenter by a person you trust, known as a support person. This can also be for translation purposes. Anything said by the support person is considered to have been said by you unless you immediately object ( $\frac{5}{2}$  13 (4) to (7) SGB X).

#### 4. What interpreting and translation services are available?

The official language is German (<u>Section 19 (1) sentence 1 SGB X</u>). As a general rule, therefore, oral or written applications or documents must be written or submitted in German.

Persons with insufficient German language skills should therefore take a relative or acquaintance with the relevant knowledge with them to the Jobcenter. A linguistically competent employee of the Jobcenter or an interpreter from a social welfare organisation may also be able to help.

If these options are not available, the Jobcenters are obliged to offer the necessary interpreting and translation services and to cover the costs thereof for citizens of EU and EEA countries, stateless persons residing in the EU and recognised refugees in a so-called cross-border situation (meaning that these persons have moved their legal centre of life from one EU country to another) and to cover the costs thereof. This also applies to their family members and surviving dependants. The basis for this is Regulation (EC) No 883/2004, which grants the persons mentioned above non-discriminatory access to SGB II benefits.

In addition, the joint institutions, i.e. the Jobcenters with the participation of the Federal Employment Agency, also grant all third-country nationals with a right of residence free access to their interpreting and translation services in order to "enable early integration into the labour and training market" (Federal Employment Agency, Internal Operations Manual, as of January 2023, 14. Translation services and communication aids, page 3).

For other foreigners, the Jobcenter may request reimbursement of costs for the translation of applications and necessary documents, but is not obliged to do so (Section 19 (2) SGB X). If documents are necessary for possible employment, translation costs can be paid from the placement budget. You can find out more about the placement budget in Chapter 8, Section 3, "What benefits can the Jobcenter provide to help you find work?".

# 5. What rights do people with hearing and speech impairments have?

Hearing and speech impaired persons have the right to communicate in German sign language, sign language accompanied by spoken language or via other suitable communication aids (Section 19 (1) Sentence 2 SGB X).

#### 6. How long are benefits granted to cover living expenses?

Benefits to cover living expenses are generally granted for twelve months. Notwithstanding this, the approval period is six months if benefits are initially only granted on a provisional basis, for example in the case of employees with fluctuating income and self-employed persons (Section 41 (3) SGB II). If the approval expires, you must submit an application for further approval in good time in order to continue receiving benefits.

Our advice: To avoid any delay in the monthly payment of benefits, you should submit an application for further approval to the Jobcenter at least three weeks before the end of the period for which you have been granted benefits. To avoid losing your entitlement to benefits, you must submit the application at the latest in the month following the end of the approval period.

The duration of the approval is limited to one month if the need for assistance only exists and is claimed in one month, for example in the case of a high additional demand for operating or heating costs from

the landlord. The application for citizen's benefit must then be submitted in the month in which the additional demand is due—, which is the month in which the landlord can demand payment of your benefits at the latest.

# 7. How are the benefits paid out?

Benefits to cover living expenses are usually transferred in advance at the beginning of the month to the account you have specified. If you do not have a bank account, the Jobcenter can check whether you actually receive the benefits paid out (Section 17 (1) No. 1 SGB I).

If you do not have a bank account, you will receive your cash benefit in the form of a cheque, which you can cash at a post office. There is a charge for the delivery of benefits by postal cheque. Exception: You can prove that you were unable to open a current account (Section 47 (1) SGB I). In this case, you must, for example, submit a corresponding certificate from the bank. Regardless of this, if you do not have an account with the Postbank, the Postbank will usually charge a fee for cashing the cheque.

**Our advice:** All citizens with legal residence in the EU are entitled to *one* so-called basic account in order to carry out basic payment transactions for private purposes. Every credit institution is obliged to conclude a basic account agreement with you. The fees for the basic account must be reasonable.

#### 8. Is it possible to receive an advance payment of citizen's benefit?

If you are destitute, you are entitled to a provisional and therefore quick decision (Section 41a (1) SGB II) if you are likely to be entitled to citizen's benefit. *In individual cases*, you can then also receive cash immediately if necessary. You must prove your destitution by providing current bank statements, usually from the last three months, and, if necessary, other suitable documents.

Advances of up to 100 euros *can* be granted on benefits that have already been approved. They will be deducted from your benefit entitlement in the following month (Section 42 (2) SGB II).

Instead of paying out cash at the Jobcenter, the authorities often use a different procedure. You will receive a payment slip with a barcode, which you can redeem at the checkout of a supermarket participating in the scheme (e.g. Rewe (except Rewe To Go), Real, Penny, dm and/or Rossmann (except in train stations)). Alternatively, you will receive a cheque that you can deposit at a Postbank branch. There is no charge for redeeming the cheque.

The payment slip with barcode does not contain any personal data about you or any data or logos from the Jobcenter, nor does it oblige you to purchase any goods. Cash payments are limited to a maximum amount of 990 euros.

# Chapter 3 | Who is eligible for basic income support for jobseekers?

# 1. Citizen's benefit for those eligible for benefits who are capable of working

Whether you receive basic income support for jobseekers depends on four requirements: age, ability to work, need for assistance and habitual residence in Germany (Section 7 (1) sentence 1 SGB II). If you meet all four requirements, you will receive citizen's benefit in accordance with Section 19 (1) sentence 1 SGB II or citizen's benefit for persons eligible for benefits who are capable of working (until the end of 2022: unemployment benefit II).

Persons who do not meet the requirement of being capable of gainful employment, for example children under the age of 15, may also be entitled to benefits (see section 2 of this Chapter, "Citizen's benefit for persons not capable of gainful employment").

Sections 3 to 5 of this chapter explain which groups of people are excluded from basic income benefits for jobseekers or only receive limited benefits.

# 1.1 Age limits

Basic security benefits for jobseekers are paid to persons from their 15th birthday until the end of the calendar month in which they reach the age limit for the statutory standard old-age pension (Section 7 (1) sentence 1 no. 1 SGB II). As in pension law, the age limit of 65 is being raised gradually, starting with the 1947 birth cohort, by one month per calendar year and, starting with the 1959 birth cohort, by two months per calendar year until it reaches 67 (Section 7a SGB II).

**Example:** Mr S., who is in need of assistance, was born on 10 July 1959. He will reach the age limit of 66 years and two months on 10 September 2025. Consequently, he is entitled to basic security benefits for jobseekers until 30 September 2025.

Please note: Until the end of 2022, the Jobcenter could require you to apply for an old-age pension before reaching the standard retirement age, but no earlier than your 63rd birthday, if you meet the requirements. For the period from 1 January 2023 to 31 December 2026, the obligation to apply for and claim an early old-age pension is suspended (Section 12a sentence 3 SGB II). The Jobcenter is then also not authorised to apply for an old-age pension on your behalf (Section 65 (2) SGB II).

# 1.2 Ability to work

A person is considered capable of gainful employment if they are currently or will be in the next six months in a state of health that allows them to work at least three hours a day under the usual conditions of the general labour market (Section 8 (1) SGB II).

If there are doubts about your ability to work, the Jobcenter may require you to undergo an examination by the medical service of the Employment Agency or by a public health officer. If necessary, you may then be asked to apply for a pension due to reduced earning capacity (more on this in Chapter 13 "What are your obligations to cooperate? Do you have to take advantage of priority benefits?").

Persons who are not required to be available for work because, for example, they are temporarily raising a child under the age of three in their household or are attending a general education school are also considered to be capable of gainful employment. According to the law, children under the age of 15 are not yet capable of gainful employment.

For foreigners, the ability to work also depends on whether they have access to the labour market, i.e. whether they are allowed to work (Section 8 (2) SGB II).

- For non-German citizens of the EU (EU citizens) and their family members, the right to take up employment arises directly from their right to freedom of movement. This right also applies to nationals of EEA countries such as Iceland, Liechtenstein, Norway and citizens of Switzerland.
- Third-country nationals (non-EU and non-EEA citizens) with a residence permit generally have
  a work permit. Even persons whose work permit is restricted to certain occupations, for
  example, or who can only take up employment with the permission of the immigration
  authorities, are legally capable of gainful employment. The residence permit should contain a
  reference to access to the labour market. The immigration authorities add a sentence to this
  effect in the residence documents.

#### 1.3 Need for assistance

Anyone who is unable to secure a livelihood for themselves and the members of their community at need from their own income or assets and does not receive assistance from others is considered to be in need of assistance (Section 9 (1) SGB II). You can find out more about the calculation of income and assets in Chapters 9 and 10.

If you live in a community at need or in a household with relatives or relatives by marriage, you may have to have the income and assets of your co-residents taken into account (see Chapter 4 "What is the difference between a community at need, a household-sharing community and a residential community").

The Jobcenter may require you to claim priority social benefits in order to avoid, reduce or shorten your need for assistance (Section 12a SGB II). You can find out more about applying for priority benefits in Chapter 13, "What are your obligations to cooperate? Do you have to take advantage of priority benefits?"

# 1.4 Habitual residence in Germany

Benefits are only granted to persons who have their usual place of residence in Germany (<u>Section 7 (1)</u> <u>sentence 1 no. 4 SGB II</u>).

"Habitual residence" is usually established by an actually used apartment (place of residence). Even persons without an apartment can have habitual residence in Germany if it is apparent from the circumstances that they are not only temporarily staying in the federal territory (Section 30 (3) SGB I). Important: Persons entitled to benefits who are capable of working must generally be available to the Jobcenter (see section 3 of this Chapter, "Who is not entitled to SGB II benefits?").

In the case of foreigners, the prerequisite is that a longer-term stay in Germany is desired and possible, at least in the future. Foreigners who are only staying in Germany as tourists or who have a so-called Schengen visa for a short-term stay (Section 6 (1) of the Residence Act) are therefore excluded from "habitual residence". "Normal residence" also does not exist if foreigners are obliged to leave the country and there are no actual or legal obstacles to their deportation.

#### 2. Citizen's benefit for persons entitled to benefits who are not capable of working

If you are *unable to work*, you can receive citizen's benefit in accordance with <u>Section 19 (1) sentence 2 SGB II</u> or citizen's benefit for persons unable to work who are entitled to benefits (until the end of 2022: social assistance), provided that you live with a person who is capable of working in a joint household (for more information, see Chapter 4, Section 1, Community at need, including 'cohabitating couples' (marriage-like community). This applies in particular to

- all children under the age of 15 living in the household of their parents who are capable of working,
- children under the age of 18 who are *permanently* fully incapacitated for work and live in a household with at least one parent who is capable of working, and
- recipients of *temporary* full disability pensions who live with their partners who are capable of working or with their unmarried children aged between 15 and 24 who are capable of working.

If you are *permanently* unable to work and at least 18 years old, you are primarily entitled to basic income support in old age and in the event of reduced earning capacity in accordance with <u>Chapter 4 of SGB XII</u> (social assistance) (<u>Section 5 (2) sentence 2 SGB II</u>). If benefits under Chapter 4 of SGB XII are not granted due to income or assets that must be taken into account, you may be eligible for the citizen's benefit for persons not capable of gainful employment as a secondary benefit – provided that a person capable of gainful employment lives in your community at need and there is an unmet SGB II need (<u>BSG of 28 November 2018 – B 4 AS 46/17 R</u>).

Please note: The status of "able to work" or "unable to work" determines access to certain benefits: For example, only persons entitled to benefits who are capable of working have access to benefits for integration into work, and are regularly insured under the statutory health insurance scheme on the basis of their benefit entitlement (for more information, see Chapter 6 "How are recipients of citizen's benefit insured under SGB II ?").

# 3. Who is not eligible for SGB II benefits?

The following persons are excluded from basic security benefits for jobseekers even if they meet the eligibility requirements, in particular

 Persons who are already receiving a full old-age pension before reaching the standard retirement age. They are entitled to benefits until the day before their first pension payment at the latest (<u>Section 7 (4) SGB II</u>).

**Example:** Ms F. takes early retirement at the age of 63 as a long-term insured person. She is entitled to early retirement pension from July. The first pension payment will be made on 29 July. From 29 July, she will no longer be entitled to citizen's benefit.

**Good to know:** The first payment of the early retirement pension is offset against the citizen's benefit. This results in a reduced citizen's benefit payment at the beginning of the month. To close the gap in your income until the end of the month, you can apply for a bridging loan (Section 24 (4) SGB II) from the Jobcenter for the month in which the first pension payment is made.

Foreign old-age pensions also trigger exclusion if they are comparable to German old-age pensions.

- Persons who are accommodated in inpatient facilities such as hospitals, rehabilitation clinics
  or nursing homes, from the first day of their stay (<u>Section 7 (4) SGB II</u>). Notwithstanding this,
  these persons continue to receive benefits if they
  - o are expected to require treatment in a hospital (<u>Section 107 of SGB V)</u> or a medical rehabilitation facility for less than six months, or
  - o are in gainful employment on the general labour market for at least 15 hours per week.
- Persons in an institution for the enforcement of a court-ordered deprivation of liberty (e.g. prison sentence, pre-trial detention) from the first day of deprivation of liberty (<u>Section 7 (4</u>) <u>sentence 2 SGB II</u>). This also includes so-called day-release prisoners.

No benefits to secure the means of subsistence are received by

Victims and their surviving dependants who have been granted benefits to cover their living
expenses under <u>Section 93 of the Social Compensation Act (SGB XIV) (Section 7 (4a) SGB II)</u>.
These persons are not excluded from receiving benefits to help them find work.

# Inability to be reached

Persons entitled to benefits who are capable of working generally only receive benefits if they can be reached by the responsible Jobcenter (<u>Section 7b SGB II</u>; <u>Accessibility Regulation</u> – ErrV). If they cannot be reached, their entitlement to the benefit in question may lapse.

The purpose of the availability regulations is to ensure that priority is given to job placement and vocational measures. As a person entitled to benefits who is capable of working, you should generally be able to respond quickly to job offers and invitations from the Jobcenter . You will therefore only receive citizen's benefit if you are

- o in the immediate vicinity of your Jobcenter and
- o are able to take note of its messages and requests on every working day (Monday to Saturday, excluding public holidays).

Persons who are not capable of gainful employment, including children under the age of 15, are not subject to the obligation to be available for work pursuant to Section 7b SGB II from the outset.

The immediate vicinity of the Jobcenter includes all locations from which you can normally reach within two and a half hours, for example by public transport or by car if you have one at your disposal.

Exceptions to the requirement to remain within the immediate vicinity of the Jobcenter are possible if there is an *good causes* for staying away *and* the Jobcenter has approved the absence. If there is an good causes, the Jobcenter must agree to your absence, provided that you have informed them of the way in which they can contact you during your absence, for example by telephone, email or an (out-of-town) postal address.

#### Good causes include

- o participation in a medically prescribed spa treatment or medical rehabilitation measure,
- voluntary work, provided that this does not significantly impair your placement in work or training
- o stays abroad for the purpose of taking up employment or training, travelling to job interviews,
- o supporting relatives within the meaning of <u>Section 16 (5) SGB X</u> in connection with the birth, care or death of a relative for a period of up to 12 weeks in a calendar year, if the support is necessary and does not significantly impair your placement in work or training.

Please note: You must always obtain approval for your absence before leaving the immediate vicinity of the Jobcenter. Only in exceptional cases can you apply for approval retrospectively, provided that it was not possible to submit the application before leaving the immediate vicinity and you obtain approval as soon as possible. You then bear the risk that the Jobcenter will not approve the retrospective application and that you will not be entitled to benefits during the period of unauthorised absence.

Even without good cause, Jobcenters may grant approval for absence from the area if this does not significantly impair your integration into work or training (see Chapter 14, "Are beneficiaries entitled to holiday leave?").

If you are temporarily unavailable to take up work or training because, for example, you are on maternity leave or parental leave or are a school pupil, you only need to notify the Jobcenter of your absence from your place of residence.— Your application for approval will then automatically be considered as approval for your absence from your place of residence.

You do not need the Jobcenter's consent to leave the immediate vicinity of the Jobcenter if

- you leave the immediate vicinity of the Jobcenter on a Saturday, Sunday or public holiday, provided that you can be sure of receiving any messages from the Jobcenter before the next working day;
- You have to leave the immediate area of the Jobcenter due to employment subject to social insurance contributions or self-employment that is more than marginal, and you have previously notified your Jobcenter that your employment requires occasional periods of absence.

Acknowledging notifications and requests no longer requires you to empty your letterbox in person every working day, but also includes the option of asking a third party to check your letterbox, provided that you ensure that any relevant information is forwarded to you on the same day. Instead of by post, you can also take note of notifications via digital means of communication, for example via the Federal Employment Agency's portal "jobcenter.digital", if this has been agreed with the Jobcenter.

Good to know: If you are homeless, it is sufficient for you to visit your local Jobcenter in person once a month and inform them of how they can contact you in the meantime. According to the Federal Employment Agency, possible ways of contacting you include: a mobile or landline number (also from third parties), a postal address of acquaintances or friends with whom you occasionally stay, or an address at a counselling centre for homeless people.

Our advice: Do not take the obligation to be available lightly. If the Jobcenter finds out about an unauthorised absence, you will have to repay the citizen's benefit for the period of the unauthorised absence. This also applies, as a rule, to health and nursing care insurance contributions paid by the Jobcenter for entire calendar months if the citizen's benefit is reclaimed in full (Section 40 (2) No. 5 SGB II).

#### 4. Special provisions for foreigners

Foreigners are, in principle, entitled to receive basic income support for jobseekers if they meet the other eligibility requirements.

#### 4.1 Exclusions from benefits and entitlement to benefits

According to Section 7 (1) sentence 2 SGB II, the following persons are not entitled to benefits

- a) Foreigners and their family members in the first three months after entry. The exclusion does not apply, for example, to employed EU citizens, foreigners with a right of residence for reasons of international law, humanitarian or political reasons (Chapter 2 Section 5 of the Residence Act (AufenthaltsG)), including their family members, and family members of Germans;
- b) Foreigners who are **entitled to benefits under the Asylum Seekers Benefits Act**. According to Section 1 of the Asylum Seekers Benefits Act, these are primarily asylum seekers who have not yet been recognised, persons with tolerated status and persons who are required to leave the country, persons with a residence permit under Sections 23 (1) (temporary admission due to war in the home country) or Section 25 (4) sentence 1 of the Residence Act, as well as the spouses, partners and minor children of the above-mentioned persons.

Foreigners and their family members are also excluded from benefits if

- c) who have no right of residence;
- d) whose **right of residence** derives **solely from the purpose of seeking employment**. The right to seek employment applies to EU citizens for a period of six months after entry and beyond if they continue to seek employment and have reasonable prospects of being hired;
- e) whose **right of residence** is based **solely on the right to seek training or study places or on the so-called "opportunity card"**. The opportunity card, based on a points system, is intended to enable foreign skilled workers from third countries to seek employment or measures for the recognition of foreign professional qualifications for a limited period of time.

The exclusions from benefits under c) and d) are aimed in particular at EU citizens. EU citizens without (material) right of residence or with a right of residence solely for the purpose of seeking employment (Section 2 (2) No. 1a Freedom of Movement Act/EU) are only entitled to benefits after five years of uninterrupted habitual residence in Germany – but only if the Foreigners' Registration Office has not determined in the meantime that they have lost their right to freedom of movement (Section 7 (1) sentence 4 SGB II).

The five-year period begins with the registration of residence in Germany. Short-term interruptions of habitual residence, such as short visits home, are not detrimental (Bundestag printed paper 18/10211, page 14). The highest German social court ruled that entitlement to SGB II benefits in the case of uninterrupted habitual residence does not depend on continuous registration of residence (BSG of 20 September 2023 – B 4 AS 8/22 R and of 11 September 2024 - B 4 AS 12/23 R).

Before the expiry of five years, entitlement to benefits can only be claimed if there is a right of residence

or freedom of movement other than for the purpose of seeking employment, for the purpose of seeking a training or study place or on the basis of the opportunity card.

Due to differences in the legal status of residence rights, a distinction must be made between nationals of European Union member states (EU citizens), British nationals with residence rights under the Withdrawal Agreement ("old British citizens") and third-country nationals.

# **Nationals of European Union member states**

EU citizens and their family members have the right of entry and residence in accordance with Directive 2004/38/EC of the European Community ("EU Citizens Directive"), which is implemented in Germany by the <u>Freedom of Movement Act/EU</u>. The right of entry and residence applies equally to nationals of EEA countries that are not members of the EU, such as Iceland, Liechtenstein and Norway (<u>Section 12 of the Freedom of Movement Act/EU</u>), as well as to Swiss citizens.

The following rights of free movement exist by law. They do not need to be applied for or approved. Union citizens in need of assistance and nationals of the aforementioned EEA countries and Switzerland can claim SGB II benefits if, for example, they have one of the following rights of free movement:

 a right of free movement as an employee or self-employed person in Germany (Section 2 (2) No. 1 and 2 Freedom of Movement Act/EU)

The gainful employment must be an activity that is actually carried out. For self-employed persons, therefore, a mere business registration without proof of activity is not sufficient.

Activities that are so minor that they are considered completely subordinate and insignificant are not taken into account. What is considered "subordinate" and "insignificant" is legally disputed. The European Court of Justice (ECJ) has already ruled that an activity involving 5.5 hours per week and a monthly income of 175 euros is sufficient for employee status. However, it always depends on the overall view of all the circumstances of the contractual relationship, for example, the amount of remuneration, the duration of working hours and employment, and whether remuneration continues to be paid during holidays or illness (AVV to the Freedom of Movement Act/EU, Art. 1 No. 2.2.1). The Federal Employment Agency generally recognises employee status if the employment is carried out regularly for at least eight hours per week (SGB II knowledge database on Section 7 SGB II, entry: Exclusion of benefits for foreigners – minor employment).

- a right of free movement as a trainee in company training (Section 2 (2) No. 1 Freedom of Movement Act/EU)
- a right to freedom of movement on the basis that the previous status as a person engaged in gainful employment () is retained even though no gainful employment is actually being pursued

The status of employed person and the right to freedom of movement continue to apply indefinitely if, after at least one year of employment or self-employment in Germany, the employment was involuntarily lost or the self-employment had to be involuntarily given up and the competent employment agency confirms the involuntary nature of the unemployment (Section 2 (3) Freedom of Movement Act/EU; BSG of 9 March 2022 – B 7/14 AS 79/20 R).

The provision does not require uninterrupted employment or self-employment. A brief interruption of gainful employment, for example due to unemployment lasting 15 days during a period of employment lasting more than one year in total, is not detrimental ( $\underline{BSG}$  of 13 July 2017  $\underline{-B}$  4 AS 17/16 R).

After the involuntary loss of employment lasting less than one year and involuntary unemployment confirmed by the Employment Agency, there is a right to freedom of movement and entitlement to basic income support for jobseekers for a maximum of six months after the end of employment.

EU citizens are also entitled to freedom of movement during the period in which they are temporarily unable to work due to illness, accident or pregnancy. The same applies to employees on parental leave if the employment relationship continues and only the employment relationship is temporarily suspended (BSG of 9 March 2022 – B 7/14 AS 91/20 R).

In all these cases, the employment status of EU citizens is retained either permanently or temporarily.

• a right of free movement as a family member of a Union citizen entitled to freedom of movement if they accompany the Union citizen upon entry, join them or reside with them in Germany

Family members pursuant to Section 3 of the Freedom of Movement Act include, in particular

- the spouse/registered civil partner and the children/grandchildren of the Union citizen or his/her spouse/registered civil partner, if the children/grandchildren are under 21 years of age, and
- o relatives in the direct ascending and descending line of the Union citizen entitled to freedom of movement or his spouse/registered partner, for example grandparents or children from the age of 21, if the Union citizen entitled to freedom of movement or his/her spouse/registered partner provides for their maintenance.

Family members within the meaning of the Freedom of Movement Act do not include, for example, siblings, uncles and aunts, relatives by marriage and persons in a marriage-like relationship.

The right to freedom of movement exists regardless of whether the family member is a citizen of the EU or a third country.

 A permanent right of residence is generally acquired after five years of lawful residence in Germany, during which a reason for freedom of movement under the rules of the Freedom of Movement Act must have existed continuously (<u>Section 4a Freedom of Movement Act/EU</u>).

An existing right of permanent residence is retained if EU citizens lose their status as workers.

Family members from third countries have a permanent right of residence if they have been legally resident in Germany with the EU citizen for five years.

 A fictitious right of residence under the Residence Act (Section 11(14) sentence 1 Freedom of Movement Act/EU) This means that the rights of residence under the Residence Act also apply to EU citizens if they result in better protection for EU citizens. Even if a residence permit has not been granted under the Residence Act, the Jobcenter must examine whether there is a possible entitlement to one; this has been decided by the Federal Social Court (BSG, judgment of 30 January 2013 - B 4 AS 54/12 R, marginal number 27ff.).

**Example:** An unmarried, unemployed EU citizen who is the parent of a minor German child has a right of residence under <u>Section 28(1)</u> sentence 1 no. 3 of the Residence Act.

Further rights of residence for EU citizens and their children are derived from Article 10 of Regulation (EU) No 492/2011. According to this, children of EU citizens who are employed or formerly employed in Germany have the right to participate in general education and vocational training under the same conditions as German children. The parents have a derived right of residence during their children's schooling and training, as long as they actually exercise parental care. This applies as long as the child is a minor and also thereafter if the child continues to need the presence and care of the parents or parent in order to continue and complete their education.

The right of residence of these parents continues if they lose their status as workers, for example because they have been unemployed for more than six months after the "involuntary" loss of employment lasting less than one year.

Austrian citizens may also invoke the <u>German-Austrian Welfare Agreement of 17 January 1966</u> ("Equal treatment with Germans in relation to welfare benefits"), provided that they did not enter the country to receive basic social security benefits. Several courts have granted Austrian plaintiffs without a right of residence or with a right of residence for the purpose of seeking employment SGB II benefits on the basis of the agreement (e.g. LSG Berlin-Brandenburg of 11 May 2020 - L 18 AS 1812/19 and 8 June 2020 - L 18 AS 1641/19).

#### **British nationals**

British nationals and their family members who were residing in Germany on 31 December 2020 at the latest in accordance with the EU's freedom of movement rules and who continue to live here have a right of residence under the withdrawal agreement between the United Kingdom and the EU (so-called "old British citizens"). The rights of residence laid down in the Withdrawal Agreement essentially correspond to the rights of free movement of the European Union. "Old British citizens" and their family members can claim SGB II benefits if their right to free movement continues in the form of a right of residence under the Withdrawal Agreement – with the exception of persons with a right of residence solely for the purpose of seeking employment.

The rights of residence under the Withdrawal Agreement are effective by law. In order to prove that these rights apply to them, "old British citizens" require a residence document for citizens of the European Union within the meaning of Article 18(4) of the Withdrawal Agreement (residence document GB) from the Foreigners' Registration Office (Section 16(1) Freedom of Movement Act/EU).

Under certain conditions, family members and so-called close persons may also join "old British citizens" already living in Germany after 31 December 2020 under the Freedom of Movement Act. For all other British citizens who immigrate to Germany for the first time on or after 1 January 2021 ("new British citizens"), the right of entry and residence is governed by the residence regulations for third-country nationals.

# **Third-country nationals**

For third-country nationals (non-EU or non-EEA citizens), the <u>Residence Act</u> applies. Foreigners with a settlement permit have access to SGB II benefits. For foreigners with a (temporary) residence permit, this depends on the purpose of residence for which the residence permit was granted. The reason for residence is stated in the residence document as a paragraph of the Residence Act.

Access to SGB II benefits is, however, available to

Foreigners with a right of residence for reasons of international law, humanitarian or political reasons (Chapter 2 Section 5 of the Residence Act), such as persons entitled to asylum, refugees under the Geneva Refugee Convention (GRC) and persons entitled to subsidiary protection from the month following their recognition (Section 25 (1) and (2) of the Residence Act) persons entitled to remain under Section 23 (1) of the Residence Act or victims of a criminal offence (Section 25 (4a) and (4b) of the Residence Act). However, foreigners who are entitled to benefits under the Asylum Seekers Benefits Act (AsylbLG) pursuant to Section 1 are excluded, for example foreigners who were admitted to Germany with the addition "due to war in their home country" in their residence documents (Section 23 (1) of the Residence Act).

Since 1 June 2022, third-country nationals have also been entitled to benefits under SGB II with a residence permit in accordance with <u>Section 24 (1) of the Residence Act</u>, in particular persons who have **fled Ukraine due to the war** or are unable or unwilling to return there.

These persons are already entitled to benefits if they have applied for a right of residence under Section 24 of the Residence Act and, on the basis of this application, have received a so-called "fictitious certificate" under Section 81 (3) or (4) of the Residence Act from the Foreigners' Registration Office, certifying that their residence is deemed to be permitted or continues to exist until the Foreigners' Registration Office has made a decision (Section 74 (1) and (2) SGB II). A further requirement is that these persons have been "registered for identification purposes" (Section 49 Residence Act) or that their identity has been established beyond doubt.

In Berlin, the successfully submitted online application pursuant to Section 24 of the Residence Act is already recognised as a provisional residence permit for Ukrainian nationals. The online application is submitted to the State Office for Immigration (LEA) at the Ukraine Arrival Centre in Tegel (UA TXL) (see circular Soz No. 07/2022).

For certain stateless persons and non-Ukrainian nationals who have been displaced from Ukraine as a result of the war, the Federal Government has again restricted the scope of Section 24 (1) of the Residence Act. In these cases, an existing residence permit under Section 24 of the Residence Act expires at the latest on 4 March 2025 (for further details, see <u>Directive 202412006</u> of the Federal Employment Agency of 9 December 2024; <u>specialist information from the Paritätische</u> of 26 November 2024; <u>Informationsverbund Asyl und Migration e.V.</u>, as of 15 January 2025).

Foreigners with a right of residence for family reasons (<u>Chapter 2 Section 6 of the Residence Act</u>), such as spouses, registered partners or minor children of Germans or parents of a German child (<u>Section 28 of the Residence Act</u>) as well as family members of asylum seekers, GRC refugees or persons entitled to subsidiary protection who come to Germany with a visa for family reunification (<u>Section 30 of the Residence Act</u>). Children born in Germany to the aforementioned refugees are also entitled to SGB II benefits, see <u>BA technical instructions on Section 7 SGB II</u>, as of 19 February 2024, margin number 7.65b).

• Turkish workers and their family members who are entitled to a right of residence under Decision No. 1/80 of the EEC-Turkey Association Council. The right of residence must be proven by a residence permit in accordance with Section 4 (2) of the Residence Act

**Our advice:** If your application is rejected on the grounds of an exclusion from benefits for foreigners, you can have a <u>migrant advice centre</u> or a <u>specialist lawyer for social law</u> check whether legal remedies are likely to be successful in your case. The social courts are divided on whether the exclusion of benefits for EU citizens who are not required to leave the country is compatible with the Basic Law. A decision by the Federal Constitutional Court is still pending.

Good to know: Foreigners who are excluded from SGB II benefits and to whom the European Social Security Agreement applies may be entitled to social assistance under <a href="Chapter 3 of SGB XII">Chapter 3 of SGB XII</a>. Otherwise, according to the intention of the legislator, entitlement to transitional benefits under <a href="Section 23">Section 23</a> (3) <a href="Section 23">Sentences 3 to 6 SGB XII</a> generally exists for only one month (see Chapter 16 "What benefits do foreigners receive who are excluded from citizen's benefit?").

#### 4.2 Does claiming SGB II or SGB XII benefits affect the right of residence?

Jobcenters and social welfare offices are obliged to inform the immigration authorities (in Berlin: the State Office for Immigration) if, for example, foreigners

- without a right of residence
- with a right of residence solely for the purpose of seeking work or
- after five years of *habitual* (not necessarily lawful) residence

apply for or receive citizen's benefit under SGB II or social assistance under SGB XII for themselves and their family members.

The reporting obligations also apply if

- transitional benefits under SGB XII are claimed (Section 87 (2) sentence 1 no. 2a of the Residence Act) (for more information on transitional benefits, see Chapter 16 of this practical guide) or
- third-country nationals with a residence permit for the purpose of education (<u>chapter 2</u>, <u>section 3 of the Residence Act</u>) or for the purpose of employment (<u>chapter 2</u>, <u>section 4 of the Residence Act</u>) apply for SGB II or SGB XII benefits for themselves or their family members (<u>section 87 (2</u>) sentence 3 of the Residence Act).

The reporting obligations of the authorities primarily concern third-country nationals. In the case of EU citizens, notification to the immigration office is only required if the application for benefits or the receipt of benefits is "relevant to the decision" for the continuation of a right of free movement (Section 11 (7) Freedom of Movement Act/EU). However, this does not apply to EU citizens with a right of free movement for the purpose of seeking employment, as their right of residence is independent of their means of subsistence.

• In the case of **EU citizens**, the immigration office *may use* the application for or receipt of the aforementioned social benefits as an opportunity to review the right to freedom of movement. As a result, the authority *may* formally determine the loss of the right to freedom of movement if there is no longer any reason for freedom of movement under EU law (Section 5 (4) Freedom

of Movement Act/EU). This applies, for example, to persons whose residence was previously based solely on the right to seek employment for six months, but who no longer have any prospect of finding employment or are not actually seeking employment (Section 2 (2) No. 2a Freedom of Movement Act/EU). Each case must always be examined individually.

Our advice: In order to prove your chances of success in finding work to the Foreigners' Registration Office, you should document your efforts to find work. Keep copies of your application letters and evidence of interviews, qualifications, internships and other relevant information.

A determination of loss and expulsion solely on the grounds of receiving citizen's benefit is not possible for EU citizens who have a right of free movement or residence as employees, self-employed persons or jobseekers (at least for a period of six months) or pursuant to <u>Article 10 of Regulation (EU) No 492/2011</u>. It is also excluded on these grounds after five years of *lawful* residence (right of permanent residence under <u>Section 4a of the Freedom of Movement Act (Freedom of Movement Act/EU)</u>).

• For third-country nationals, the granting or extension of a residence permit, the granting of a settlement permit or family reunification generally requires that their livelihood, including health insurance cover, is secured without recourse to public funds. "Public funds" include benefits under SGB II and SGB XII (Section 2 (3) of the Residence Act). Even the entitlement to one of these benefits, without actually claiming it, may preclude the granting or extension of a residence permit by the Foreigners' Registration Office (Section 5 (1) of the Residence Act).

In the case of stays for the purpose of education or employment, premature termination of education or employment and the receipt of basic social security benefits *may* lead to a subsequent reduction (Section 7 (2) sentence 2 of the Residence Act) or revocation (Section 52 (2a) to (4) of the Residence Act) of the residence permit.

Claiming citizen's benefit does not automatically mean negative consequences for the right of residence for third-country nationals. The Foreigners' Registration Office must always examine each case individually.

Receipt of the above benefits is not detrimental to foreigners with a settlement permit. The Residence Act also provides for numerous exceptions to the requirement of "secure means of subsistence" when granting and extending residence permits. This applies, for example,

- foreigners who are married to Germans, or to minor foreign children of Germans or to foreign parents who have custody of their minor German child (<u>Section 28 (1) sentence 1</u> <u>no. 3 of the Residence Act</u>), as well as
- o foreigners who have or can claim a residence permit as refugees under Sections 24, 25(1) and (2) of the Residence Act or on the basis of a ban on deportation under Section 25(3) of the Residence Act or as victims of criminal offences under Section 25(4a) and (4b) of the Residence Act (Section 5(3) of the Residence Act). The same applies to long-term tolerated persons with a residence permit pursuant to Section 104c of the Residence Act ("right of residence for opportunities").

In the case of family reunification, the same applies, for example, to recognised refugees who apply for family reunification within three months of their final recognition (Section 29 (2) of the Residence Act)

**Our advice:** As it is not possible to outline all residence regulations here, we recommend that you visit before applying for citizen's benefit, contact an <u>initial advice centre for migrants</u> run by Berlin's welfare organisations, a <u>refugee advice centre</u> or the <u>advice centre</u> of the <u>Berlin Commissioner for Integration</u>.

#### 5. Special provisions for trainees, schoolchildren and students

Many trainees, schoolchildren and students are entitled to citizen's benefit if they are in need of assistance and meet the eligibility requirements set out in this chapter. Whether they are entitled to citizen's benefit or whether they are excluded from benefits to secure their livelihood (– ) with the exception of "benefits for trainees" (see below)— depends in particular on the type of training and the living conditions of the trainees, schoolchildren and students (Section 7 (5) and (6) SGB II).

**Trainees** who are completing vocational training in the dual system (company *and* school) are generally entitled to citizen's benefit. The only exceptions are trainees who are receiving vocational training (in the dual system) that is eligible for support under SGB III.

- vocational training (in the dual system)
- vocational preparation programme or
- measures with special benefits for the participation of disabled persons in working life in a residential home, boarding school or other socio-educational facility with full board.

**Schoolchildren and students** are generally excluded from entitlement to citizen's benefit if they are participating in (school-based) training that is eligible for support under the Federal Training Assistance Act (BAföG). It is sufficient for the training to be eligible "*in* principle", i.e. for BAföG to be available for the respective training course.

Conversely, this means that schoolchildren and students whose course of education is not eligible for BAföG funding are entitled to citizen's benefit. Students in part-time or doctoral programmes or during a semester break in which they are not actually pursuing a course of study are therefore not excluded from benefits.

For schoolchildren and students who are completing a course of education eligible for BAföG, SGB II also provides for numerous exceptions to the exclusion from benefits.

Schoolchildren are entitled to citizen's benefit

- at secondary general education schools (secondary schools, secondary modern schools, comprehensive schools, grammar schools) and vocational schools from grade 10 onwards, as well as
- in technical and technical college classes that do not require completion of vocational training, if they live with their parents and are therefore not eligible for BAföG.

# Schoolchildren and students

• at evening schools (secondary schools, secondary modern schools and grammar schools) if they do not receive BAföG due to their age (Section 10 (3) BAföG).

Provided that they actually receive BAföG *or* do not receive it solely *because of their income and assets,* the following persons are eligible for citizen's benefit:

• all schoolchildren,

- students living with their parents, and
- students at evening secondary schools or colleges or in technical college classes whose attendance requires completed vocational training, even if they do not live with their parents.

If BAföG has been applied for but no decision has been made on the application by the start of training, these persons will already receive citizen's benefit until a decision is made on the BAföG application. After the decision on the BAföG application, they are only entitled to citizen's benefit if the requirements of the first sentence of this paragraph are met.

Students at higher technical colleges, academies and universities who do not live with their parents are always excluded from receiving citizen's benefit. The same applies to schoolchildren and students whose course of education is eligible for BAföG but who do not receive BAföG for "personal reasons", such as being too old (Section 10 (3) BAföG), their nationality or exceeding the maximum funding period. However, there is a hardship grant for certain schoolchildren and students who do not receive BAföG due to their age (more on this below).

#### **Benefits for trainees**

Trainees, schoolchildren and students who are excluded from citizen's benefit pursuant to Section 7 (5) and (6) SGB II are only entitled to the limited "benefits for trainees" pursuant to Section 27 SGB II if they are in need. These benefits do not count as citizen's benefit under Section 19 (1) sentence 1 SGB II and therefore do not include compulsory health insurance (see Chapter 6 "How are recipients of citizen's benefit insured?").

"Benefits for trainees" include:

- additional needs due to pregnancy, for single parents, for expensive diets and for unavoidable special needs (see Chapter 5 in Section 2 "Additional needs"),
- the needs for initial clothing and in the case of pregnancy and childbirth (see Chapter 7 in Section 2 "One-off benefits"),
- a bridging loan in the month in which training begins, if the first training allowance or BAföG is not expected to be paid until the end of the month.

In cases of special hardship, trainees, schoolchildren and students who are excluded from receiving citizen's benefit receive a *loan* in the amount of the standard rate, the additional needs due to decentralised hot water production, the costs of accommodation and heating, the needs for education and participation, and the necessary contributions to health and nursing care insurance.

A special case of hardship *may* arise if, for example, the livelihood of single parents or severely disabled persons is not secured shortly before completion of a university degree and there is a risk of termination of training without benefits from the Jobcenter (Section 27 (3) sentence 1 SGB II; see Technical Instructions of the Federal Employment Agency on Section 27 SGB II, as of 14 January 2025, margin number 27.10).

Special hardship must be assumed and hardship benefits *must* be paid as a supplement (Section 27 (3) sentence 2 SGB II) if

- schoolchildren and students are not entitled to educational assistance under the BAföG solely because they have exceeded the age limit (usually 45 years of age) and
- school education is absolutely necessary for integration in individual cases and
- without benefits to cover living expenses, there is a risk that the training will be discontinued. Students at higher technical colleges, academies and universities are excluded from the hardship

allowance – they can only receive a hardship loan.

All loans under Section 27 of SGB II must be repaid after completion of training (Section 42a (5) SGB II).

Good to know: Children living in the household of trainees, schoolchildren or students who are excluded from citizen's benefit can receive regular SGB II benefits. This also applies to partners of trainees living in the same household.

# Chapter 4 | What is the difference between a community at need, a household-sharing community and a residential community?

Whether you are entitled to basic income support for jobseekers and how much you are entitled to also depends on whether you live in a community at need, a household with relatives or a shared flat.

## 1. Community at need, including cohabitating couple (marriage-like relationship)

The legislator assumes that persons living in a community at need manage their finances "from a common pot". Partners must be responsible for each other with their income and assets, and parents must also regularly provide for their children if they still live at home.

Who belongs to a community at need is regulated in Section 7 (3) SGB II. These are

- the applicants,
- their
  - o spouses or registered civil partners who do not live permanently separated or
  - o partners living in a domestic partnership, if both partners form a community of responsibility and mutual support ("marriage-like relationship"), and
- the applicant's or partner's (of applicants) unmarried children who are part of the household, provided that the children are under 25 years of age and cannot support themselves from their own income or assets. According to the Federal Employment Agency, children under the age of 25 form a separate benefits community if they are capable of working and have a child of their own or live with a partner in their parents' household.

A community at need always requires that at least one person within the community is capable of gainful employment. It therefore also exists, for example, if a school pupil capable of gainful employment (aged at least 15) lives with parents who are fully incapacitated for gainful employment.

Persons remain part of the community at need if they live with persons entitled to benefits and are excluded from receiving citizen's benefit because they are studying, receiving an old-age pension or a permanent full disability pension.

When spouses or registered civil partners are considered to be "permanently separated" is determined according to the family law understanding of the term "separation" (e.g. <u>BSG of 18 February 2010 – B 4 AS 49/09 R</u>). According to the highest court, married couples or registered civil partners are considered to be "permanently separated" if, in addition to *physical separation*, there is also *an intention to separate* on the part of one or both partners and there are actual indications that the partnership has ended, for example, documented by the filing of divorce papers or the move of one partner out of the shared home. A mere physical separation of the spouses, for example for professional reasons, is not sufficient to be considered "living *permanently* separated".

The interpretation of the term "living permanently separated" in family law is controversial. A minority of judges assume that spouses or life partners are already "living permanently separated" if they have opted for a lifestyle in which the partners do not form a household (no joint living and economic activity) for a longer period of time – the partners' intention to separate is irrelevant (see, for example, SG Mainz of 26 March 2013 –  $S_17 + S_1159/12 = S_17 + S_1159/12 = S_17$ 

## Temporary communities at need

Minor children who, as a result of their parents' separation, only live in the household of a parent in need of assistance for a limited period of time form a so-called temporary or temporary community at need with that parent. The temporary community at need is intended to enable separated parents in need of assistance to exercise their right of access to their minor children.

A temporary community at need already exists if a minor child lives "with a certain regularity for more than one day" (BSG of 2 July 2009 - B 14 AS 75/08 R, margin number 15) with a parent in need of assistance, for example every other weekend. The child then usually receives a proportionate standard rate and, if applicable, proportionate additional benefits for hot water or more expensive food in accordance with the number of days per month that they stay with the parent who has custody. The benefits for the child are to be provided by the Jobcenter responsible for the parent who has custody (Section 36 (1) sentence 3 SGB II).

If both parents are in need of assistance, the minor child lives alternately in two temporary communities at need. The minor child then receives proportional benefits from two different Jobcenters, if applicable.

If a minor child lives mainly in the household of the parent in need of assistance and the other parent with whom the child lives part of the time is not in need of assistance within the meaning of SGB II, the child receives not only the proportionate but the full (unreduced) benefits from the Jobcenter of the parent in need of assistance (BSG of 27 September 2023 – B 7 AS 13/22 R, marginal number 22).

When the child reaches the age of majority, the temporary community at need ends and the child generally only receives benefits from the Jobcenter in whose area he or she has his or her habitual residence or centre of life (Section 36 (1) sentences 1 and 2 SGB II).

In the special case where children have already lived as minors "in a temporary community at need with one parent and a minor sibling, the periods of residence in the separate households of the two parents are such that it is not possible to determine a centre of residence, and the child who has reached the age of majority decides to continue living with the sibling in an alternating model, i.e. with equal periods of residence, with the mother and father," the Berlin-Brandenburg Regional Social Court ruled: The child of full age continues to receive proportional benefits for the period of residence with the parent entitled to benefits, even if there is no temporary community at need (decision of 1 November 2023 - L 14 AS 870/23 B ER, marginal number 26).

## Income distribution in the community at need

Entitlement to citizen's benefit is generally determined by comparing the total income of the persons in the community at need with their total living expenses (standard needs, additional needs, accommodation and heating costs). Only if these needs are not covered by income is the remaining income credited towards the needs for education and participation ().

This method of calculation regularly results in, for example, a partner who has sufficient income for themselves being considered needy and entitled to benefits as long as the need for assistance of all members of the community at need has not been eliminated.

A different distribution of income within the community at need occurs if one partner is excluded from citizen's benefit. In this case, only the income of the excluded partner that exceeds his or her own needs is distributed among the members of the community at need who are entitled to benefits.

Members of a community at need are not always required to use their income and assets for each other:

- The income and assets of parents are not taken into account for children under the age of 25 living in the household if the child is pregnant or is raising a child of their own under the age of six (Section 9 (3) SGB II).
- The income and assets of children are only taken into account for themselves, not for their parents or siblings in the household.

Good to know: If a child under the age of 25 living in their parents' household has sufficient income, for example through maintenance and child benefit, or assets, that they are not in need of assistance, they are not part of the community at need. One consequence of this is that their share of accommodation and heating costs is no longer covered by the Jobcenter. The child may then be eligible for housing benefit under the Housing Benefit Act.

## What is a "marriage-like relationship"?

A "marriage-like relationship" is considered to exist when partners who are neither married nor in a registered partnership live together (Section 7 (3) No. 3c and (3a) SGB II).

According to the highest court ruling, a "marriage-like relationship" requires that two persons of the same or different sexes

- live in a long-term relationship that does not allow for any comparable cohabitation, and
- live and manage their finances together (shared household).

In order for such a partnership to be comparable to a marriage, it is also required that the relationship between the partners is so close that

 both partners are willing to take responsibility for each other and to support each other in emergencies with their income and assets (see <u>BVerfG of 17 November 1992 - 1 BvL 8/87</u>, margin number 116ff. and <u>BSG of 23 August 2012 - B 4 AS 34/12 R</u>, margin numbers 13–23).

If one of the following circumstances applies, the legislator *assumes* that a "community of responsibility and mutual support" or "marriage-like relationship" exists:

- The partners have been living together for more than one year,
- the partners live together with a child they have in common,
- one partner provides for the children or relatives of the other in the joint household, or
- the partners are authorised to dispose of each other's income or assets.

You can refute the legal presumption.

Other indications may also suggest mutual commitment, such as when one partner names the other as a beneficiary in their life insurance policy. Therefore, a marriage-like relationship may already exist if you have not been living together for a year and have not shared finances.

Our advice: A community at need requires a willingness to manage finances jointly. You do not form a "marriage-like relationship" or a community at need with your partner if you and your partner manage all household and living expenses separately and can demonstrate this to the Jobcenter in a credible manner.

### 2. Household community with relatives or relatives by marriage

The law assumes that relatives and in-laws support each other if they

- live in a shared household and
- are financially able to do so (Section 9 (5) SGB II).

You can refute this assumption.

Relatives also include parents who live with their children aged 25 or older who are no longer part of the joint household.

Good to know: A shared household within the meaning of SGB II requires joint financial management. This is not the case if you live in the same flat with relatives or relatives by marriage but, as in a shared flat, you manage your finances separately (see <u>BSG of 27 January 2009 – B 14 AS 6/08 R</u>, margin number 15; SGB II knowledge database, <u>entry "Definition of household-sharing community"</u>).

Whether relatives or relatives by marriage with whom a household community exists are financially able to support relatives in need of assistance is determined as follows: First, the income of the relatives is "adjusted" by certain deductions (more on this in Chapter 9 "How is income taken into account?"). Twice the standard rate and the relative's share of the rent including heating are deducted from the adjusted income. In individual cases, other special expenses may be deducted from the income, for example instalment payments for loans or maintenance payments to dependants outside the household. Half of the relatives' remaining income is counted towards the needs of the person in need of assistance (Section 1 (2) Citizen's Benefit Regulation (Bürgergeld-V)).

The same exempt assets apply to the assets of relatives or relatives by marriage as to those entitled to citizen's benefit (Section 7 (2) Citizen's Benefit Regulation (Bürgergeld-V)). For details, please refer to Chapter 10, "How are assets taken into account?".

**Example:** Ms M, who is in need of assistance, lives in a shared household with her aunt and pays half of the living costs. The aunt receives a monthly old-age pension of 1,600 euros (net). The monthly rent including heating is 600 euros. The aunt has no assets. The aunt's ability to pay is calculated as follows:

Aunt's net pension 1,600 euros minus

- the insurance allowance (adjustment) of 30 euros
- twice the standard allowance of 1,126 euros and
- half of the monthly rent including heating of 300 euros
- = remaining income 144 euros.

Of this, 50% is credited to Ms M. That is 72 per month.

If the relatives or relatives by marriage in the household are not able to provide support, the Jobcenter cannot refer you to them for assistance.

Our advice: The Jobcenter can waive the means test if the relatives are not obliged to support you, as in the example. In this case, a written statement from the relatives stating that they do not support you is usually sufficient. Relatives by marriage are not obliged to support you.

If you do receive financial support from relatives or relatives by marriage, this will be taken into account. If you have free accommodation, your needs for accommodation and heating will be waived.

## 3. Shared accommodation

If there is neither a community at need nor a household community with relatives or relatives by marriage, the income and assets of the co-residents cannot be used to secure the minimum subsistence level of the members of the shared accommodation who are in need of assistance.

# Chapter 5 | What needs are taken into account when calculating citizen's benefit?

Citizen's benefit is a benefit intended to secure your livelihood. You are legally entitled to this benefit if the legal requirements are met.

Citizen's benefit consists of

- the standard needs,
- any additional needs and
- the costs of accommodation, heating and hot water.

**Please note:** The actual amount payable is calculated by deducting your creditable income from the determined needs (see Chapter 9, "How is income taken into account?").

#### 1. Standard needs

The standard rate is intended to cover the monthly expenses of each beneficiary for, among other things, food, clothing, personal hygiene, household goods, electricity, household energy excluding heating and hot water, transport, telephone, internet and entertainment (Section 20 SGB II; Standard Rate Determination Act).

The standard needs are granted as a lump sum according to six standard needs levels.

Table 1

Monthly standard need (in euros)

Standard need levels	2025	2024
Level 1: Single persons, single parents, adults with a partner under the age of 18 in the same household	563	563
Level 2: Adult partners in a joint household	506	506
Level 3: Adults under 25 who live in a joint household with their parents and persons under 25 who have moved without prior approval from the Jobcenter	451	451
Level 4: Young people aged 14 to 17	471	471
Level 5: Children aged 6 to 13	390	390
Level 6: Children under 6 years of age	357	357

In 2025, the standard rates 1 to 6 from 2024 will continue to apply unchanged. This is due to the special mechanism for updating the statutory standard rates (Section 20 (1a) SGB II in conjunction with Section 28a SGB XII). In times when prices fall significantly compared to the previous year (in this case: 2024 compared to 2023), this adjustment mechanism leads to a dampening of the update, up to and including zero increases. Mathematically, there should even have been a reduction in the standard rates this year. However, this is prevented by the grandfathering clause in Section 28a (5) SGB XII, which also applies to SGB II.

**Please note:** Table 1 lists the case groups regulated in Section 20 SGB II. Other cases not regulated by law are possible. For example, in the case of citizen's benefit recipients who live with a partner who receives basic benefits under the Asylum Seekers Benefits Act, the standard needs according to level 1 must be taken into account (BSG of 6 October 2011 - B 14 AS 171/10 R).

### Immediate supplementary child allowance

Children whose entitlement to citizen's benefit is calculated according to standard needs levels 3, 4, 5 or 6 will receive an immediate supplementary child allowance of 25 euros per month (2024: 20 euros) from the Jobcenters in addition to their standard needs. Children in these standard needs categories will also receive the supplementary allowance if they are only entitled to education and participation benefits or do not receive citizen's benefit solely because their child benefit is taken into account (Section 72 SGB II).

Please note: The Immediate supplementary child allowance under SGB II should not be confused with the Supplementary child allowance under the Federal Child Benefit Act (more on this in Chapter 15, "Supplementary child allowance and housing benefit – an alternative to citizen's benefit?").

## Deductions from the standard rate for accommodation in shared accommodation without selfcatering

For beneficiaries who are accommodated in shared accommodation without self-catering facilities, the portions of the citizen's benefit intended for food and household energy *may* also be provided in kind (at the discretion of the authorities) (Section 68 SGB II). In Berlin, this regulation has been in force since 1 September 2024 (see customer information from the Berlin Jobcenter dated 8 August 2024).

The granting of benefits as "benefits in kind" means that beneficiaries are provided with full board and electricity (household energy) free of charge, for example by the operator of the shared accommodation or the provider of a support measure.

In return, the entitlement of the relevant beneficiaries to cash benefits may be reduced by the amounts specified in Table 2, depending on the standard needs level. The legislature justifies the reduction in the standard rate on the grounds that an unreduced entitlement to payment of the standard rate would lead to double benefits and thus to a better position for these persons compared to other persons entitled to benefits who have to provide for themselves with food and household energy (see <u>Bundestag printed paper 20/9195</u>, page 46).

The regulation applies in particular to persons who are recognised as asylum seekers, refugees under the Geneva Refugee Convention, persons entitled to subsidiary protection or refugees from Ukraine, as well as to homeless persons who, due to a lack of other accommodation, are housed in shared accommodation without the possibility of self-sufficiency.

"Shared accommodation" may also include (initial) reception centres for refugees, facilities for the homeless or temporary accommodation such as gyms. The regulation only applies to accommodation where there is no possibility of self-catering. For example, the existence of a communal kitchen excludes the application of the regulation.

Table 2
Monthly deductions from the standard need due to the provision of benefits in kind in shared accommodation without self-catering facilities (in euros)

Standard needs levels	2025	2024
Level 1: Single persons, single parents, adults with a partner under 18 in the community at need	186	186
Level 2: Adult partners in a community at need	167	167
Level 3: Adults under the age of 25 who live in a community at need with their parents and persons under the age of 25 who have moved	149	149

without the Jobcenter's prior consent		
Level 4: Adolescents from 14 to 17 years of age	178	178
Level 5: Children from 6 to 13 years of age	131	131
Level 6: Children under 6 years of age	98	98

#### 2. Additional needs

In addition to the standard need, additional needs may be granted. These are intended to compensate for the higher financial burdens of beneficiaries in certain life situations. If the relevant needs are met, you are also entitled to more additional needs. In total, the additional requirements under 2.1 to 2.4 are only taken into account up to the amount of the standard need applicable to the respective beneficiary.

#### 2.1 Additional needs for pregnant women

The additional allowance is a lump sum of 17 per cent of the standard rate for pregnant women and is granted from the 13th week of pregnancy until the end of the month in which the child is born (Section 21 (2) SGB II).

Table 3

Monthly additional needs for pregnant women (in euros)

Standard needs levels	2025	2024
Level 1: Single persons, single parents, adults with a partner under 18 in the community at need	95.71	9.71
Level 2: Adult partners in a community at need	86.02	8.02
Level 3: Adults under the age of 25 who live in a community at need with their parents and persons under the age of 25 who have moved without the Jobcenter's prior consent	76.67	76.67
Level 4: Adolescents from 14 to 17 years of age	80.07	80.07

## 2.2 Additional allowance for single parents

The additional allowance is paid to persons who live with at least one minor child and who are solely responsible for the upbringing and care of the child in the household (Section 21 (3) SGB II). Children include not only biological or adopted children, but also foster children.

Those entitled to this allowance are primarily single parents, i.e. single persons living in a shared household with one or more minor children. In individual cases, additional benefits may also be granted to parents in *couples who are in* a joint household if one partner in the joint household is prevented from playing a significant role in raising the child, for example due to a prolonged stay abroad, long periods of absence due to work, their own need for care or a permanent placement in a care home due to serious illness. If it is no longer possible to "manage on a single income", for example if a seriously ill spouse is placed in a care home, the single parent also receives the standard allowance according to standard allowance level 1 (see SGB II knowledge database, entry "Additional allowance for single parents / separation due to placement in a care home"; Guide to citizen's benefit, edition 2024/25, published by the unemployment project TuWas, page 78 and 314ff.).

The additional allowance is a lump sum of 36 per cent of the standard rate for level 1 for eligible persons

living with one child under the age of 7 or with two or three children under the age of 16. For each additional child, it amounts to 12 per cent of the standard rate for level 1. The additional requirement is limited to 60 per cent of the standard rate for level 1, so that the supplement is paid for a maximum of five children.

Table 4

Monthly additional need for single parents (in euros)

	2025	2024
1 child under 7 years of age	202.68	202.68
1 child from 7 years of age	67.56	67.56
2 children under the age of 16	202.68	202.68
2 children from 16 years of age	135.12	135.12
1 child from 7 years of age and 1 child from 16 years of age	135.12	135.12
3 children	202.68	202.68
4 children	270.24	270.24
5 children and more	337.80	337.80

Please note: If the child lives part of the time with divorced or separated parents in two households, the following rules apply: Half of the additional need is payable to each parent in need of assistance if the child stays with each parent alternately at least on a weekly basis and the parents share the costs incurred approximately equally (see BSG of 3 March 2009 – B4 AS 50/07 R). Otherwise, the full additional requirement is generally allocated to the parent in need of assistance with whom the child spends most of their time.

#### 2.3 Additional needs for disabled beneficiaries

Disabled persons entitled to citizen's benefit who are capable of gainful employment are entitled to additional needs amounting to 35 per cent of the respective standard rate if, due to their disability, they receive a benefit for integration into the labour market as specified in Section 21 (4) SGB II. This includes, for example, further vocational training or an integration allowance from the Jobcenter or another public institution. Disabled persons who are not capable of gainful employment and receive citizen's benefit are also entitled to the additional requirement from their 15th birthday if they attend a school, vocational school or university within the framework of benefits for participation in education (Section 112 SGB IX) (Section 23 No. 2 SGB II).

Table 5 Monthly additional needs for disabled persons eligible for benefits who are capable of working (in euros)

Standard needs levels	2025	2024
Level 1: Single persons, single parents, adults with a partner under 18 in the community at need	197.05	197.05
Level 2: Adult partners in a community at need	177.10	177.10
Level 3: Adults under the age of 25 who live in a community at need with their parents and persons under the age of 25 who have moved without the Jobcenter's prior consent	157.85	157.85
Level 4: Adolescents from 14 to 17 years of age	164.85	164.85

<sup>\*</sup> only from the 15th birthday

## 2.4 Additional requirements for expensive diets

If additional costs for food are incurred for medical reasons as a result of illness, additional requirements must be granted (Section 21 (5) SGB II). The illness must be certified by a doctor.

The basis for granting additional needs due to expensive nutrition for **adults** is the recommendations of the German Association for Public and Private Welfare. In September 2020, the German Association updated its <u>recommendations on the granting of additional benefits for expensive diets in accordance with Section 30 (5) SGB XII (with editorial changes dated 10 November 2023). The recommendations refer specifically to additional needs under social assistance (SGB XII), but are also applied in the area of basic security benefits for jobseekers with only a few deviations (see <u>Technical Instructions of the Federal Employment Agency on Section 21 SGB II,</u> as of 25 November 2024, Annex 1).</u>

According to these guidelines, a flat-rate additional requirement is generally recommended for certain illnesses. The standard need for single persons is always decisive for calculating the additional requirement.

Table 6

Monthly additional need due to expensive diet (according to the recommendations of the German Association of 16 September 2020)

Illness	Recommended additional allowance (as a percentage of standard need level 1)
Coeliac disease	20% (112.60 euros)
Cystic fibrosis	30% (168.90 euros)
Disease-associated malnutrition* (formerly: wasting diseases)	10% (56.30 euros)
End-stage renal failure with dialysis therapy	5% (28.15 euros)
Swallowing disorders for which a thickening powder is recommended by a doctor	in the amount of the actual expenses

<sup>\*</sup> Such malnutrition *may* occur in the following diseases, among others: Tumour diseases, chronic obstructive pulmonary disease (COPD), IBD (Crohn's disease, ulcerative colitis), neurological diseases (including swallowing disorders), terminal and pre-terminal renal failure, especially in dialysis patients, wound healing disorders, or liver diseases (e.g. alcoholic steatohepatitis, cirrhosis of the liver). In these cases, the additional requirement is granted if the patient has a <u>body mass index</u> (BMI) below 20, significantly reduced muscle mass or rapid weight loss due to illness () and this is a consequence of the severity of the illness or a greatly reduced food intake (not due to dieting or anorexia).

In cases of food intolerances, such as lactose intolerance, high blood pressure, elevated blood lipid levels or type I and II diabetes, additional allowances are not usually granted. According to the recommendations of the German Association, a full diet ("healthy mixed diet") is sufficient in these cases – the costs of which, according to the reasoning, are covered by the standard allowance.

For **children and young people up to the age of 18,** Jobcenters refer to the <u>recommendations of the German Association for the recognition of additional nutritional requirements for infants, children and young people in accordance with Section 30 (5) SGB XII of 17 September 2024. Annex 2 of <u>the Technical</u></u>

<u>Instructions of the Federal Employment Agency on Section 21 SGB II</u> lists both illnesses that do not usually cause additional nutritional costs or whose additional needs must be determined on a case-by-case basis, and those that regularly trigger additional needs. The additional nutritional requirements for infants, children and adolescents are shown as a lump sum in percentage values of the standard need level 1, differentiated according to age groups.

**Good to know:** The recommendations of the German Association are not legally binding. In individual cases, the courts may deviate from them. In individual cases, additional needs may also be recognised for illnesses not listed here. As a rule, an additional examination by a public health officer will then be necessary.

#### 2.5 Additional needs in cases of hardship

Additional needs must be recognised if, in individual cases, beneficiaries have an unavoidable and special need, i.e. a need that is not or not sufficiently covered by the standard needs (Section 21 (6) SGB II). This includes ongoing needs and, in exceptional cases, one-off needs.

A need is particularly unavoidable if it cannot be postponed and cannot be covered by contributions from third parties (e.g. schools) or benefits from other providers (e.g. health or nursing care insurance). Additional needs should not be granted if the additional expenses are minor and can be offset by savings in other areas of the beneficiary's lifestyle.

In its guidelines, the Federal Employment Agency lists the following examples of needs that can generally be recognised:

- Cleaning or domestic help for physically severely impaired persons, for example wheelchair
- Costs of exercising access rights to children in the case of separated parents, in particular travel costs for the children or the parent,
- Care and hygiene items that are needed on an ongoing basis for health reasons and are not covered by health insurance, for example hygiene items for HIV or personal care products for neurodermatitis.

**Our advice:** Document the amount of your additional monthly costs with receipts, invoices or other means. This will determine the amount of your additional needs. For additional costs due to health reasons, prove that the expenses are necessary from a medical point of view, for example with a doctor's

certificate.

In the case of *one-off needs*, the Jobcenter will first check whether a loan is possible under Section 24 (1) SGB II—. Any existing assets must then be used as a priority (for more information on "loans for irrefutable needs", see Chapter 7 in Section 2.2). Only if support in the form of a loan is unreasonable or the application of the loan scheme is excluded because the one-off need for living expenses is not covered by the standard rate can additional needs be considered.

A loan may be irrefutable for beneficiaries if an unforeseeable high financial need arises. For example, for an expensive flight to visit a close relative abroad who is seriously ill. However, since the BSG ruling of 12 May 2021, it has become more difficult to enforce a one-off special need for the purchase of a laptop or tablet for schoolchildren in need of assistance. The court ruled that "the coverage of needs for school lessons that serve the purpose of teaching itself ... is the responsibility of the school and ... may not be passed on to the basic security system by the schools or school authorities" (B 4 AS 88/20 R, margin number 21).

#### 2.6 Additional expenses for schoolbooks

Additional expenses for the purchase or rental of schoolbooks and workbooks with an ISBN number are covered (Section 21 (6a) SGB II).

The prerequisite is that the schoolchildren in question are not entitled to free learning materials or the possibility of acquiring or borrowing schoolbooks and workbooks free of charge. In addition, the use of the book or workbook must be specified by the school or the respective subject teacher.

In Berlin, families in need of assistance are exempt from paying their share of the purchase costs for learning materials upon application (see Chapter 18 in Section 3, "Exemption from the co-payments for the purchase of learning materials at schools").

#### 2.7 Additional costs for decentralised hot water production

If hot water is produced in the home, for example by an electric boiler or instantaneous water heater, an additional requirement of 0.8 to 2.3 per cent of the respective standard need is recognised (Section 21 (7) SGB II). The production of hot water via gas central heating is considered central hot water production, the costs of which are covered by the requirements for accommodation and heating (more on this in Section 3 "Needs for accommodation, heating and hot water").

Table 7

Monthly additional needs due to decentralised hot water supply (in euros)

Standard needs levels	2025	2024
Level 1 (2.3 percent)	12.95	12.95
Stage 2 (2.3 percent)	11.64	11.64
Level 3 (2.3 percent)	10.37	10.37
Level 4 (1.4 percent)	6.59	6.59
Level 5 (1.2 percent)	4.68	4.68
Level 6 (0.8 percent)	2.86	2.86

Higher expenses for decentralised hot water supply will only be covered if hot water consumption is verified by a separate measuring device.

# 2.8 Additional needs for beneficiaries who are not capable of gainful employment with the designation G, aG

Persons entitled to citizen's benefit for persons who are fully incapacitated for work within the meaning of SGB VI and recognised as severely disabled with walking disabilities or exceptional walking disabilities (mark G or aG) receive additional needs amounting to 17 percent of their standard needs (Section 23 No. 4 SGB II). Exception: They already receive additional benefits due to their disability (see section 2.3 of this Chapter). The additional benefits must be granted by the Jobcenter if the person with walking difficulties lives with a person who is capable of working in the same household.

Table 8

Monthly additional allowance for persons not capable of gainful employment with "G" or "aG" designation (in euros)

Standard needs levels	2025	2024
Level 1: Single persons, single parents, adults with a partner under 18 in the community at need	95.71	95.71
Level 2: Adult partners in a community at need	86.02	86.02
Level 3: Adults under the age of 25 who live in a community at need with their parents and persons under the age of 25 who have moved without the Jobcenter's prior consent	76.67	76.67
Level 4: Adolescents from 14 to 17 years of age	80.07	80.07

<sup>\*</sup> only from the 15th birthday

## 3. Needs for accommodation, heating and hot water

After you submit your initial application, the Jobcenter will initially cover your actual accommodation costs as a need. If your actual expenses for accommodation and heating exceed what is considered a "reasonable" need, they will only be covered in full on a temporary basis.

#### 3.1 What belongs to accommodation costs?

Tenants' accommodation costs include all expenses that you owe to third parties for the accommodation used for accommodation. These include in particular

- the net rent (excl. heating and utilities) or basic rent,
- the monthly advances for utility costs, for example, waste disposal, irrigation and drainage or cleaning of the hallway,
- the monthly heating costs and hot water costs for central hot water supply,
- · the landlord's annual additional operating and heating costs, and
- other payments owed under the tenancy agreement if they are objectively related to the
  rental of the flat ("unavoidable ancillary rental costs"), for example a furniture surcharge or a
  usage fee for the fitted kitchen provided by the landlord. This no longer includes fees for cable
  television agreed in the tenancy agreement, as landlords are no longer allowed to pass on
  these costs to their tenants' utility costs (<u>Technical instructions of the Federal Employment</u>
  Agency on Section 21 SGB II, as of 25 November 2024, margin number 21.42).

The expenses can only be recognised as needs for accommodation and heating costs in accordance with <u>Section 22 (1) SGB II</u> if they are due during the period for which you are claiming benefits under SGB II. If the claims were already due before you became eligible for assistance, they are considered rent or energy debts (for more information, see section 3.5 b) "Rent and energy debts" in this Chapter).

If heating material is purchased annually, the expenses are to be taken into account as a need in the month in which they are due. If applicable, this will only give rise to a claim for SGB II benefits in the month in which the heating material is purchased. The same applies to additional claims by your landlord or energy supplier in connection with the annual heating energy cost statement (BSG of 8 May 2019 - B 14 AS 20/18 R, margin number 13).

#### Utility and heating cost bills

Additional claims by the landlord for utility and heating costs that become due during the period of receiving ,s benefit's income and relate to the current flat must also be covered by the Jobcenter if they originate from a billing period prior to the need for assistance. For additional claims by the landlord

after the conclusion of a cost reduction procedure, please refer to section 3.3 in this chapter.

Repayments and credits from operating and heating cost statements – even if they originate from periods prior to receiving citizen's benefit (BSG of 24 June 2020 – B 4 AS 7/20 R) – reduce the need for accommodation and heating from the month after the credit is issued. They result in lower payments from the Jobcenter. Any overpayments must be reimbursed to the Jobcenter. Exception: Credits remain exempt from deduction to the extent that you had to pay your ancillary costs in full or in part from unemployment benefit II or citizen's benefit during the billing period because the Jobcenter did not recognise your accommodation costs in full (Section 22 (3) SGB II).

According to the Berlin Social Court, it is irrelevant whether the credit balance originates from advances for heating costs and only the operating costs have not been recognised at their actual amount (see ruling of 25 August 2022 - S 116 AS 4758/20).

The non-recognised accommodation costs during the period of benefit receipt are discussed in this Chapter in section 3.4 "What happens if the individually appropriate accommodation and heating needs are exceeded?".

#### **Proportional housing costs**

In principle, housing costs are divided equally among the residents in the approval notice. If persons who do not belong to the community at need live in the flat, for example children aged 25 or older, the community at need is only responsible for a correspondingly lower share of the accommodation costs. Only this share of the accommodation costs is compared with the permissible accommodation costs for the community at need when assessing appropriateness.

Deviations from this "per capita principle" are possible in certain cases, for example if there is a valid rental agreement between persons who share a flat without forming a community at need (shared flat).

#### **Owner-occupied accommodation**

If beneficiaries live in their own flat or detached house, all operating and heating costs for the property that would otherwise be borne by tenants are covered by the Jobcenter. In addition, the costs associated with ownership, such as interest on loans secured against the property (usually not including repayment charges) and reasonable and unavoidable maintenance and repair costs for the property, are also included in the calculation of needs (see No. 4 of AV-Wohnen).

## 3.2 What is the waiting period (Karenzzeit)?

After applying for citizen's benefit for the first time, a waiting period applies during the first year of receiving benefits, during which the accommodation costs (gross rent (excl. heating and hot water)) of the flat in which you live at the beginning of receiving benefits (existing flat) are covered in the actual amount (Section 22 (1) sentences 2 and 3 SGB II). The Jobcenter cannot reduce an "excessive" gross rent excluding heating during this period. This also applies to comparable costs for owner-occupied property.

**Please note:** The waiting period does not apply to heating costs, including central hot water production. It is also excluded if, prior to 1 January 2023, the Jobcenter has already recognised only the reasonable and not the actual accommodation costs (gross rent excluding heating) for your current accommodation as a need (Section 65 (6) SGB II).

The waiting period always begins on the first day of the calendar month in which you first receive benefits under SGB II or SGB XII.

One purpose of the one-year waiting period is to protect the accommodation available at the start of benefits so that beneficiaries can concentrate on looking for work and do not have to worry about keeping their accommodation. It is also intended as an incentive to overcome the need for assistance within the waiting period. Last but not least, the regulation aims to provide legal certainty, as the assessment of the appropriateness of accommodation and heating costs is "still subject to considerable legal uncertainty in practice" (Bundestag printed paper 20/3873, page 88; see also pages 3 and 49).

The protection of accommodation needs during the waiting period also covers changes that are not caused by a move, such as increases in rent or cold operating cost advances, as well as the departure of a subtenant or member of the community at need if this increases the share of accommodation costs per remaining user of the flat.

People who were already receiving basic income support benefits before the Citizen's Benefit Act came into force could or can also take advantage of the waiting period. The reason for this is that benefits received under SGB II or SGB XII before 1 January 2023 are not taken into account in the waiting period (Section 65 (3) SGB II).

**Example:** Ms F. has been receiving unemployment benefit II or citizen's benefit since 2021. Her waiting period began on 1 January 2023 and ended on 31 December 2023.

**Example:** Ms P. received unemployment benefit II until the end of November 2022 and then took up self-employment, which she has to give up again after two and a half years. On 15 June 2025, she submits another application and is granted citizen's benefit. Her one-year waiting period begins on 1 June 2025.

If the receipt of citizen's benefit is interrupted during the waiting period, the waiting period is "extended" by full months without benefit receipt; the waiting period then ends later accordingly. According to the wording of the law, the reasons for the interruption of the waiting period are irrelevant.

**Example:** Mr M. receives citizen's benefit for the first time (after 1 January 2023) from 1 July to 31 December 2024. On 1 January 2025, he takes up temporary employment that secures his livelihood for six months and then reapplies for citizen's benefit.

Result: Mr M. has already used up six months of his waiting period in 2024. With the renewed receipt of citizen's benefit from 1 July 2025, he is entitled to a further six months of the waiting period.

Once the waiting period has expired, a new waiting period will only begin if you have not received any benefits under SGB II or SGB XII for at least three years.

**Good to know:** The waiting period *must be determined individually* for each person in the joint household. The individual entitlement to the waiting period raises a number of unresolved legal questions (for more information, see section 3.3 "What happens if the individually reasonable accommodation and heating needs are exceeded?" in this chapter).

#### 3.3 What accommodation costs are considered "reasonable" in Berlin?

The cost of living in Germany varies from city to city and region to region. "Reasonable" accommodation costs must therefore always take into account the local accommodation market and are determined by the local authorities responsible for basic income support for job seekers.

Case law requires local authorities responsible for basic income support to have a so-called coherent (viable) concept that allows reasonable values to be determined in a transparent and comprehensible manner. The "coherent concept" must ensure reasonable values that guarantee that beneficiaries can rent decent accommodation that meets their needs on the local accommodation market at any time.

The Berlin Senate Department for Labour, Social Affairs, Equality, Integration, Diversity and Anti-Discrimination regulates the amount of money that is considered "reasonable" for accommodation and heating costs in Berlin in its <u>implementation regulations on accommodation</u> (AV-Wohnen for short) and other administrative regulations. <u>Appendix 1 AV-Wohnen</u> sets out what the Senate Administration considers to be a "conclusive concept" for reasonable accommodation costs (gross rent (excl. heating and hot water)). <u>Circular Soz No. 03/2023</u> publishes the current values for reasonable accommodation costs (gross rent (excl. heating and hot water)) and <u>Appendix 2 AV-Wohnen</u> publishes the values for reasonable heating costs.

The assessment of appropriateness is carried out separately for accommodation and heating needs. The AV-Wohnen sets

- reference values for reasonable gross rent excluding heating costs (in euros) and
- limit values for the reasonable consumption of heating energy with or without central hot water supply (in kWh),

which determine the appropriateness of accommodation. The size of your flat is irrelevant for the Jobcenter's appropriateness assessment.

**Good to know:** The provisions of the AV-Wohnen are binding for employees of Berlin Jobcenters. In our consulting practice, however, we unfortunately see time and again that Jobcenter employees do not fully exploit the possibilities offered by the AV-Wohnen or do not comply with the provisions. It therefore makes sense to take a closer look at the provisions in the AV-Wohnen.

Please note: The social courts are not bound by the provisions on appropriateness in the AV-Wohnen, as these are only regulations for administrative staff. Many Berlin judges do not consider the guidelines for reasonable gross rents excluding heating to be "conclusive"; they therefore often use different values for the appropriateness of gross rents excluding heating than the Jobcenters (more on this at the end of section a) under "What applies in court?").

The following regulations for the appropriateness of accommodation in sections a) and b) apply to tenants and are applied accordingly to persons who live in their own flat or detached house.

#### a) Guidelines for reasonable gross rents (excl. heating and hot water)

After the waiting period has expired, the appropriateness of the accommodation costs is usually reviewed on the basis of reference values for appropriate gross rents excluding heating costs. The reference values can be increased by surcharges.

The reference values differ according to the size of the community at need. The values are adjusted every two years, following the publication of the new Berlin rent index. The following reference values are based on the Berlin rent index for 2023.

Column 2 of Table 9 and the tables at the end of the guide (Annex I) show the current reference values for gross rent (excl. heating and hot water).

You can find out about the current values that are considered "reasonable" for your accommodation needs in Berlin on our website <a href="www.beratung-kann-helfen.de/beratung/haeufige-fragen-zum-buergergeld">www.beratung-kann-helfen.de/beratung/haeufige-fragen-zum-buergergeld</a>.

## Reference values in public housing

For public housing (1st funding channel), reference values for reasonable gross rent (excl. heating and hot water) which are increased by around 10 per cent (see column 3 in Table 9). Once the public housing status of the flat ends, the simple reference value applies again.

Table 9
Reference values for the monthly gross rent (excl. heating and hot water)

Size of the community at need (in persons)	Reference values of gross rent (excl. heating and hot water) (in euros)	Reference values of gross rent (excl. heating and hot water) Public housing (in euros)
1	449.00	494.00
2	543.40	598.00
3	668.80	736.00
4	752.40	828.00
5	903.72	994.50
for each additional person	+ 106.32	+ 117.00

<sup>⇒ &</sup>lt;u>Investitionsbank Berlin</u> can provide you with information by telephone on (030) 2125-4545 as to whether you have rented a flat in public accommodation (1st funding channel).

#### **Climate bonus**

For energy-efficient accommodation, a so-called climate bonus is added to the standard values or increased standard values for public accommodation. The prerequisite is that the final energy value for the building is less than 100 kilowatt hours per square metre per year (energy efficiency classes A to C). Proof is provided by the energy performance certificate for the building.

According to number V of Circular Soz No. 03/2023, the bonus amounts to

- 25 euro for one person in the community at need,
- 32.50 euro for two persons in in the community at need,
- 40 euro for three people in the community at need,
- 45 euro for four people in the community at need and
- 51 euro for five people in the community at need.

For each additional person in the community at need, the supplement increases by six euros.

## Allowance in case of hardship

In addition to the reference values, an allowance of 10 per cent of the reference value shall be granted for the individual determination of the appropriateness of accommodation in cases of special accommodation needs (No. 3.5.1 AV-Wohnen). The hardship surcharge applies in particular to

- single parents,
- pregnant women,
- benefit recipients aged 60 or older,
- significant social implications, for example if the children's daycare centre, care facility or school are located near the previous home or if close relatives are cared for near the place of residence,
- those who require care themselves, are ill or disabled,
- people who have lived in the same home for at least 10 years, or
- rent increases due to modernisation surcharges.

**Good to know:** There is only *one* hardship surcharge of 10 per cent, even if several hardship criteria are met. It is also added to the increased reference value for public accommodation (1st funding channel), the climate bonus and the allowance for new tenancies. You can find out more about the new tenancy allowance in this Chapter in section 3.5 c) "New tenancy allowance due to existing or impending homelessness".

Table 10 Reference values for the monthly gross rent (excl. heating and hot water), including hardship surcharge

Size of the community at need (in persons)	Reference values of gross rent (excl. heating and hot water) (in euros)	Reference values of gross rent (excl.heating and hot water) Public housing (in euros)
	each with hardship surcharge	
1	493.90	543.40
2	597.74	657.80
3	735.68	809.60
4	827.64	910.80
5	994.09	1,093.95
for each additional person	+ 116.95	+ 128.70

## Special accommodation needs for individual groups of people (selection)

For **people with disabilities** in barrier-free flats, especially wheelchair users, appropriateness is determined independently of the guidelines for appropriate gross cold rents. This also applies to **homeless people**, as long as it is not possible for them to rent regular living space and they therefore have to be accommodated at high cost (No. 3.5.2 AV-Wohnen).

For **chronically ill people**, for example those with AIDS, higher gross rents excluding heating and heating values are considered appropriate if the accommodation office certifies that they require additional living space. In such cases, the values for a benefit community increased by one person are generally considered appropriate.

For **pregnant women from the 13th week of pregnancy onwards**, the reference value for the next largest community at need is used as a basis after presentation of medical evidence of the expected date of birth.

If **parents live separately** and the children only live with the benefit recipients temporarily but regularly (temporary benefit community), the children are included in the determination of the size of the

benefit community and the reference value. This is provided that the Jobcenter considers additional rooms to be necessary. If separated parents each care for their child half of the time, the child must be taken into account as an additional member of the household when determining the appropriateness of accommodation costs (see No. 3.5.3 AV-Wohnen).

#### Review limit for recognisable accommodation costs

If your actual accommodation costs (gross rent (excl. heating and hot water)) exceed the (individual) appropriateness limit applicable to you, the Jobcenter will carry out a so-called economic comparison of the expenses. A flat-rate surcharge on the reference value is intended to secure the preservation of the accommodation space and to avoid moves that are not cost-effective for the Jobcenter.

The Jobcenter will refrain from requesting a reduction in costs if your gross rent excluding heating is not higher than the sum of the following values:

- the reference value for gross rent applicable to you, plus 10 per cent in public accommodation, if applicable,
- *plus,* if applicable, a hardship surcharge of 10 per cent on the reference value (or on the reference value increased by 10 per cent in public accommodation),
- plus the relocation avoidance supplement of 15 per cent of the basic reference value. The basis for calculating the supplement is always the basic reference value for public accommodation, not the increased reference value (No. 6.4.1 (2) AV-Wohnen).

In other words, the sum of the above values forms a review limit that your gross rent (escl. heating and hot water) must not exceed in order for the accommodation costs to be recognised by the Jobcenter (see Tables 11 and 12).

**Please note:** The Relocation avoidance surchargeis only intended to secure your *existing accommodation space*. The allowance is not applicable when renting a new flat or if the rent subsidy is reduced after the conclusion of a so-called cost reduction procedure. For more information on "cost reduction" and renting a new flat while receiving benefits, please refer to sections 3.4 and 3.5 below.

Table 11

Recognised accommodation costs in existing flats (gross rent excl. heating and hot water)

Size of the community at need	Recognised accommodation costs	
(in persons)	including relocation avoidance surcharge	
	(in euros)	
	without hardship	with hardship surcharge
	surcharge	
1	516.35	561.25
2	624.91	679.25
3	769.12	836.00
4	865.26	940.50
5	1,039.28	1,129.65
for each additional person	122.27	132.90

Table 12

Recognised accommodation costs in existing public accommodation (gross rent excl. heating and hot water)

Size of the community at need (in persons)	Recognised accommodation costs including relocation avoidance surcharge (in euros)	
	without hardship surcharge	with hardship surcharge
1	561.35	610.75
2	679.51	739.31
3	836.32	909.92
4	940.86	1,023.66
5	1,130.06	1,229.51
for each additional person	132.95	144.65

The recognised expenses for accommodation in *existing accommodation space* can also be found in Tables 1 and 2 at the end of this guide (Annex I).

**Example:** Ms F. (62 years old) has received a rent increase. Her gross rent excluding heating costs has increased to 530 euros per month. She fears that after the waiting period expires, the Jobcenter will no longer cover her rent in full. Is she right to worry?

Result: The gross monthly rent of 530 euros exceeds the reference value of 449 euros applicable to Ms F. (Table 9, column 2). However, due to her age, Ms F. receives a hardship surcharge of 10 per cent on top of the reference value. Together with the relocation allowance, the accommodation costs to be recognised by the Jobcenter amount to 561.25 euros per month (see Table 11, column 3). The review limit is not exceeded and Ms F. does not have to expect a "cost reduction" by the Jobcenter after the end of the waiting period.

Our advice: If the Jobcenter no longer recognises your full accommodation costs (gross rent excl. heating and hot water) after the waiting period has expired, you should check whether the agency has taken into account the allowances and special accommodation needs that apply to you according to the AV-Wohnen (implementation ordinance - accommodation). If this is not the case, point this out to the Jobcenter or lodge an appeal against the decision with the lowered gross rent (excl. heating and hot water).

#### What applies in court?

To date, the reference values for reasonable gross rents (excl. heating and hot water) have often been rejected by the Berlin social and regional social courts (e.g. SG Berlin of 21 January 2022 - S 37 AS 9515/19 and of 15 February 2022 - S 136 AS 2303/18). In particular, the judges in the appellate court, the Berlin-Brandenburg Regional Social Court, are of the opinion that the AV-Wohnen does not provide a consistent "conclusive concept" within the meaning of the highest court rulings (see, for example, the decisions of 24 November 2022 – L 34 AS 2245/18, of 23 August 2023 – L 31 AS 627/23 B ER, of 21 September 2023 – L 34 AS 319/19 and of 17 January 2024 – L 32 AS 1179/23 B ER).

According to the highest court ruling, it must be examined, among other things, whether accommodation space is actually available at the determined reasonable values and whether it is offered on the market in sufficient numbers so that beneficiaries who are required to move can rent accommodation that meets their needs (see BSG of 3 September 2020 - <u>B 14 AS 37/19 R</u>, margin

number 27f.). However, in the opinion of many Berlin judges, it cannot be determined that adequate accommodation is actually available in Berlin in accordance with the AV-Wohnen guidelines (most recently LSG Berlin-Brandenburg of 23 July 2024 –  $\underline{L}$  14 AS 1570/20).

If the attempts by the benefit provider and the courts to determine "conclusive" adequacy values fail, the judges use the actual gross rent (excl. heating and hot water) as a stopgap measure to determine the accommodation need, limited by the table values in <u>Appendix 1</u> to <u>Section 12 (1) of the Housing Benefit Act</u> (WoGG) plus a safety margin of 10 per cent (see Table 13). In doing so, the courts rely on the highest court rulings (e.g. BSG of 30 January 2019 - <u>B 14 AS 24/18 R</u>, margin number 30).

The values according to the housing benefit table are abstract values, i.e. they do not take individual cases into account (see BSG of 11 December 2012 –  $\underline{B}$  4 AS 44/12 R, margin number 19). However, in our experience, the courts rarely recognise higher values for special accommodation needs (e.g. BSG of 21 July 2021 -  $\underline{B}$  14 AS 31/20 R, margin number 35ff. - Access rights in parent-child relationships).

Table 13

Maximum rents under the Housing benefit Act including a 10 per cent safety allowance (Berlin with rent level IV, values as of 1 January 2025)

Number of household members to be taken into account	Maximum amounts (in euros)	
	without safety allowance	with safety allowance
1	511	562.10
2	619	680.90
3	737	810.70
4	858	943.80
5	982	1,080.20
Additional amount for each additional household member to be taken into account	119	130.90

In the opinion of the LSG Berlin-Brandenburg, the so-called climate component pursuant to Section 12 (7) WoGG additionally increases the table values from Annex 1 of the Housing Benefit Act – in the specific case of a two-person household, this resulted in an allowance of 24.80 euros per month on the table value (decision of 17 January 2024 – L 32 AS 1179/23 B ER, margin number 17; see also decision of 19 June 2023 – L 18 AS 512/23 B ER). The question of whether the climate component pursuant to Section 12 (7) WoGG must be taken into account when assessing the adequacy limit under the WoGG has not yet been clarified by the highest court.

In the meantime, the Berlin Senate Administration responsible for social affairs has revised its reasoning in <u>Circular Soz No. 03/2023</u> under section IV. The administration continues to assume that a sufficient number of flats are actually available for the reference values for reasonable gross rent (excl. heating and hot water). However, the 14th Senate of the LSG Berlin-Brandenburg did not follow the Berlin Senate's argumentation (see ruling of 23 July 2024 – <u>L 14 AS 1570/20</u>).

Our advice: Before you take legal action before the social court, you should compare the gross rent values recognised as reasonable by the Jobcenter with the values from the housing benefit table, including the safety allowance (Table 13). Due to the difficult legal situation, we advise you to seek legal advice before going to court.

## b) Limit values for reasonable heating, including central hot water supply

Unlike accommodation needs, there is *no* waiting period for heating needs. The review of your heating behaviour for appropriateness can therefore begin as soon as you submit your application.

**Please note:** In the opinion of the legislator, the waiting period for accommodation costs has an indirect effect on the appropriateness of heating costs. You can find out more about this at the end of this section under the subheading "Appropriate heating during the waiting period for accommodation costs".

According to Berlin's AV-Wohnen, your heating costs are checked on the basis of reasonable consumption values for heating energy. At the end of 2022, the Berlin Senate changed the limits for reasonable heating in the AV-Wohnen from monetary values to consumption values. The reason for this is the sharp price increases and price fluctuations for heating energy. The measure is intended to ensure that Jobcenters cover heating costs even if heating costs have risen due to the current high energy prices, but consumption has not.

Heating needs also include the need for *central* hot water supply. Central hot water supply is when the hot water supply is centralised for all residential units in a multi-unit residential building or when the hot water in an apartment or single-family home is generated by the heating system, for example via gas floor heating.

The current limits for reasonable consumption values for the energy types **heating oil, natural gas, district heating** and heat pumps are based on values from the nationwide heating index of co2online from 2020 ("Heating Index for Germany 2020"). The values are published in Appendix 2 AV-Wohnen.

Appendix 2 specifies a consumption level of 238 kWh per square metre of living space per year as maximum value for heating with **heating oil, natural gas and district heating**. Depending on the size of the household, the following consumption values are considered appropriate for heating.

Table 14
Limit values for heating with heating oil, natural gas and district heating

Size of the community at need (in persons)	Annual consumption (in kWh)	
\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		
1	11,900	
2	15,500	
3	19,000	
4	21,400	
5	24,300	
for each additional person	2,900	

You can usually find your actual consumption values in the annual heating bill from your landlord or energy supplier (gas, district heating).

For **heat pumps**, an annual consumption value of 94 kWh per square metre of living space is considered "reasonable" based on the "Heating Cost Index for Germany 2020". The limits for heating with a **heat pump** – **depending** on the size of the household – can be found in Table 5 (column 4) at the end of our guide (Annex I).

You can find out the current values that are considered "reasonable" for your living needs in Berlin on our website <a href="https://www.beratung-kann-helfen.de/beratung/haeufige-fragen-zum-buergergeld">www.beratung-kann-helfen.de/beratung/haeufige-fragen-zum-buergergeld</a>.

#### **Decentralised hot water production**

The limits according to the nationwide heating index also include consumption values for central hot water production. For decentralised hot water production in the home, for example with electric boilers or instantaneous water heaters, deductions must therefore be made from the limits.

Table 15

Deductions from the limit value for decentralised hot water production (in flats with heating oil, natural gas or district heating systems)

Size of the community at need (in persons)	Deductions per year (in kWh)	
1	1,200	
2	1,560	
3	1,920	
4	2,160	
5	2,448	
for each additional person	288	

For the energy type **heat pump**, you will find the deductions for decentralised hot water supply in Table 5 (column 5) at the end of our guide (Appendix I).

**Please note:** The costs for *decentralised* hot water production are recognised as additional needs at a lump sum (see section 2.7 "Additional needs for decentralised hot water production" in this Chapter).

## **Deduction for climate bonus**

Energy-efficient residential buildings regularly achieve savings in heating costs. A climate bonus granted on the gross rent excluding heating costs should therefore be deducted in full or in part from the limits for heating costs. However, the responsible Senate administration has not yet explained how a euro value is to be deducted from a consumption value.

## Other energy sources

In the case of **night storage heaters (electricity)**, priority should also be given to the appropriate consumption amount. The responsible Senate administration regularly informs Jobcenters about the market and household prices and consumption amounts for night storage heaters. The values and prices are based on information provided by co2online gGmbH and Vattenfall in Berlin (basic supply prices) and serve as guidelines above which "inappropriate" heating may be indicated.

Table 16
Annual consumption values and heating costs for night storage heaters

Size of the community at need (in persons)	Night stora	Night storage heating	
	Annual consumption	Costs per year	
	(in kWh)	(in euros)	
1	6,000	1,368.00	
2	7,800	1,739.40	
3	9,600	2,121.60	
4	10,800	2,376.00	
5	12,240	2,668.32	
for each additional person	1,440	313.92	

The values apply to heating the entire flat using night storage heaters. In flats with more than one type of heating, separate values are used for individual rooms with night storage heaters. Jobcenters do not make any deductions for decentralised hot water production.

The consumption values and prices for night storage heaters are published under No. 2 in the Senate Administration's information letter "Heating benefits (solid fuels and night storage heaters) according to SGB II and SGB XII".

For flats with **coal stoves** in Berlin, the quantities and prices for coal briquettes apply within the framework of the regulations for fuel assistance, as specified in section 1 of the aforementioned information letter.

**Good to know:** There are no comparable representative surveys for night storage heaters and coal stoves as there are for the energy sources recorded in the nationwide heating index. AV-Wohnen therefore expressly points out that the consumption values and prices published in the circular do not represent values to which the reimbursement of heating costs is limited. Jobcenters are required to determine the reasonable heating needs *on an individual basis* if the values are exceeded (No. 5.2 (4) AV-Wohnen).

#### Individually reasonable heating costs

If the limits for reasonable consumption values are exceeded, this does not automatically mean that your heating costs are unreasonable. The authorities must then check whether there is an increased *individual* heating need (No. 5.2.1 AV-Wohnen).

Our advice: Check whether there are any special reasons why you need to heat more than is usual. In individual cases, for example, health or age-related circumstances or an energy-inefficient building condition, such as single-glazed windows or inefficient radiators, may justify the increased heating costs. In this case, inform the Jobcenter of these circumstances. If necessary, the Jobcenter must then recognise your individual heating costs as reasonable.

## Reasonable heating during the waiting period for accommodation costs

The legislator decided not to include heating costs in the waiting period because it believed that the aim of protecting the existing home during the waiting period could be achieved without including heating costs.

According to the legislator, the prerequisite for this would be that the size of the recognised accommodation is the reference point for assessing the appropriateness of heating needs during the waiting period. —When covering the costs for an "inappropriately" large flat, the actual square metres of this flat must be used to assess the appropriate heating costs and not, as is the case when calculating the limits according to AV-Wohnen, only an "appropriate" flat size (see <a href="Bundestag printed paper 20/4360">Bundestag printed paper 20/4360</a>, page 34).

**Example:** For a single person living in an 80-square-metre flat in an old building in Berlin, the reasonable heating need for his/her gas central heating within the waiting period for accommodation costs is based on the actual size of the flat – only 50 square metres is actually considered "reasonable" for one person (see No. 2 in <u>Appendix 1 AV-Wohnen</u>). The reasonable consumption value is therefore not 11,600 kWh per year, but 19,040 kWh per year (80 square metres multiplied by 268 kWh per square metre per year).

The current Berlin AV-Wohnen does not take into account any special limits for the heating needs of "inappropriate" large flats within the waiting period. In practice, however, the absence of such a regulation is hardly noticeable: a reduction in "unreasonable" costs for heating and hot water usually takes place at the earliest after one year with the next heating bill, by which time the waiting period for accommodation costs has already expired (more on this in the next section).

#### 3.4 What happens if the individually reasonable accommodation and heating needs are exceeded?

If your gross rent (excl. heating and hot water) exceeds the review limit after the one-year waiting period has expired, or if your heating consumption values exceed your individually reasonable needs, the Jobcenter will send you a written request to reduce your accommodation costs, for example by subletting, moving house or saving energy.

## Different waiting periods in a community at need

If persons with different individual waiting periods live within a community at need, the cost reduction procedure raises questions that have not yet been clarified. For example, is it possible to reduce the share of accommodation costs for persons whose waiting period has already expired, while continuing to pay the full accommodation costs for other members of the same community at need whose waiting periods are still ongoing?

Some legal experts are of the opinion that, in the case of overlapping waiting periods for members of the community at need, the Jobcenter may only reduce its contribution to accommodation costs once the waiting period for the last person has expired. This is because if the Jobcenter were to cover only a smaller proportion of the accommodation costs for persons whose waiting period has already expired, there would be a risk to lose accommodation, even for persons in the community at need whose waiting period has not yet expired – but this contradicts the meaning and purpose of the waiting period , which is to protect the existing home (see, for example, Sven Schumann, in: Leitfaden SGB II/SGB XII – Bürgergeld und Sozialhilfe von A-Z, published by Harald Thomé, 2023/2024 edition, page 571, and Arbeitslosenprojekt TuWas (ed.), Unterkunfts- und Heizkosten nach dem SGB II, 2023/24 edition, page 100f.).

**Example:** A long-term partner who has previously earned a living through employment income moves in with her partner who is in need of assistance. The partner in need of assistance has been receiving citizen's benefit for six months. Assuming that they are in a marriage-like relationship and both are – taken together – in need of assistance, the waiting period for the partner who has moved in is six months "longer" than that of the other partner. A cost reduction procedure may only begin after the partner's waiting period has expired.

**Example:** The parents in need of assistance live with their 18-year-old son in their shared home. The waiting period for the three family members has already been running for six months when the son takes up a job for three months with an income that covers his needs and temporarily leaves the community at need. After that, the son returns to his parents' community at need. After the parents' waiting period has expired, the son's waiting period , which has been "extended" by three months, prevents a cost reduction request from being made.

## **Grace period**

If a written request to reduce costs is issued, your accommodation costs will only be covered to the previous extent for as long as it is "not possible or unreasonable" for you to reduce your costs (Section 22 (1) sentence 7 SGB II), but generally for a maximum of six months. Extensions of the grace period are possible for various reasons.

The six-month grace period *can* be extended to one year if *the Jobcenter* considers the *move* to be *uneconomical*. This is the case if the costs of the move exceed the savings achieved by the move. The next section, "Coverage of moving expenses", explains which moving costs can be included in the comparative calculation.

The six-month grace period must also be extended, several times if necessary, if you are unable to find "suitable" accommodation within the grace period despite proven intensive search efforts and a move is therefore *not possible* in the short term.

Our advice: In order to be able to extend the deadline, you should document your search efforts. The Jobcenter expects you to provide evidence of at least two efforts to find accommodation per week. Evidence includes, for example, written confirmation of receipt of an application for accommodation or an invitation to a viewing appointment from the landlord. For public viewings, make a note of the address of the flat, the name of the contact person for the flat, the date and time of the viewing; for telephone enquiries, make a note of the landlord's name, the date and time of the call and the name of the contact person for the flat.

If the Jobcenter determines that your heating energy consumption is "inappropriate", you will be asked to reduce your consumption, usually until the landlord's next annual heating bill or the energy supplier's invoice. Only if the next heating bill shows that you have not taken sufficient measures to reduce your heating energy consumption and individual reasons, such as illness, for exceeding the limit can be ruled out, will this lead to a reduction in your benefits.

## **Unreasonable cost reductions**

The Jobcenter will not reduce the costs it covers if this is *unreasonable in individual cases* (Section 22 (1) sentence 6 SGB II). The reasons for the unappropriateness of a cost reduction are not specifically defined in SGB II— with one exception. A variety of reasons are therefore possible.

The AV-Wohnen states: If the reference values for accommodation costs are "not significantly" exceeded, a reduction in the costs covered should be waived in certain cases of hardship (No. 7.1.4 (1) AV-Wohnen). This applies in the case of

- serious illness, disability or need for care on the part of the beneficiary or a relative living in the household, if the health restrictions make moving impossible or unreasonable,
- beneficiaries aged 60 or older who have lived in their accommodation for at least 10 years,
  if their future pension is expected to be high enough that no supplementary benefits from
  basic income support in old age and in the event of reduced earning capacity are necessary,
- single parents with two or more children, or

one-off or short-term assistance.

If the Jobcenter nevertheless intends to initiate a cost reduction procedure in these cases, the district social services or medical services must be involved in advance.

For citizens entitled to citizen's benefit who live in outpatient assisted living facilities or who receive care assistance in accordance with SGB XII, a cost reduction procedure may only be carried out in agreement with the responsible district office (No. 7.1.4 ( 2 AV-Wohnen).

Good to know: If your accommodation or heating costs are only considered "unreasonable" because a member of your household or community at need has died, it is *unreasonable to* reduce your accommodation costs for a period of at least one year from the (calendar) month following the death of the co-resident (Section 22 (1) sentence 9 SGB II).

#### The so-called cost reduction

If the reduction in cost coverage by the Jobcenter can no longer be avoided and the—possibly extended—waiting period has expired, the Jobcenter will only cover the costs for the previous flat at a "reasonable", i.e. reduced, amount.

The determination of the then still "reasonable" accommodation costs is made separately for the gross rent excluding heating and the heating costs, including central hot water supply if applicable.

If, for example, only your gross rent excluding heating costs exceeds your individual accommodation needs, the reduction to the relevant reference value will only apply to the gross rent (excl. heating and hot water). In addition to the reference value, the reduction may also take into account the public accommodation allowance the hardship surcharge and the climate bonus, but not the relocation avoidance surcharge. The heating and hot water costs recognised as "reasonable" will continue to be covered by the Jobcenter to the same extent as before.

In this case, additional payments for operating costs will only be covered for billing months prior to the conclusion of the cost reduction procedure. However, additional claims by the landlord relating to heating and hot water costs must continue to be reimbursed by the Jobcenter (No. 5.1.1 (2) AV-Wohnen).

If only the consumption values for heating exceed the individually reasonable need, only the heating costs covered by the Jobcenter will be reduced. Your actual heating costs will then only be covered on a pro rata basis, in accordance with the ratio of appropriate consumption as specified in <a href="Appendix 2">APPENDIVIDIAN (No. 7.1.2 (2) AV-Wohnen)</a>). The payment of any operating cost arrears remains unaffected by this.

If both the individually appropriate needs for accommodation and heating are exceeded, both cost areas will be reduced to the respective "reasonable" value.

If, for example, you are unable to reduce your accommodation costs by subletting or moving, you must cover the shortfall in your gross rent from the minimum subsistence level, i.e. from your standard or additional needs, or otherwise from the allowances to which you are entitled in the context of gainful employment. In this case, the so-called cost reduction procedure only means a *reduction in costs for the Jobcenter*.

Our advice: If the costs for your flat have already been limited to what is "reasonable" in the past (No. 15 AV-Wohnen), the Jobcenter is obliged to adjust the payments for your flat if the Senate Administration increases the reference values or limits. If the agency does not take action on its own initiative, you should submit a corresponding application to the Jobcenter yourself.

## **Accommodation cost gap**

According to the Federal Government, in 2023 there was a difference between the actual and the real reimbursed costs for accommodation and heating of 9.3 per cent of Berlin's communities at need on average, which was the case for 19,614 communities at need. The accommodation cost gap for these communities at need averaged 158.82 euros per month (see the Federal Government's response to the minor interpellation by The Left Party in the Bundestag on 2 August 2024, printed paper 20/12047, Table 1, all absolute figures are annual averages).

The accommodation cost gap is mainly due to underfunding of accommodation costs (gross rent excl. heating and hot water): 8.5 per cent or 17,902 of Berlin's benefit recipients did not have their actual accommodation costs reimbursed by the Jobcenter in 2023. In these cases, the gap in accommodation costs averaged 158.88 euros per month (see above, Table 2).

However, these figures may exaggerate the existing accommodation cost gap. The Federal Government points out that there are other reasons for the difference between actual and recognised accommodation and heating costs that cannot be statistically calculated. This may be the case, for example, if, due to partial commercial use of the flat, not all of the living space included in the actual costs is recognised as accommodation needs (see the Federal Government's notes on the statistics in printed paper 20/3018, page 2f.).

## Regulations of the State of Berlin for affordable rents

If you live in Berlin in public accommodation or an apartment owned by a municipal accommodation association, you may be eligible for assistance with your rental costs under one of the following Berlin state regulations.

#### Rent subsidy in Berlin's public housing sector

Tenants in publicly subsidised accommodation (1st subsidy channel) whose accommodation costs have been reduced in accordance with a cost reduction procedure can, upon application, receive a rent subsidy up to the amount of the gross rent that is no longer covered by the Jobcenter (Section 2 (5) and (10) of the Berlin Accommodation Act; Section 5 (2) of the Rent Subsidy Regulations 2022). There is a legal entitlement to the rent subsidy if the requirements are met. Applications are accepted by Investitionsbank Berlin, Mietzuschuss Sozialwohnungen, Bundesallee 210, 10719 Berlin, telephone: (030) 2125-4545.

Further information on the rent subsidy can be found at <a href="https://www.ibb.de/de/foerderprogramme/mietzuschuss-in-sozialwohnungen.html">https://www.ibb.de/de/foerderprogramme/mietzuschuss-in-sozialwohnungen.html</a>

## Rent reduction in municipal housing companies

Tenants in flats owned by state-owned accommodation associations in Berlin can refer to Art. 2 §§ 2, 3 Berliner Wohnraumversorgungsgesetz und die Kooperationsvereinbarung 2024 (Art. 2 §§ 2, 3 of the Berlin Accommodation Supply Act and the 2024 Cooperation Agreement) and apply for a review or reduction of their rent if their net cold rent exceeds 27 percent of their verifiable net household income and the income limits and reasonable living space limits applicable to a accommodation eligibility certificate are not exceeded (hardship provision). This provision applies regardless of whether you have gone through a cost reduction procedure at a Jobcenter or not.

The cooperation agreement between the State of Berlin and the state-owned accommodation companies also states, somewhat vaguely, that "the affordability of the rent is guaranteed for special needs groups and recipients of benefits under SGB II and XII".

The cooperation agreement applies to flats owned by the accommodation associations Degewo, Gesobau, Gewobag, Howoge, Stadt und Land, WBM Wohnungsbaugesellschaft Berlin-Mitte mbH and, to a limited extent, Berlinovo. The informal application for a rent review must be submitted directly to the respective accommodation association.

Further information on the Berlin cooperation agreement can be found in "Info 43: Accommodation Supply Act" published by the Berlin Tenants' Association.

Please note: The regulations are based on a voluntary commitment by the municipal accommodation companies. They do not establish any enforceable rights for tenants, but are supported by the political will of the Berlin state government (see Berlin Tenants' Association, "Info 43: Accommodation Supply Act", item 13).

## 3.5 What applies when renting new accommodation?

#### a) In principle, only reasonable accommodation needs

If you move while receiving citizen's benefit, the Jobcenters will generally only cover the costs of the new flat that are considered "reasonable".

This also applies to accommodation costs when moving during the waiting period . The purpose of the waiting period is to allow beneficiaries to keep the flat they had at the start of their benefit period for the duration of the waiting period . If you move during the waiting period , this protective purpose no longer applies (see, for example, <u>SG Munich of 13 February 2023 – S 13 AS 113/23 ER</u>). If you move during the waiting period , higher than reasonable accommodation costs can only be covered if the Jobcenter has agreed to cover the costs in advance (<u>Section 22 (4) sentence 2 SGB II) –</u> however, the Jobcenter rarely agrees to cover costs that are higher than reasonable.

To ensure that the Jobcenter covers the full – but no more than reasonable – accommodation costs for your new flat, you should obtain confirmation from the responsible Jobcenter that it will cover the new accommodation costs before signing the tenancy agreement. To obtain this confirmation, you must submit a specific flat offer from the landlord to the Jobcenter.

Please note: For moves within Berlin, the assurance that the new accommodation costs will be covered is issued by the Jobcenter from whose area you are moving away; for moves outside Berlin, it is issued by the Jobcenter in whose area you are moving to (see <u>information sheet "Responsibilities when moving house"</u>). If you move outside the city limits of Berlin, the provisions applicable at your new place of residence regarding the appropriateness of accommodation are decisive for the approval.

The Jobcenters are only obliged to grant and cover the new accommodation costs if the expenses for the new accommodation, including heating, are "reasonable" (Section 22 (4) sentence 3 SGB II).

Before granting approval, the Berlin Jobcenter will check whether the new **accommodation costs** (gross rent excl. heating and hot water) — apart from special cases — comply with the applicable reference value, taking into account any applicable allowances (public accommodation, climate bonus). For people in special circumstances, such as single parents or pregnant women, the hardship surcharge of ten percent of the reference value, including other allowances, should also be taken into account.

If you are homeless, at risk of homelessness or in a comparable accommodation situation, an allowance of 20 per cent or more to the basic reference value may be considered when renting a new flat (for more information, see section c) "New rental allowance in the event of existing or imminent homelessness").

You can find details of the maximum accommodation costs for new tenancies recognised by Berlin Jobcenters in Tables 3 and 4 ("New tenancies") in Appendix I.

The reference values for gross rent (excl. heating and hot water) often do not hold up in Berlin's social courts (see section 3.3 a) "What applies in court?" in this Chapter). Many social judges also base their decisions on the values from the housing benefit table plus a safety margin of 10 per cent (Table 13) when it comes to renting new accommodation.

The values according to Appendix 1 of the Housing Benefit Act, including the safety margin, are currently usually cheaper than the reference values for gross cold rents according to the AV-Wohnen when renting new accommodation. This also applies if a new rental allowance of 20 per cent is added to the reference values (excluding public accommodation) in cases of existing or imminent homelessness (more on this in section c). However, if the Jobcenter grants at least one additional allowance on top of the new rental allowance, for example for public accommodation or in cases of hardship, the values from the AV-Wohnen are more favourable for those looking for accommodation.

Good to know: An assurance that the new accommodation costs will be covered can be obtained through interim legal protection (e.g. SG Berlin of 9 February 2022 –  $\frac{S}{203}$  AS  $\frac{466}{22}$  ER; SG Berlin of 6 July 2022 –  $\frac{S}{203}$  AS  $\frac{3280}{22}$  ER; LSG Berlin-Brandenburg of 28 September 2023 –  $\frac{S}{203}$  B ER) – in the case of a move within Berlin, the change of residence must also be "necessary" (more on this in the following section).

Our advice: If your accommodation offer is rejected by the Jobcenter because the gross rent (excl. heating and hot water) is "too expensive", we advise you to seek legal advice before going to court due to the difficult legal situation.

In principle, the costs for heating, including hot water if applicable, must also be checked for appropriateness before approval is granted. The Senate Administration responsible for social affairs is currently taking a different approach. Since tenants have very limited influence when renting a new property, "the calculation of the monthly advance payments for heating costs submitted by the landlord in accordance with the provisions of the Heating Costs Ordinance must be used as a basis" (No. 3.3.2 (2) AV-Wohnen). This means that monthly heating cost payments calculated by the landlord in accordance with the law should initially be accepted by the Berlin Jobcenters. A review of the appropriateness of the heating costs should then be carried out, usually after the first heating bill has been submitted, when the actual consumption figures for heating are available.

The disadvantage of this regulation is that beneficiaries who rent a new flat run the risk of receiving a cost reduction request from the Jobcenter after moving if the limits are exceeded, and "unreasonable" heating costs will no longer be covered in future.

## b) Unnecessary move

If you move within Berlin while receiving citizen's benefit and your accommodation costs increase as a result, the move must be "necessary". This means that you must provide a comprehensible reason for the move. Reasons include separation from your spouse, starting a family or family reunification (see No. 8.1, paragraphs 2 to 7 of AV-Wohnen).

If the Jobcenter considers the move to be "unnecessary", it will only cover your accommodation costs up to the amount of your previous gross rent (incl. heating and hot water) (Section 22 para. 1 sentence 6 SGB II) after the move, provided that this was "reasonable". This also applies to an unnecessary move during the waiting period. Under no circumstances may the Jobcenter completely stop payments for

your flat because you have moved to a more expensive flat.

The so-called capping of accommodation costs at the gross rent of the "old" flat must be lifted if the need for assistance is overcome due to a living wage for at least one calendar month (see BSG of 9 April 2014 – B 14 AS 23/13 R, section 19ff.; No. 3.3.3 AV-Wohnen) or if the size of the community at need changes at a later date (see No. 8.1 (9) AV-Wohnen). If the cap remains in place, the accommodation costs must be adjusted or increased on a regular basis in line with factors determined by the Senate Department for Social Affairs (see BSG of 29 April 2015 – B 14 AS 6/14 R, paragraph 29).

**Our advice:** You can also provide evidence retrospectively that the move was necessary. If you are successful, the limit on the previous rent will no longer apply and the current—maximum reasonable—accommodation costs will be covered.

**Good to know:** The limitation of accommodation costs to the previous rent in the case of a non-necessary move is not permissible in the case of a move between different accommodation markets, i.e. also in the case of a move to Berlin or a move from Berlin to another city (BSG of 1 June 2010 - B 4 AS 60/09 R).

#### c) New rental allowance for existing or imminent homelessness

Homeless people or those at risk of homelessness are granted a 20 percent allowance on the reference value for reasonable gross rent (excl. heating and hot water) when renting a new flat on the "open" accommodation market if this is the only way to end or prevent accommodation in more cost-intensive facilities (see No. 3.4 AV-Wohnen).

Persons who are accommodated in shared accommodation, hostels, guesthouses and similar accommodation, with or without a refugee background, or women who are at risk of domestic violence and have to leave their previous home, are also considered "homeless" or "at risk of homelessness".

The allowance applies to new tenancies in public accommodation, but is always calculated on the basis of the standard reference value (not the increased reference value for public accommodation). It can also be combined with the climate bonus and the hardship surcharge, for example for pregnant women or single parents. For persons who require barrier-free accommodation, individual reference values always apply (see section 3a of this Chapter, "Special accommodation needs for individual groups of persons").

If homeless people or people at risk of homelessness, especially households with children, are unable to find suitable accommodation with the help of the new rental allowance within six months despite an intensive search for accommodation, the reference values for reasonable gross cold rents may be exceeded by more than 20 per cent in individual cases. The prerequisite for this is that renting accommodation is more economical than providing shelter (see <u>circular on economic efficiency calculations</u>) and that the specialist agency for accommodation emergencies or public accommodation assistance in the district where the accommodation is located agrees. What constitutes an "intensive search effort" is described in section 3.4 of this Chapter. The regulation, which is limited until the end of 2029, does not apply to communities at need that are accommodated in accommodation-like accommodation, for example in <u>modular accommodation</u> for refugees.

### d) Moving out of the parental home for those under 25 years of age

Persons under the age of 25 who move out of their parents' household into their own flat without prior assurance of cost coverage by the Jobcenter do not receive benefits for accommodation and heating. As a rule, they are only granted this assurance if they can no longer be referred to their parents' flat for serious reasons. These include, for example, domestic violence or being "kicked out" of the parental home. However, a commitment to cover the costs is made if moving out is necessary due to taking up employment or training (Section 22 (5) SGB II; No. 8.1 (8) AV-Wohnen).

## e) Coverage of moving costs

The costs associated with a move (moving costs and costs of finding accommodation, including rent deposit) *are* to be covered by the Jobcenter if the move is requested by the Jobcenter or is necessary for other reasons. The costs must be covered if the costs for the new flat are reasonable and the move is "necessary" (see letter b) or – from the point of view of a self-payer – is for understandable reasons. If one of these conditions is not met, it is at the discretion of the Jobcenter whether it will cover the moving costs.

A prerequisite for the assumption of relocation costs is that the Jobcenter has given its *prior* approval, i.e. before the new tenancy agreement is concluded. If *prior* approval is not obtained, relocation costs will not be covered (Section 22 (6) SGB II).

In Berlin, the following moving costs in particular are covered (see Nos. 8.2, 8.3 and 9 AV-Wohnen):

- in the case of a self-help move, the costs of a rental vehicle including moving boxes and meals for persons assisting with the move (30 euros per person for up to four persons, depending on the size of the household),
- the costs of moving with a removal company if it is not possible to move independently, for example for single parents or due to age, disability or orthopaedic reasons (a medical certificate is required for this),
- unavoidable double rent payments (usually for one month),
- reasonable costs for necessary renovations in the flat if the renovation is owed under the tenancy agreement during the term of the tenancy or upon moving out and the tenancy clause is not invalid, for example, due to rigid deadline regulations. As a rule, the renovations must be carried out by the tenant themselves,
- the costs of renovating the new flat if the renovation brings it up to the standard of a flat in the lower accommodation segment (e.g. purchase of simple floor covering) and a renovated living space is not offered,
- other move-related costs, for example for the provision of a new telephone and internet connection or for a mail forwarding request, and
- the deposit up to the amount of three net cold rents (also for subletting) and the costs for
  cooperative shares, usually up to the amount of three gross rents, if they cannot be paid from
  protected assets or are not paid out from the previous tenancy agreement. These benefits are
  usually only provided on a loan basis. To repay the interest-free loan, the Jobcenter will retain
  five per cent of your standard allowance each month for as long as you are receiving benefits.

The Jobcenter that was previously responsible will issue a guarantee to cover the relocation costs. For relocations within Berlin, this also applies to the guarantee for the rental deposit and cooperative shares. The new Jobcenter will then take over the approval and payment of the rental deposit and cooperative shares (see <u>information sheet "Responsibilities when changing residence"</u>). For moves from Berlin or to Berlin, the new Jobcenter must guarantee the required rental deposit.

#### 3.6 What else is important when it comes to accommodation?

#### a) Membership in a tenants' organisation

The Jobcenter usually covers the membership fees for a tenants' association for two years if it confirms that there is a need for advice on tenancy law. Advice may be required, for example, in the event of rental defects such as mould in the flat, modernisation measures, termination of tenancy agreements, rent increases or additional operating or heating costs claimed by the landlord or energy supplier. This applies in particular if there are doubts about their civil law validity.

You will then receive a cost coverage certificate from the Jobcenter, which you must present to a tenants' organisation cooperating with the State of Berlin (see No. 10 AV-Wohnen).

If you are already a member of one of the tenant organisations cooperating with the State of Berlin, the membership fee can also be covered by the Jobcenter. The membership fee will then be reimbursed to you directly by the Jobcenter.

#### b) Rent and energy debts

Rent debts *are* generally to be covered by the Jobcenter as a loan if this is "*justified and necessary*" for recipients of citizen's benefit in order to secure "adequate" accommodation and prevent homelessness, for example if this is the only way to avert an eviction order or avoid imminent eviction. Even the termination of the tenancy agreement can justify the assumption of rent debts if the landlord makes the continuation of the tenancy dependent on the assumption of the debts (see LSG Berlin-Brandenburg of 19 June 2023 - L 18 AS 512/23 B ER).

The same applies to energy debts if there is a threat of the electricity, water or heating supply being cut off due to arrears in payment (Section 22 (8) SGB II) (see also Chapter 7, Section 2.2 "Loans in cases of unavoidable need").

Our advice: If you receive a reminder from your landlord about rent arrears or even a termination of your tenancy without notice, you should immediately contact an <u>independent advice centre for people in accommodation distress</u> or the <u>public accommodation assistance services</u> at the social welfare offices. In the case of rent arrears, the Jobcenter will inform the public accommodation assistance service in your district. In the case of energy debts, you can contact the <u>energy debt counselling service</u> of the Berlin Consumer Advice Centre.

## c) Berlin Hardship Fund for Energy Debts

To prevent and eliminate energy cut-offs, the state of Berlin has set up a "Hardship Fund for Energy Debts" for low-income households in Berlin. Since last year, citizens receiving social assistance are generally no longer entitled to benefits from the Hardship Fund if the energy supplier threatens to cut off the electricity or heating supply or does so. In the event of energy debts and energy cut-offs, assistance from the Jobcenter should be sought.

According to information from the Senate Department for Labour, Social Affairs, Equality, Integration, Diversity and Anti-Discrimination, if the Jobcenter refuses to cover energy debts (a notice of refusal must be available) *and* there is a threat of or actual energy disconnection, and if the other eligibility requirements are met, it is at the discretion of the approving authority "after examining the circumstances of the individual case" (Section 3 of the funding guidelines).

Applications for cost coverage from the "Hardship Fund for Energy Debts" can be submitted online as

a matter of priority. Further information can be found on the website . www.berlin.de/sen/soziales/soziale-sicherung/haertefallfonds-energieschulden/

Good to know: In cooperation with the Paritätischer Wohlfahrtsverband (Parity Welfare Association), Tacheles e. V. provides information and sample applications on the website <a href="www.energie-hilfe.org">www.energie-hilfe.org</a> to help you apply for citizen's benefit, housing benefit or other social benefits if you are unable or find it difficult to pay the high heating costs. Further information on the subject of energy can be found in Chapter 19, Section 9, "Energy Advice".

# **Chapter 6 | How are recipients of citizen's benefit insured?**

## Health and nursing care insurance

If you are a person capable of gainful employment and receive citizen's benefit pursuant to <a href="Section 19">Section 19</a>
(1) sentence 1 SGB II (formerly: unemployment benefit II), you are generally covered by statutory health insurance (Section 5 (1) No. 2a SGB V) and social care insurance (Section 20 (1) sentence 2 No. 2a SGB XI). Children aged 15 and over are considered capable of gainful employment and are also subject to compulsory insurance. They become independent members of a statutory health insurance fund, which they are free to choose.

Contributions to statutory health and long-term care insurance for those who are compulsorily insured are paid by the Jobcenter alone and transferred directly to the health insurance fund. This also applies to the individual additional contribution to statutory health insurance.

The following persons, for example, are not covered by compulsory health insurance due to their receipt of citizen's benefit

- Citizen's benefit as a loan or only benefits for initial equipment in accordance with <u>Section 24</u>
   (3) sentence 1 SGB II (more on the subject of initial equipment in Chapter 7) (<u>Section 5 (1) No. 2a SGB V</u>) or
- Persons who recently
  - o were privately health-insured (Section 5 (5a) Alt. 1 SGB V) or
  - were not covered by either statutory or private health insurance, i.e. had no health insurance cover, and are self-employed as their main occupation; this also applies as a rule if the self-employment was carried out abroad (<u>Section 5 (5a) Alt. 2 SGB V</u>), or
- receive citizen's benefit for persons unable to work pursuant to Section 19 (1) sentence 2 SGB II (formerly: social assistance).

Children under the age of 15 and married persons who are not capable of gainful employment and are entitled to benefits are generally entitled to free family insurance (Section 10 SGB V) if their parents or spouses are covered by statutory insurance. The application for family insurance must be submitted to the responsible health insurance fund.

Beneficiaries who are not required to pay insurance contributions because they receive citizen's benefit and are not covered by family insurance are often entitled to a monthly "subsidy for health and long-term care insurance contributions" (Section 26 SGB II) from the Jobcenter.

Persons who receive citizen's benefit only as a loan and therefore voluntarily take out statutory health and nursing care insurance receive the subsidy on a loan basis (see SGB II knowledge database, <u>article:</u> Conversion of a loan into a subsidy ...).

The subsidy is also available to persons who become in need of assistance *solely* on the basis of their contributions to health or nursing care insurance.

**Example:** Ms F. and her unemployed partner, whose unemployment benefits from unemployment insurance are coming to an end, live in a cohabiting relationship. Ms F. earns just enough as an employee that she and her partner are not in need of assistance. As family insurance () is not possible for Ms F.'s partner, she must also pay his contributions to voluntary health insurance. If the joint household becomes in need of assistance solely as a result of paying these contributions, it will receive a subsidy for the insurance contributions upon application. The subsidy is paid in the amount necessary to avoid the need for assistance.

#### Subsidy for persons with private health and long-term care insurance

Beneficiaries who were last privately insured before receiving citizen's benefit are exempt from statutory health and long-term care insurance during the period in which they receive citizen's benefit for beneficiaries who are capable of working (Section 5 (5a) SGB V). They remain subject to compulsory health and long-term care insurance with a private insurance company (Section 193 (3) VVG, Section 23 SGB XI).

Jobcenters only take into account the costs up to half of the contribution in the so-called basic tariff as a requirement for **private health insurance** (Section 26 (1) sentence 1 and (2) sentence 1 number 2 SGB II). In 2025, this will be a maximum of 465.81 euros per month (2024: 421.76 euros). The basic tariff is based on the scope of benefits provided by statutory health insurance. The amount of the contribution in the basic tariff is determined individually for each insured person and may not exceed the average maximum contribution to statutory health insurance.

Good to know: Insurance companies are obliged to offer their members who are in need of assistance within the meaning of SGB II or who become in need of assistance due to the payment of a health insurance contribution in the amount of the individual basic tariff half of the contribution in the basic tariff (Section 152 (4) VAG). To prove your need for assistance, submit confirmation from the Jobcenter to the–private insurance company certifying that you would be in need of assistance without this reduction.

A subsidy for private health insurance in the amount specified will also be paid if you do not switch to the basic tariff. However, if your current tariff is cheaper than half the basic tariff, this will be the upper limit for the subsidy.

Good to know: If you switched to the basic tariff after 15 March 2020 due to need for assistance – or to avoid need – you have the right to return to your original tariff without having to undergo another health check with the risk of an increase in contributions. The condition is that you must overcome your need for assistance within two years of switching to the basic tariff and notify the insurer in writing of your wish to return to the old tariff within a period of three months thereafter (Section 204 (2) VVG).

The Jobcenter will cover up to half of the maximum amount of private nursing care insurance contributions (Section 26 (3) sentence 1, (4) sentence 1 number 2 and sentence 2 SGB II). In 2025, this will be up to 99.23 euros per month (2024: 87.98 euros). Insurance companies may only charge a contribution of this amount if privately insured persons are insured under the basic tariff and their contribution has been reduced on the grounds of need (Section 110 (2) sentences 3 and 4 SGB XI). If the health insurance cover is not provided under the basic tariff, the Jobcenter will still only grant a subsidy of up to half the maximum contribution. If the tariff you currently pay for private nursing care insurance is lower, this will be the upper limit for the subsidy.

The subsidies for private health and nursing care insurance are paid directly by the Jobcenter to the private insurance company (Section 26 (5) SGB II).

## **Accident insurance**

Persons who claim SGB II benefits and visit the Jobcenter in response to a request to register are insured against accidents on their way there. This also applies to the way back home and at the Jobcenter itself (Section 2 No. 14 SGB VII).

Statutory accident insurance also applies if the persons concerned visit another location at the request of the Jobcenter, for example

- attend an appointment with the medical service,
- participating in a labour market policy measure sponsored by the Jobcenter at an institution, for example, vocational training (including the journey from home to the training centre and back), or
- attending a job interview with an employer.

#### **Pension insurance**

Since 1 January 2011, no pension insurance contributions are payable when receiving unemployment benefit II (Alg II) or citizen's benefit.

However, periods during which Alg II and citizen's benefit are received by persons who are capable of working may, under certain conditions, be taken into account as credit periods (Section 58 of the Sixth Book of the Social Code (SGB VI)) in the statutory pension insurance scheme. Creditable periods can help you to fulfil waiting or qualifying periods for certain statutory pensions, such as the old-age pension for severely disabled persons or the old-age pension for long-term insured persons, or to avoid losing a possible future entitlement to a pension due to reduced earning capacity.

Periods of receiving unemployment benefit II (Alg II) or citizen's benefit in the form of a loan, for example, do not count as credit periods.

Good to know: If your application for citizen's benefit is rejected by the Jobcenter due to a lack of need for assistance and you are unemployed, the periods of unemployment without benefits can also be taken into account as creditable periods in the statutory pension insurance scheme (Section 58 (1) sentence 1 no. 3 SGB VI). To do this, register as unemployed with your local employment agency immediately after your application for citizen's benefit has been rejected. However, simply registering is not enough. If necessary, you must also be able to prove to the pension insurance fund that you have actually sought employment subject to social insurance contributions and have complied with the placement efforts of the employment agency (see, for example, LSG Baden-Württemberg of 22 February 2024 – L 10 R 612/20, marginal number 24).

# Chapter 7 | What other benefits are available to secure your livelihood?

In addition to citizen's benefit, you will receive further benefits to secure your livelihood if the requirements for these benefits are met.

#### 1. Education and participation (BuT)

Benefits for education and participation (BuT) are intended to facilitate access to education for children, adolescents and young adults from families in need of assistance and enable them to participate in the social and cultural life of the community. As a rule, there is a legal entitlement to these benefits.

Children, adolescents and young adults who are not entitled to citizen's benefit due to their own income or the income of their parents living in the same household, but who are in need of assistance under SGB II due to their BuT needs (Section 7 (2) sentence 3 SGB II). are also entitled.

Good to know: BuT benefits are considered applied for as soon as you have submitted your application for citizen's benefit. During the approval period, you then only need to submit the relevant documents and evidence so that the BuT benefits can be approved retrospectively by the Jobcenter. Exception: You must apply separately for supplementary learning support (Section 37 (1) SGB II).

Benefits for education (section 1.2) and for social participation (section 1.3) can be provided in the form of goods and services, direct payments to the providers of services or cash benefits to those entitled to benefits. The respective local authority is free to decide in which form it provides the benefits (Section 29 SGB II).

In Berlin, the implementing regulations on the granting of benefits for education and participation (<u>AV-BuT</u>) implement the legal requirements of <u>Sections 28 to 30 SGB II</u>.

#### 1.1 Berlin Pass BuT

In most cases, your child will need the Berlin Pass BuT from the Jobcenter in order to claim BuT benefits. To obtain the pass, simply present a certificate from the Jobcenter confirming your child's attendance at a daycare centre, a childcare contract for daycare, a school certificate or a Schülerausweis I (student ID card).

The Berlin Pass BuT is usually valid for the duration of the citizen's benefit approval period. It is extended when the benefit is reapproved.

Good to know: Holders of the Berlin Pass BuT can also obtain reduced or even free admission to swimming pools, museums and other events in Berlin. To take advantage of these benefits in Berlin, you must present either the Berlin Pass BuT without a passport photo together with an identity document, such as a student ID card, or the Berlin Pass BuT with a passport photo.

Forms that must be completed by the school, daycare centre or childminder can be found on the website of the Senate Department for Education, Youth and Family Affairs: <a href="https://www.berlin.de/sen/bjf/hilfe-und-unterstuetzung/bildungspaket/">www.berlin.de/sen/bjf/hilfe-und-unterstuetzung/bildungspaket/</a>

#### 1.2 Benefits for education

The following benefits for education are available

- children in need of assistance who attend a daycare centre or are in daycare, and
- schoolchildren in need of assistance up to the age of 25 who attend a general or vocational school and do not receive any training allowance. General and vocational schools include all schools and measures listed under letter A, number 5 AV-BuT.

## a) One-day nursery or school trips

- Parents or guardians must present the Berlin Pass BuT for their child at the daycare centre or school. The daycare centre or school will then cover the costs of the trip and settle them with the youth welfare office or school authority.
- Parents of children in day care initially bear the costs of the trip themselves. They submit the
  expenses confirmed by the childcare provider on a form to the Jobcenter and receive a
  reimbursement.

Admission and participation fees as well as travel costs are eligible for reimbursement for one-day trips, but not meal costs and pocket money.

#### b) Multi-day nursery or school trips

- For trips organised by the nursery or daycare centre, you must have the planned trip (time, destination, costs) confirmed on a form by the nursery or daycare centre. You then submit this proof to your Jobcenter. The Jobcenter will transfer the payment to the nursery or daycare centre.
- For school trips, the teacher responsible at the school must confirm the details on a form. You then submit the proof to the Jobcenter. The money is transferred to the teacher's travel account at public general and vocational schools; at other schools, the benefit can be paid to the person entitled to it or to their representative.

The costs of travel, accommodation, meals (not pocket money) and joint events are particularly eligible as expenses for trips lasting several days.

**Good to know:** If you have already paid for one or more days of travel, for example, if the processing of the application takes too long through no fault of your own and the children do not yet have a Berlin Pass BuT, the Jobcenter will reimburse you for the expenses. At the time of the "justified self-help", *all* requirements for the relevant BuT needs must be met (Section 30 SGB II; Letter D Number 4 AV-BuT).

#### c) Personal school supplies

For pens, notebooks, watercolours or school bags, the Jobcenter provides a lump sum of 195 euros in 2025, of which 65 euros is payable on 1 February for the second half of the 2024/25 school year and 130 euros is payable on 1 August for the first half of the 2025/26 school year (Section 28(3) SGB II; Section 34(3) SGB XII and Annex to Section 34). (Section 28 (3) SGB II; Section 34 (3) SGB XII and Annex to Section 34).

The prerequisite is that your child is attending school on the respective reference date and is entitled to benefits. Children who are entitled to benefits also receive the school package if they are enrolled in a school for the first time or re-enrolled after the start of the school year.

The cash payments are paid to those entitled to benefits and adjusted annually in line with the increase in standard rates (Section 34 (3a) SGB XII).

## d) Lunch in daycare, childcare and school

For children, adolescents and young adults who are eligible for benefits, *communal* lunch at school, after-school care, daycare or childcare is free of charge if it is offered there and the child participates. As the communal nature of the event is important, there is no cost coverage for individual purchases of food and drinks.

To prove eligibility, the Berlin Pass BuT must be presented at the daycare centre (for daycare children), the youth welfare office (for children in childcare) or the provider of the school lunch (caterer).

**Please note:** The state of Berlin provides free school meals as a voluntary service for *all* children in the first six grades. In this case, there is no need for BuT benefits and the Jobcenter will not cover the costs of communal lunch.

## e) Supplementary learning support

Schoolchildren with a Berlin Pass BuT receive supplementary tuition or schoolwork assistance in addition to school lessons if they would otherwise be unable to achieve essential learning objectives, such as leaving school, moving up to the upper secondary school or acquiring sufficient individual language skills. In order to receive learning support, it is not necessary for your child to be at risk of failing to move up to the next class.

Affected schoolchildren must present their Berlin Pass BuT and the completed supplementary form for supplementary learning support at school. The school will review the application, confirm the need for supplementary support and approve the service.

Payment is made directly by the school or the school authority to those providing the support lessons. You do not have to pay anything yourself.

If the school rejects the request for support on professional grounds and the person entitled to benefits does not agree with this decision, the Jobcenter will issue a rejection notice. An appeal against this decision can be lodged with the Jobcenter.

Please note: A separate application must be submitted to the Jobcenter for supplementary learning support (Section 37 (1) sentence 2 SGB II).

## f) School transport

The costs of school transport for schoolchildren in need of assistance are covered by the State of Berlin either as a mandatory benefit under the BuT benefits or as a voluntary benefit.

As a voluntary benefit, the State of Berlin grants *all* Berlin schoolchildren, including those who are not in need of assistance

- schoolchildren with a pupil ID card I (general education schools and vocational schools with full-time education in tariff area AB),
- children aged 6 and over who do not yet attend school, and
- children and young people without a school place but who are of school age

the free student ticket for fare zone AB. If this covers the need for school transport, no BuT benefits will be granted.

The personal ticket is issued as a "fahrCard" chip card. It can only be ordered online at <a href="https://www.BVG.de/schuelerticket">www.BVG.de/schuelerticket</a>. To do this, you must upload a photo and the child's Student ID Card I, among other things. For children aged 6 and over who do not yet attend a Berlin school, you can upload the school's admission notice, school assignment or deferral notice from a Berlin authority, for

example. The "fahrCard" will then be sent to you by post. The "fahrCard" entitles you to take a bicycle with you free of charge.

All other Berlin schoolchildren can have their actual expenses for school transport reimbursed as part of the benefits for education and participation if they are eligible for benefits under SGB II. The length of the journey is irrelevant (see <a href="letter B">letter B</a>, <a href="number 4">number 4</a>, <a href="paragraph 5">paragraph 5</a> AV-BuT</a>). Attendance at school must be proven by presenting a school certificate or a letter of acceptance from the school or educational institution.

As a rule, these schoolchildren can use the Berlin-Ticket S, which is offered by BVG and S-Bahn at a monthly price of 19 euros for fare zone AB. Further information on the Berlin-Ticket S can be found in Chapter 18, Section 4, "Social ticket and more".

The Berlin Jobcenters also cover higher costs for school, for example for a season ticket in the ABC fare zone or for the – in some cases cheaper – Germany-wide ticket if this is necessary to get to school (for more information, see <a href="Letter B">Letter B</a>, number 4, paragraphs 9 to 12 of the AV-BuT). Please submit a school certificate and the travel pass to your responsible Jobcenter.

## 1.3 Benefits for social participation

The benefits for participation in social and cultural life in the community are available to children and young people in need of assistance until their 18th birthday. The benefits are intended to support shared experiences with other children and young people (<u>Bundestag printed paper 17/3404</u>, page 106).

#### a) Participation in community activities in culture, sports and leisure

For children and young people who are eligible for benefits, expenses for membership in sports, games, cultural and social clubs, for music lessons, comparable courses or activities of cultural education, and for participation in leisure activities are covered. The costs for the "Superferienpass" (super holiday pass) are also covered by the Jobcenter if the pass is issued directly by the Youth Culture Service. This benefit is an entitlement.

The amount of the subsidy is *a lump sum* of 15 euros per month per child, regardless of the actual costs incurred. The prerequisite is that the child participates in one of the activities mentioned and that costs are incurred for this reason. The amount for the approval period, i.e. a maximum of 180 euros, can be paid in a lump sum, for example to participate in a leisure activity. The provider gives the children or young people proof of the type of activity and the costs. Those entitled to the benefit then submit this to the Jobcenter and the benefit is paid into their account.

## b) Purchase of equipment

Further expenses *may* be covered (at discretion) if they are related to participation in eligible activities in the areas of culture, sport and leisure. This includes the costs of purchasing or renting necessary equipment, such as football boots or musical instruments. One-off registration fees, for example for a sports club, may also be covered within the budget.

The budget available for purchasing or renting equipment is up to 15 euros per month, minus a personal contribution. The personal contribution is set at 2.50 euros per month for the approval period, which, in simple terms, must be financed from the standard allowance. If the 15 euros lump sum for participation in community activities (see section 1.3 a.) is not used in full, the unused portion of this subsidy is additionally counted as a personal contribution.

The use of a personal contribution from the standard needs allowance of 2.50 euros per month is generally not required in cases of hardship. Hardship is generally assumed in the case of families with several children, pregnant women or single parents, as well as in the case of loan repayments or indebtedness of the benefits community. In addition, as a rule, no personal contribution from the standard allowance shall be taken into account if the expenses for the participation activity (section a) and for the purchase of equipment, rental fees or registration fees (section b) exceed 17.50 euros per month and it is therefore no longer reasonable to expect a personal contribution from the standard needs allowance (see <u>letter B</u>, number 5.3, paragraph 2 of the AV-BuT).

The amount of support for the purchase of equipment can be paid in a lump sum or divided into several amounts after deduction of the personal contribution for the entire approval period. This amounts to up to 150 euros (180 minus 30 euros personal contribution) in an approval period of one year after deduction of the personal contribution. Payment is usually made retrospectively to the beneficiaries upon presentation of invoices or receipts. Several different purchases may be made. The benefits shall also be granted if the total costs exceed the amount available in the approval period.

#### c) Reimbursement of travel costs

In addition, there is a *legal entitlement* to reimbursement of travel costs for social and cultural activities (<u>decision of the Federal Constitutional Court of 23 July 2014</u> – 1 BvL 10/12, margin number 132). For schoolchildren, the need for travel to the participation programme will normally already be covered by free school transport. In other cases, in particular for non-schoolchildren, the travel costs described in section 1.2 f) shall be covered as participation costs.

For activities outside the ABC fare zone, there is an entitlement to a subsidy for travel costs of up to 15 euros, which can be paid monthly or in a lump sum within the approval period. In this case, the AV-BuT may provide for a financial contribution from the persons entitled to benefits. The personal contribution to travel costs is determined solely by the unused portion of the subsidy for participation in community activities (see section 1.3 a). A personal contribution is therefore not required if the 15 euros lump sum for participation in community activities has been fully utilised by the beneficiary.

Good to know: If you have any questions about applying for education and participation benefits, you can also contact the BuT advice centre funded by the Berlin Senate. Advice is available in several languages. You can also find an overview of Berlin's BuT benefits at https://butberatung.de/.

## 2. One-off benefits

In addition to ongoing needs, basic income support for jobseekers also takes into account one-off needs for securing a livelihood. These are, in particular, needs for various initial equipment (section 2.1) and loans for unavoidable needs (section 2.2).

**Please note:** The following one-off benefits must always be applied for *separately*. You must submit the application before making the purchase (<u>Section 37 (2) sentence 1 SGB II</u>).

## 2.1 Benefits for initial equipment

Beneficiaries are entitled to the following under <u>Section 24(3) SGB II</u>:

- Initial furnishings for the home, including household appliances,
- · initial clothing and initial equipment for pregnancy and childbirth, and
- purchase and repair of orthopaedic shoes, repair of therapeutic devices and equipment, including rental of therapeutic devices.

The benefits are granted as non-repayable grants.

According to the legislator, a need for "initial equipment" exists if the need arises for the first time or at least again due to exceptional circumstances. This is to be distinguished from the replacement of existing items that have become defective or otherwise unusable (see section 2.2 "Loans for irrefutable needs" in this chapter).

**Good to know:** You can also receive benefits for initial equipment if you are not currently receiving benefits from the Jobcenter because your income is just above the minimum subsistence level but you are unable to cover upcoming major purchases, for example for the birth of a child, entirely from your own income or assets. In this case, your income *may* be taken into account for a period of up to six months after the decision on the application.

The one-off benefits under Section 24(3) of SGB II are regulated in more detail in Berlin in <u>Circular Soz No. 06/2017</u> on the implementation of Section 24(3) Nos. 1 and 2 of SGB II and Sections 31(1) Nos. 1 to 3 and 27b(2) of SGB XII. Most benefits are granted as lump sums.

## a) Initial furnishings for the home

Benefits for initial furnishing of the home are granted in Berlin in the following situations, among others:

- when moving into a new home for the first time, for example, young adults who move out of their parents' home after prior approval from the Jobcenter,
- if a significant part of the furniture has been destroyed or rendered unusable as a result of water damage, a fire in the home or pest infestation any claims against insurance companies or third parties for damages will be examined beforehand, if applicable
- when moving into a new flat after a long period of imprisonment,
- moving out of a sublet, or
- when moving into a new flat after separation from a spouse or partner.

The need for initial furnishing of the apartment may relate to complete furnishing or individual items. The purchase of the following items may be considered, for example: washing machine, refrigerator, vacuum cleaner, radio (not television), cupboards, tables, chairs, beds, carpet, curtains, etc. The specific need must always be proven.

Entitlement is limited to basic "standard" furnishings. Benefits may be granted in the form of cash or non-cash benefits, for example vouchers for furniture storage. The scope of cash benefits is regulated in the aforementioned circular from the Senate Administration under No. I.2 and in <u>Annex 1 to Circular Soz No. 06/2017</u>.

In the event of a move, the previous Jobcenter will issue the decision on the initial furnishing of the home and grant the benefits. Only in exceptional cases should the application be submitted to the new Jobcenter if the need for initial furnishing only becomes apparent after the move to the new home and after the change of responsibility has taken effect (see <u>information sheet "Responsibilities when changing residence"</u>).

## b) Initial provision of clothing and in the event of pregnancy and childbirth

In special situations, for example after a house fire, homelessness or severe weight loss due to illness, the Jobcenter grants benefits for <u>initial clothing</u> (No. I.3 of Circular Soz No. 06/2017 and the associated

Annex 2). Initial clothing is also provided to persons who, prior to being granted asylum, received no or only partial clothing assistance from the State Office for Refugees (LAF).

The benefits are often granted in the form of a lump sum for summer clothing and a lump sum for winter clothing. The total lump sum ranges between 376 euros and 393 euros, depending on the age of the person. For beneficiaries who are significantly overweight and require larger sizes, the lump sums may be increased by up to 10%.

Pregnant women and mothers currently receive the following lump sums in Berlin:

- 260 euros for maternity clothing,
- 531 euros for baby equipment,
- 100 euros for a pram with mattress,
- 100 euros for a cot with mattress, and
- 20 euros for a highchair.

From the second pregnancy onwards, a check is made to see whether the relevant clothing or initial equipment is still available so that the need is fully or partially covered.

Our advice: Pregnant women and families *can* receive additional benefits (at discretion) from the "Stiftung Hilfe für di Familie" (Foundation for Family Assistance) to supplement their citizen's benefit. Please enquire at the advice centres for pregnant women and families listed here.

## c) Orthopaedic shoes and therapeutic devices

Benefits for the purchase and repair of orthopaedic shoes and therapeutic devices and equipment, such as hearing aids or prostheses (No. I.4 of the circular), are primarily to be covered by the health or nursing care insurance funds or the rehabilitation provider. The entitlement to benefits is then limited to the personal contribution to be paid by the beneficiary.

Good to know: According to the highest court ruling, the repair of therapeutic devices also includes the repair of glasses (see decision of the Federal Social Court (BSG) of 25 October 2017 - B 14 AS 4/17 R).

## 2.2 Loans in cases of irrefutable need

The Jobcenters will cover other one-off needs to secure a livelihood *as loans* under the following conditions (Section 24 (1) SGB II). Only one-off needs that

- are already included in the standard need but, due to their extent, exceed the beneficiary's ability to pay and
- are unavoidable under the circumstances of the individual case.

An additional need is considered "unavoidable" if it must be met without delay and its scope does not allow it to be offset by savings in other areas of the beneficiary's lifestyle. Before a loan is granted, applicants must use their assets, with the exception of, for example, protected retirement assets (Section 42a (1) sentence 1 SGB II).

Typical examples of one-off needs in this sense are the replacement or repair of electrical appliances, such as washing machines or refrigerators, or the purchase of medically prescribed glasses in the lower price range. It is also possible to cover additional payments for household energy (electricity for lighting, cooking or electrical appliances, but not for hot water). The benefits can be granted in cash or in kind.

This does not include the purchase or repair of a motor vehicle, as these costs are not part of the standard rate.

Repayment of the interest-free loan usually begins in the month after it is paid out. The Jobcenter will deduct five percent of the standard rate from your benefits each month until the loan is repaid.

If, in exceptional cases, support in the form of a loan is not reasonable or if the one-off additional need is not covered by the standard rate, "additional need in case of hardship" may be considered (for more details, see Chapter 5, Section 2.5 Additional need in case of hardship).

# Chapter 8 | Integration into work – What do you have to do? What does the Jobcenter do?

If you are capable of working, the Jobcenter will require you to take up gainful employment in order to earn a living (Section 2 SGB II). The Jobcenter should support you in taking up work or training by providing advice and necessary support measures, known as integration services (Section 14 SGB II).

#### 1. What work is reasonable?

In principle, almost any work or support measure is reasonable (<u>Section 10 SGB II</u>), including taking up or continuing temporary work, fixed-term employment, casual work or employment that does not provide sufficient income to cover your needs.

Under the following conditions, for example, work or a measure is *unreasonable*:

- You are physically, mentally or emotionally unable to perform the work or carry out the measure. Proof in the form of a doctor's certificate is usually required. The Jobcenter can have your health checked by a public health officer.
- You are caring for a child under the age of three in your own household and the child is not in daycare or with a childminder. Important: Only *one* partner in the household can claim childcare and is therefore exempt from work. The partners are free to choose which of them will take care of the children.
  - From the child's third birthday, you will generally be required to find suitable childcare for your child so that you can take up employment, if necessary, on a part-time basis. The extent of the work that can reasonably be expected of you must be clarified individually and may be limited, for example, if your child has increased care needs due to health restrictions or a disability.
- You care for a relative and the care cannot be provided in any other way, for example by a care service.
  - The extent to which you can still be required to work depends in particular on the amount of care required. For care levels 2 and 3, the Federal Employment Agency's guidelines generally consider up to 6 hours of work per day to be reasonable for the carer. For care levels 4 and 5, no employment is considered reasonable. The individual case is always decisive.
- You have another good cause, for example, if you are attending a general education school or a
  vocational preparation course, or you are currently completing your initial training or a youth or
  federal voluntary service. Dependent employment is also unreasonable if the remuneration
  violates a law, such as the Minimum Wage Act.

#### 2. What is a cooperation plan?

A cooperation plan (<u>Section 15 SGB II</u>) should be agreed with beneficiaries who are capable of working. From the legislator's point of view, this is the central instrument in job placement. The aim is to plan your integration into work *together* with you and to overcome your need for assistance.

The cooperation plan is usually based on an analysis of your individual strengths, your professional skills and your suitability for future jobs and measures (potential analysis), which you carry out *together* with the employment service.

**Good to know:** The *first* invitation from the Jobcenter to a meeting to discuss the potential analysis and cooperation plan does not include information on legal consequences (<u>Section 15 (3) SGB II</u>). If you do not accept this invitation, you will not suffer any financial disadvantages.

In the cooperation plan, you and the Jobcenter will then jointly determine, among other things,

- how many applications or what other efforts you must make at a minimum and how you will prove your activities,
- the type of training, activities or areas of activity you should be placed in,
- what services the Jobcenter will provide to place you in work or training, and
- whether you will be required to participate in an integration course or a vocational German language training measure due to insufficient German language skills (for more information, see section 5 of this Chapter, "What offers for promoting German language skills does the Jobcenter support?").

The cooperation plan sets out in writing the integration goal and the specific steps to be taken to find you a job. It must be reviewed and, if necessary, updated by the Jobcenter and you *together* after six months at the latest.

You do not have to agree to the cooperation plan if you do not agree with its content. The Jobcenter cannot impose any sanctions for this.

**Our advice:** Check whether the cooperation plan meets your expectations. You can take it home with you and ask for time to consider it. You can also suggest corrections or additions that you consider appropriate.

**Good to know:** If you do not agree with the Jobcenter on the creation or continuation of a cooperation plan, you and your agent have the option of calling for arbitration (more on this in the next section).

Even if a cooperation plan is agreed upon, it does not in itself provide a legal basis for imposing sanctions if you violate the agreement. The cooperation plan does not contain any information on legal consequences. However, Jobcenters are required to regularly check whether you are complying with the agreements set out in the cooperation plan. Your Jobcenter will therefore continue to offer you jobs or measures with information on legal consequences and threaten to reduce your benefits if you do not pursue and accept the offers (Section 15 (5) SGB II).

If, after mediation if necessary, no cooperation plan is agreed, the Jobcenter must unilaterally determine the integration efforts you are to make by means of an administrative act in accordance with Section 15 (6) SGB II (decision). You will then be requested in writing to cooperate with reference to the legal consequences, for example to provide evidence of your own efforts, to participate in measures or to apply for job offers. If you do not comply with the request to cooperate you may face sanctions.

Good to know: You can appeal against the decision requiring you to cooperate in accordance with Section 15 (5) or (6) SGB II. However, the obligations arising from the decision will continue to apply to you for the time being. You should comply with these obligations without fail, otherwise you may face sanctions. You can also apply to the social court for the appeal to have suspensive effect.

The obligations to cooperate in the "integration into work" programme specified in the decision apply in addition to your general obligations to cooperate, which stipulate, for example, that you must notify the Jobcenter immediately of any changes that are relevant to your benefits (see Chapter 13 "What are your obligations to cooperate? Do you have to take advantage of priority benefits?").

#### The conciliation procedure

The conciliation procedure (<u>Section 15a SGB II</u>) is initiated at your request or at the request of the Jobcenter employee if it is not possible to draw up or continue a cooperation plan due to differences of opinion. The aim of the conciliation is to reach an agreement. If an agreement is reached, it must generally be taken into account by the Jobcenter. If no agreement is reached within four weeks of the start of the conciliation, the conciliation procedure ends.

The conciliation procedure must be offered by every Jobcenter and carried out by "a person within or outside the Jobcenter who has not been involved in the case and is not bound by instructions". The specific details of the procedure are the responsibility of each individual Jobcenter.

In Berlin's Jobcenters, different mediation models were practised last year. The "independent" mediators are either

- Jobcenter employees from another Jobcenter,
- Jobcenter employees from other areas of the same Jobcenter who are not responsible for the beneficiaries in question, for example from another team or from customer response management, or
- external service providers (so far only in one Berlin Jobcenter).

**Good to know:** During the mediation period, benefit cuts due to breaches of duty on your part, such as refusing job offers or measures to help you find work, are not permitted.

## 3. What benefits can the Jobcenter provide to help you find work?

The Jobcenter *can* grant "benefits for integration into work" to those who are eligible for benefits and capable of working.

**Please note:** If you receive unemployment benefits in addition to citizen's benefit, the Employment Agency, not the Jobcenter, is responsible for your placement and support in finding work.

According to case law, the application for citizen's benefit does not include an application for integration benefits (BSG of 2 April 2014 – B 4 AS 29/13 R, margin number 27) – integration benefits must therefore be applied for separately. Any written, verbal or telephone statement indicating that you wish to receive a specific benefit is considered an application.

Support is provided at the earliest from the date of application. Retroactive effect to the first day of the month – as is the case with applications for benefits to secure livelihood – is excluded (Section 37 (2) SGB II).

**Please note:** For example, apply to your Jobcenter for reimbursement of application costs or travel expenses for job interviews *before* the corresponding costs are incurred. Late applications will result in benefits not being granted for the period prior to the date of application.

Benefits for integration into work are almost without exception discretionary benefits. This means that the Jobcenter's employment service has discretion to decide whether and to what extent you will

receive support. However, discretion does not mean arbitrariness. Discretion must be exercised in a manner appropriate to the circumstances. An error of discretion may exist, for example, if the Jobcenter does not exercise its discretion where required by law, or if its decision is based on irrelevant considerations or on incorrect or incomplete facts.

When granting integration benefits, the Jobcenter must observe the following principles of discretion (Section 3 SGB II), among others:

- The integration benefits in question must be *necessary* and *suitable* for you in order to eliminate or reduce your need for assistance.
- In principle, integration services that promote the immediate take-up of employment or training are given priority; these include, in particular, job placement or wage subsidies for employers. However, placement is not a priority if permanent integration into gainful employment requires further vocational training or retraining because you do not have a vocational qualification or your vocational qualification is no longer marketable (see <u>Bundestag</u> <u>printed paper 20/3873</u>, page 70).

Our advice: In order to convince your employment agency that a particular vocational training course is "necessary" and "suitable" for you, you should show them rejected job applications to demonstrate that you have no permanent employment prospects with your current qualifications. Use job advertisements or articles from trade journals to show that you lack the necessary qualifications and that the proposed further training would significantly improve your employment prospects. Please note that both the measure and the provider of the measure must be approved for funding.

The priority of placement in employment or training also does not apply when it comes to access to support for a *viable* business start-up with start-up money (Section 16b SGB II). For persons who do not have sufficient German language skills or job-related language skills, participation in an integration course (Section 43 of the Residence Act) or job-related German language training (Section 45a (1) of the Residence Act) is a priority if they are eligible to participate.

The benefits for integration into work often refer to the support provisions in SGB III via the referral provision in Section 16 (1) SGB II. Integration benefits include, for example:

- benefits from the placement budget (<u>Section 44 SGB III</u>), such as the assumption of costs for job applications, travel to job interviews or double household expenses when taking up employment away from home,
- measures for activation and vocational integration (<u>Section 45 SGB III</u>), such as job application training, internships, the assumption of costs for private employment agencies and minor qualifications, such as a forklift licence
- benefits for taking up vocational training, for example, the assumption of travel costs and costs
  of accommodation away from home during a vocational orientation internship for young people
  who are eligible for benefits and have not yet made a final career choice (Section 48a SGB III),
  or support for young beneficiaries through a mobility allowance during the first year of
  participation in vocational training away from home that is eligible for funding under Section 57
  SGB III (Section 73a SGB III),
- vocational further training and retraining measures (<u>Sections 81-87a SGB III</u>), including further training bonuses and further training allowances (more details in the next section); if approval is granted for a vocational further training measure, beneficiaries generally receive an education voucher,

**Please note:** From 1 January 2025, new measures for continuing vocational training and vocational rehabilitation (Reha) will be approved and financed by the Employment Agencies. This also applies to the granting of continuing training bonuses and continuing training allowances.

Good to know: If you are interested in continuing vocational training or rehabilitation measures, your Jobcenter remains your first point of contact: It will identify your further training needs, refer you to the local employment agency for advice and place you in a job at the end of the further training measure (for more details, see "Guidelines on the cross-jurisdictional reference process for the promotion of continuing vocational training..." dated 20 June 2024).

- Integration or wage subsidies for employers (<u>Sections 88-92 SGB III</u>), which are paid for the hiring of unemployed persons,
- an entry allowance for start-ups and for persons taking up employment subject to social insurance contributions if the support is necessary for integration into working life (Section 16b SGB II); there is generally no requirement if the application for support is submitted after the employment contract has been concluded or the activity has commenced (see LSG Saxony-Anhalt of 4 October 2012 L 5 AS 157/10),
- accompanying coaching and loans or grants for material resources for start-ups and persons already self-employed (<u>Section 16c SGB II</u>),
- the promotion of employment relationships for the "integration of the long-term unemployed" for persons who have been unemployed for at least two years (<u>Section 16e SGB II</u>),
- the promotion of employment ("participation in the labour market") for persons who are at least 25 years old and have generally received Alg II or citizen's benefit for six of the last seven years (Section 16i SGB II),
- work opportunities ("one-euro jobs") with an expense allowance in Berlin amounting to two euros per hour worked (Section 16d SGB II).

**Please note:** Jobcenters are instructed to increasingly assign job opportunities to persons who refuse to participate in measures *without good cause* or repeatedly fail to attend appointments at the Jobcenter *without good cause* (<u>instruction 202410008 of 23 October 2024</u>). The assignments are to be accompanied by information on legal consequences and are therefore subject to sanctions (for more on sanctions, see Chapter 12, "When are sanctions imposed and what is their scope?").

Taking up employment *can* be supported by care services for minor or disabled children, debt or addiction counselling or psychosocial support (<u>Section 16a SGB II</u>). In order to reduce or eliminate obstacles to the integration of beneficiaries who are capable of working, the Jobcenter *may* also provide support to beneficiaries who are not capable of working (<u>Section 7 (2) sentence 2 SGB II</u>).

#### Cuts in benefits in 2025

Support benefits are discretionary benefits and are therefore easy to cut in times of financial constraints and economic stagnation.

Between January and November 2024, funding allocations and expenditure for integration services in Berlin fell by 17.7 per cent and 8.5 per cent respectively compared with the same period in the previous year (BIAJ of 4 December 2024, pages 1 and 6). The government's draft federal budget for 2025, which forms the basis for the preliminary planning for the 2025 financial year, provides for further savings for Jobcenters and employment promotion. Taking into account the transfer of funding for vocational training and rehabilitation measures to the Federal Employment Agency, several hundred million euros less will be available nationwide for integration services than in 2024 (see open letter from the Federal Network for Employment and Social Participation dated 21 October 2024).

On the other hand, the savings in integration benefits are offset by increasing support requirements, as measured by the number of unemployed citizens receiving social assistance, which rose slightly from 1.74 million to 1.80 million between November 2023 and November 2024 (statistics from the Federal Employment Agency).

#### 4. Who is eligible for continuing education bonuses and continuing education allowances?

Eligible persons who are capable of working and who are participating in a vocational further training measure funded by the Employment Agency in accordance with <u>Section 81 of SGB III</u>, in which they obtain a vocational qualification (retraining), receive a **further training allowance** of 150 euros per month in addition to the citizen's benefit (<u>Section 87a (2) SGB III</u>).

The support is, among other things, intended to "contribute to covering additional expenses incurred through participation in multi-year vocational training leading to a qualification, such as expenses for digital offerings or for the procurement of additional specialist literature and work materials, or for special travel and meal expenses and other expenses that may arise, for example, in connection with the formation of learning communities..." (Bundestag document 20/3873, pages 51 and 100).

The training allowance is paid retrospectively in the following month. If participation in a measure is for part of a month, the monthly lump sum of 150 euros is paid pro rata. Participation in a part-time vocational training measure has no effect on the amount of the training allowance.

For successfully completing the intermediate and final examinations, participants in the above-mentioned measures also receive **further training bonuses** of 1,000 euros or 1,500 euros (<u>Section 87a (1) SGB III</u>).

Entitlement to the further training bonus and further training allowance exists if the relevant requirements are met. No separate application is required to claim these benefits.

Good to know: From 1 January 2025, the further training allowance and further training bonuses for newly approved measures will be benefits under unemployment insurance (SGB III). Both benefits are considered "earnings for a specific purpose under public law" in accordance with Section 11a (3) sentence 1 SGB II and are not taken into account as income for the purposes of citizen's benefit (see also the Technical Instructions of the Federal Employment Agency on Sections 11-11b SGB II, as of 24 October 2024, margin number 11.82).

## 5. What support does the Jobcenter offer to improve German language skills?

According to <u>Section 3 (4) of SGB II</u>, Jobcenters must work to ensure that benefit recipients who are capable of working but do not have sufficient German language skills or the necessary job-related language skills acquire the language skills necessary for placement in employment. To this end, Jobcenters use the offers made by the <u>Federal Office for Migration and Refugees (BAMF)</u> in the form of courses and training programmes for learning German.

These include, in particular:

- integration courses in accordance with <u>Section 43 of the Residence Act (Residence Act)</u> for general language acquisition and
- vocational language support in accordance with Section 45a (1) of the Residence Act.

The target groups for language support include EU citizens, third-country nationals, ethnic German repatriates and Germans with a migration background.

If the requirements for participation in the respective language support measure are met, persons without sufficient German language skills are requested to register with a course provider and to participate in the measure by concluding a cooperation plan or by means of an administrative act pursuant to <u>Section 15 (6) SGB II</u> (notification).

# **Chapter 9 | How is income taken into account?**

Income can reduce your entitlement to citizen's benefit. The actual amount of citizen's benefit is calculated by deducting your creditable income from your needs (see Chapter 5 "What needs are taken into account when calculating citizen's benefit?").

Whether and to what extent income can be taken into account in your needs is regulated in Sections 11 to 11b of SGB II and in the Citizen's Benefit Regulation (Bürgergeld-V).

#### 1. Which income is taken into account and which is not?

In principle, all income in cash (cash or account credits) that you receive during the period in which you are entitled to citizen's benefit is taken into account.

Eligible income includes income from employment, interest and dividends, unemployment benefits, sickness benefits, child benefits, parental benefits, maintenance payments, most pensions, rental and lease income, tax refunds and gifts.

Income in monetary terms, known as benefits in kind, is not considered income but rather assets.

**Example:** A father gives his daughter, who lives in her own flat and is in need of assistance, a used car.

Exception: You receive benefits in kind as a result of gainful employment or voluntary service.

**Example:** An employer provides meals during working hours to an employee who receives citizen's benefit in addition to the salary.

Meals are counted as income at lump sums. Other benefits in kind provided by the employer are taken into account at their market value (Section 2 (5) and (6) of the Citizen's benefit Regulation).

#### Income not to be taken into account

Income that is not to be taken into account includes, for example:

- benefits under SGB II, for example the entry allowance under <u>Section 16b SGB II</u> or subsidies or loans for material resources for start-ups or self-employed persons under <u>Section 16c SGB</u> II.
- benefits necessary to secure a basic standard of living under SGB XII (social assistance) and the
  Asylum Seekers Benefits Act (see, for example, BSG of 25 June 2015 B 14 AS 17/14 R, margin
  number 12, and of 25 October 2017 B 14 AS 35/16 R, margin number 23),
- pensions or allowances paid under the Federal Act on Compensation for Victims of National Socialist Persecution (Federal Compensation Act) for damage to life, body or health, up to the amount of comparable compensation payments under <a href="Chapter 9 of SGB XIV">Chapter 9 of SGB XIV</a> – Social Compensation (Section 11a (1) No. 3 SGB II),
- benefits from the foundations "Mother and Child Protection of Unborn Life" and "Help for Families",
- blindness allowance under the state blindness allowance laws, as well as deafness allowance,
- non-taxable care allowance from statutory and private care insurance. Care allowance is tax-free for those in need of care themselves and if they pass it on to relatives providing care (Section 15 AO) or persons who feel morally obliged to care for the person in need of care (Section 1 (1) No. 4 Citizen's Benefit Regulation (Bürgergeld-V) in conjunction with Section 3 No. 1a and No. 36 EStG),

- care allowance for full-time educational care for the first and second foster child and for the third child at 75 per cent (Section 11a (3) sentence 2 SGB II),
- Compensation for pain and suffering in accordance with <u>Section 253 of the Civil Code</u>,
- gifts of money to minors on the occasion of confirmation, communion, confirmation or comparable religious festivals, as well as on the occasion of youth initiation ceremonies, up to an amount of 3,100 euros (Section 1 (1) No. 12 Citizen's Benefit Regulation (Bürgergeld-V)),
- income from gainful employment of schoolchildren under the age of 25 at general or vocational schools if they carry out the activity *during the school holidays*; schoolchildren entitled to training allowances are excluded from this provision (Section 11a (7) SGB II),
- child benefit that is demonstrably passed on to the child of the person in need of assistance who does not live in the household (<u>Section 1 (1) No. 8 Citizen's Benefit Regulation (Bürgergeld-V</u>)),
- lump-sum allowances pursuant to <u>Section 1878 of the German Civil Code (BGB)</u> of up to 3,000 euros per calendar year for persons who work as legal guardians, guardians or carers on a voluntary basis (<u>Section 11a (1) No. 4 SGB II</u>),
- income in accordance with statutory provisions that serves a purpose other than the citizen's benefit, for example the employee savings allowance, the housing subsidy under the <u>Housing</u> <u>Subsidy Act</u> or the further training allowance or the childcare allowance for vocational further training under SGB III) (Section 11a (3) sentence 1 SGB II),
- the childcare supplement for BAföG recipients pursuant to Section 14b BAföG,
- study start-up assistance pursuant to <u>Section 56 BAföG</u> in the amount of a one-time payment of 1,000 euros for recipients of BAföG at universities or similar educational institutions (<u>Section 56b BAföG</u>),
- tax-free income from voluntary work in accordance with <u>Section 3 No. 12, 26 and 26a of the Income Tax Act (EStG)</u> up to an amount of 3,000 euros per calendar year (<u>Section 11a (1) No. 5 of the Social Code II (SGB II)</u>; activities include part-time work as a trainer or coach in a non-profit sports club, as a part-time lecturer at an adult education centre or as an election worker. Part-time work is defined as work that does not exceed one third of a full-time position.
- maternity pay from statutory health insurance funds (<u>Section 19 MuSchG</u>) during the
  protection period before and after the birth of a child (<u>Section 11a (1) No. 6 SGB II</u>), but not
  the employer's contribution to maternity pay,
- one-off income from inheritances, legacies and compulsory portions (<u>Section 11a (1) No. 7 SGB</u>
   II) these are added to the assets in the month following their receipt,
- the increase in the survivor's pension under the statutory pension insurance scheme which widows and widowers receive in the first quarter after the death of their spouse (known as the "quarterly death benefit") (Section 1 (1) No. 10 Citizen's Benefit Regulation (Bürgergeld-V)),
- scholarships under the Scholarship Programme Act up to 300 euros per month, and
- capital income (interest, dividends) up to 100 euros per calendar year (<u>Section 1 (1) No. 3</u>
   <u>Citizen's Benefit Regulation (Bürgergeld-V</u>)); capital gains tax and the solidarity surcharge attributable to the income are also deductible from the capital income.

Income is only taken into account if it is available for living expenses. For example, garnished income is not considered "available funds" in this sense if the garnishment cannot be reversed for legal reasons or cannot be reversed without further ado (see BSG of 10 May 2011 – B 4 KG 1/10 R, margin number 19).

Loans are also generally exempt, for example a student loan from KfW Bank. However, social benefits granted by the state as loans that serve to cover living expenses are taken into account.

Example: A student receives benefits under the BAföG with a loan component.

**Please note:** In individual cases, the Jobcenter will check whether the money received is actually a loan and not a gift, which is generally taken into account.

**Our advice:** If you borrow money from friends or relatives during a period in which you are claiming benefits, you must be able to demonstrate that you intend to repay the loan. A loan agreement should contain a specific repayment date or repayment procedure. If you have already repaid a similar loan in the past or have started repaying the current loan, this proves your credibility.

## 2. How is income taken into account when calculating needs?

If income is to be taken into account, it is credited to your needs according to the inflow or monthly principle in the calendar month in which it is received (Section 11 (2) SGB II). This also applies if it is not credited to your account until the last day of the month.

An exception to this rule may be income that is not received in the month in which it is earned, but is paid in arrears for previous months. Arrears that exceed the amount required in the month in which they are received are distributed over six months from the month in which they are received and credited against the amount required (Section 11 (3) SGB II). You can find more information on this in section 6, "Income paid retrospectively", of this chapter.

Separate rules apply to income from self-employment when determining monthly income (for more information, see section 4, "Income from self-employment", in this Chapter).

Before income of any kind can be credited against the needs, it must be adjusted by the statutory deductions. For the income type "earned income", the statutory adjustments are explained in detail in section 3 of this chapter using the example of income from employment.

The determination and adjustment of income differ significantly depending on whether it is income from employment, income from self-employment including freelance work, or so-called effortless income, for example from social security entitlements. The three types of income are therefore considered separately below.

## 3. Income from gainful employment

**Employees** are persons who, on the basis of employment contracts, are obliged to make their labour available to employers in return for remuneration. Employees include, in particular, workers, salaried employees and persons in vocational training (apprentices).

#### 3.1 Deductions

In order to calculate an employee's taxable income, the Jobcenter requires an "income statement" completed by the employer. The income statement contains, among other things, information on the employee's gross and net monthly income. The net income already includes deductions

- income tax and
- mandatory contributions to statutory health, nursing care, pension and unemployment insurance,

insofar as these amounts are actually payable (Section 11b (1) SGB II).

The following are then deducted from the net remuneration of each person in the community at need who is capable of working and is gainfully employed

- the basic allowance for employed persons in the amount of 100 euros and
- the earned income allowance, insofar as the gross income exceeds 100 euros,

(Section 11b (2) sentence 1 and (3) SGB II). The allowance for employed persons in particular ensures that recipients of citizen's benefit have more money at their disposal after taking up employment than they would have without work.

Please note: The 100 euros basic allowance for employed persons and the allowance for employed persons do not apply to beneficiaries who are not capable of gainful employment. Exception: Children under the age of 15 can also earn an additional 100 euros per month without this being taken into account (Section 1 (1) No. 9 Citizen's Benefit Regulation (Bürgergeld-V)).

Good to know: The Jobcenter grants citizens who are not capable of gainful employment and are entitled to citizen's benefit an allowance amounting to 30 percent of their earned income, limited to 50 percent of the standard needs level 1 (2025: 281.50 euros) (BSG of 24 November 2011 – B 14 AS 201/10 R; SGB II knowledge database, article "Freibetrag bei Einkommen von nicht erwerbsfähigen Bürgergeldbeziehenden" [Exemption for income of citizens receiving social assistance who are unable to work]). This is intended to avoid unequal treatment of social assistance recipients (SGB XII), who are entitled to an exemption of this amount (Section 82 (3) sentence 1 SGB XII).

Working trainees, schoolchildren, students and participants in voluntary services under the age of 25 receive a non-deductible basic allowance equal to the marginal earnings threshold (2025: 556 euros per month). You can find more details on this below in this section.

You may be able to claim further deductions.

This applies, for example, to statutory maintenance obligations that you have fulfilled and that are specified in a maintenance order or a notarised document, or to parts of income that have already been taken into account when calculating BAföG benefits or vocational training assistance for your children in accordance with SGB III.

If you are not subject to compulsory statutory health insurance, your health and nursing care insurance contributions may be deducted from your income *in individual cases*, provided they are reasonable (Section 11b (1) sentence 1 no. 3a SGB II). However, according to the instructions of the Federal Employment Agency, for those who are voluntarily and privately insured, the granting of subsidies for health insurance contributions in accordance with Section 26 SGB II takes precedence over the deduction of these contributions from income. For more information on the topics of "Insurance obligation when receiving benefits" and "Subsidies for insurance contributions", please refer to Chapter 6 "How are recipients of citizen's benefit insured?".

If you are exempt from the statutory pension insurance obligation, your expenses for old-age provision, for example for life insurance, are to be deducted from your income, provided these are reasonable (Section 11b (1) sentence 1 no. 3b SGB II). This refers, for example, to persons who are covered by pension insurance in independent pension schemes, such as those for architects or lawyers, and who have therefore been exempted from the statutory pension insurance obligation. Exemption from insurance, as is often the case for self-employed persons, is not sufficient for this purpose.

According to the instructions of the Federal Employment Agency, the aforementioned health and pension contributions are part of the 30 euros insurance allowance (see below) or the 100 euros basic allowance and can be deducted additionally (see <u>Technical Instructions on Sections 11-11b SGB II</u>, as of 24 October 2024, margin number 11.127; the Federal Social Court takes a different view on compulsory contributions to pension schemes for professional associations, see BSG of 10 September 2021 – <u>B 7 AS 16/22 R</u>, margin number 26, 33ff., 39).

## 100-euro basic allowance for employed persons

The monthly basic allowance of 100 euros replaces the typical expenses of employed persons and combines them into a lump-sum deduction (Section 11b (2) sentence 1 SGB II). Income from employment of up to 100 euros per month is therefore always exempt from deduction. If a person has several sources of income from employment at the same time, the lump sum is only taken into account once per month. Income from employment also includes the income listed in the section "Earned income allowance".

The basic allowance includes, among other things (<u>Section 6 Citizen's Benefit Regulation (Bürgergeld-V)</u>):

- Contributions for statutory insurance, in particular motor vehicle liability insurance (one twelfth of the annual premium per month), but not for partial or comprehensive insurance,
- a monthly insurance allowance of 30 euros, which covers all voluntary insurance, even if no
  insurance has actually been taken out; this generally applies only to beneficiaries who are of
  age,
- Contributions to the "Riester pension" at a lump sum of three percent of gross income (for families with one child eligible for child benefit in the household, the percentage is halved; for two children eligible for child benefit, the rate drops to zero), but at least five euros per month and
- income-related expenses, such as travel to work (if using a motor vehicle, 0.20 euros per kilometre travelled; within Berlin, generally up to the maximum amount of a BVG and S-Bahn social ticket), work equipment, work clothing, trade union contributions for employees or similar.

Our advice: If your gross monthly income exceeds 400 euros, you can receive a higher basic allowance than 100 euros. To do so, your expenses that are replaced by the allowance must exceed 100 euros per month in total (Section 11b (2) sentence 2 SGB II). For example, if you have monthly costs for travelling to work outside Berlin or for maintaining two households for work-related reasons that exceed 100 euros, you should inform the Jobcenter.

# Higher basic allowance for employed trainees, schoolchildren, students and volunteers under the age of 25

For trainees, schoolchildren and students under the age of 25 who are capable of working, as well as participants in federal and youth voluntary services under the age of 25 who are in employment, the monthly basic allowance is not 100 euros, but currently 556 euros (2025) per month (Section 11b (2b) SGB II; Federal Gazette, General Section, 7 December 2023).

This basic allowance is referred to below as the "basic allowance for employed trainees, schoolchildren, students and volunteers under the age of 25" or, simply, as the "increased basic allowance".

The amount of the basic allowance for employed trainees, schoolchildren, students and volunteers under the age of 25 is dynamic. It is based on the marginal employment threshold or mini-job threshold, which in turn is linked to the development of the statutory minimum wage (Section 11b (2b) SGB II in conjunction with Section 8 (1a) SGB IV).

The increased basic allowance is deducted from the earned income of trainees, schoolchildren and students who

- are eligible for training under the Federal Training Assistance Act (BAföG) or
- an in-company or inter-company training programme eligible for support under SGB III or an eligible vocational preparation measure.

It is sufficient if the training is eligible for support *in principle*; receipt of state training support benefits, such as BAföG or BAB, is not required in order to be eligible for the increased basic allowance.

The increased basic allowance is also to be deducted from earned income if

• are employed at general or vocational schools *outside of school holidays*.

This also applies for a period of three months after completing general school education. Income earned by these schoolchildren *during the school holidays* remains completely exempt (more on this in section 1 of this Chapter, "Which income is taken into account and which is not?").

The increased basic allowance also benefits

participants in federal or youth voluntary services who are younger than 25 years of age.

**Good to know:** Pocket money earned by young adults during voluntary service is considered income from gainful employment in this context. Up to the marginal earnings threshold, not only pocket money from voluntary service but also income earned alongside voluntary service is exempt from deduction.

All other working trainees, schoolchildren and students, in particular those who have reached the age of 25, receive only the regular 100 euros basic allowance for employed persons and the tax-free allowance for employed persons from 100 euros per month.

Please note: If the 100 euros or increased basic allowance is deducted from your earned income, the allowance to which you are entitled if you receive educational assistance, such as BAföG or vocational training assistance, does not apply (for more details, see section under "Allowances" in this chapter).

For participants in federal and youth voluntary services who are 25 years of age or older, pocket money, together with any other income from gainful employment, is exempt from deduction up to an amount of 250 euros per month.

#### **Earned income allowance**

In addition to the 100 euros basic allowance, persons entitled to benefits who are capable of working receive an employment allowance for gross monthly earnings of more than 100 euros (Section 11b (3) SGB II). The employment allowance is calculated on the basis of gross income and deducted from net income. It amounts to

- 20 percent for the portion of gross income exceeding 100 euros but not exceeding 520 euros,
- 30 percent for the portion of gross income exceeding 520 euros but not exceeding 1,000 euros, and
- 10 percent for the portion of gross income exceeding 1,000 euros but not exceeding 1,200 euros. If you have at least one minor child, the allowance is calculated on gross income of up to 1,500 euros.

In order to avoid double benefits for working trainees, schoolchildren, students and volunteers under the age of 25 who receive a non-deductible basic allowance equal to the marginal earnings threshold, they only receive the additional earned income allowance from a gross income of 520 euros per month (Section 11b (3) sentence 3 SGB II)..

Income from gainful employment also includes, for example

- salary payments by the employer in the event of illness, but not sickness benefits from health insurance,
- the employer's contribution to maternity pay (<u>Section 20 MuSchG</u>) during the protection periods for pregnant women before and after childbirth, but not maternity pay,

- maternity pay for pregnant women (<u>Section 18 MuSchG</u>) in the event of a work ban outside
  the protection periods (comparable to continued payment of remuneration in the event of
  illness),
- short-time work allowance (see BSG of 14 March 2012 B 14 AS 18/11 R) and
- insolvency allowance (see BSG of 13 May 2009 <u>B 4 AS 29/08 R</u>).

The net income adjusted in this way is credited towards your needs.

#### **Example:**

Ms A is married and earns a gross monthly salary of 1,630 euros as an employee, which corresponds to approximately 1,300 euros after deductions in tax bracket III. She has no children. How much of her income is credited towards the needs of the community at need?

The creditable income is determined as follows: Monthly net income 1,300.00 euros minus

- Basic allowance 100.00 euros
- Earned income allowance 84.00 euros
   (20 percent of 100 euros to520 euros gross)
- Employee allowance 144.00 euros
   (30 percent of 520 to 1,000 euros gross)
- Employee allowance 20.00 euros (10 percent of 1,000 to 1,200 euros gross)
- = taxable income 952.00 euros.

## 3.2 Fluctuating income and provisional decision

Jobcenters must provisionally approve the citizen's benefit if

- the eligibility requirements have not yet been conclusively clarified but highly likely to exist, or
- the eligibility requirements have been proven but the amount of the entitlement has not yet been finally determined,

and therefore the decision on the benefit is likely to take a long time (Section 41a (1) SGB II).

The reason for provisional approval in the case of employees is often wage or salary payments that vary from month to month. The Jobcenter then uses the available documents to *forecast* a monthly gross and net wage and issues a provisional decision. The approval period for provisional decisions is usually six months (Section 41 (3) sentence 2 SGB II).

In the case of provisional approval of citizen's benefit, an *average income* is often used as the basis for calculating benefits due to fluctuating income. The provisional benefits must always be calculated in such a way that the monthly minimum subsistence level is covered by income and supplementary citizen's benefit in each month of the approval period (Section 41a (2) sentence 2, first part of the sentence SGB II).

In order to ensure that the monthly minimum subsistence level is secured, the (actual) income may be below the provisionally forecast income up to the amount of the earned income allowance (Section 41a (2) sentence 2, second part of the sentence, SGB II). The legislator's reasoning: The earned income allowance results in a total income from net earned income and citizen's benefit that is above the minimum subsistence level by the amount of the allowance. "To the extent of this deduction, it is harmless if the actual income falls short of the forecast income until a final decision is made" (Bundestag printed paper 20/3873, page 94).

**Example:** Ms F. works shifts and receives a monthly salary that varies. When granting provisional benefits, the Jobcenter based its calculation on a gross income of 800 euros and a net income of 720 euros for each month of the approval period. Ms F.'s earned income allowance is 168 euros per month (20 per cent of 100 euros to 520 euros = 84 euros plus 30 per cent of 520 euros to 800 euros = 84 euros).

In fact, Ms F. only receives a net income of 560 euros in the third month of her approval period. Although this amount is 160 euros below the provisional net income of 720 euros, it is not below the income allowance for employed persons (168 euros). Ms F.'s minimum subsistence level in the sense described above is therefore guaranteed.

Good to know: If your minimum subsistence level in the above sense is not guaranteed in at least one month due to a reduction in income, you can apply for a final determination of your entitlement to benefits after the end of the respective month or months, even during the current approval period. According to the instructions of the Federal Employment Agency, your request must then be granted in any case and benefits must be paid to you retroactively (Technical Instructions of the Federal Employment Agency on Section 41a SGB II, as of 1 July 2023, margin number 41a.27).

**Our advice:** If significant changes in circumstances occur retrospectively, for example due to an unforeseeable *permanent* reduction in your salary, you can request a revised provisional decision that takes the changes into account *for the future*.

After the approval period expires, you will usually be asked to submit your pay slips for the past six months. If you do not comply with your obligation to provide information to a sufficient extent, you may be required to repay the benefits that were only provisionally approved (Section 41a (3) sentences 2 to 4 SGB II). You can find more information on this under "Final decision" in this Chapter in section "4. Income from self-employment".

Once you have provided proof of income, the Jobcenter will issue a final decision based on the income you *actually* earned during the approval period. You will then either have to repay any benefits you have received in excess or you will receive additional benefits.

Good to know: The Jobcenter may only demand repayment of benefits from you if the total amount to be repaid exceeds 50 euros for the entire community at need (Section 41a (6) SGB II).

Our advice: If you had less income during the approval period than was assumed in the forecast and the Jobcenter has not yet made a final decision, you can request a final decision. You will then receive retroactive payments of citizen's benefit.

When making a final determination of entitlement to benefits, the Jobcenter calculates the income from employment on a monthly basis based on the actual needs — a monthly average wage may no longer be used as a basis. In the case of retroactive payments of wages, the provisions set out in section 6 of this Chapter must be observed.

If the Jobcenter does not make a final decision and you have not applied for a final statement, the provisional decision will generally become final by law one year after the end of the approval period.

## 4. Income from self-employment

Self-employed persons often have an irregular monthly income. They receive provisional approval of their citizen's benefit, usually for a period of six months.

In the case of income that fluctuates greatly over the course of the year or is earned sporadically, a twelve-month approval period may also be used as a basis (Section 41 (3) sentence 2 SGB II). In this way, the legislator wants to ensure that income from high-income months of the year is also included in the calculation of the citizen's benefit.

The information in the previous section, "Fluctuating income and provisional decision," applies to self-employed persons accordingly. However, when calculating income from self-employment, the special provisions of <u>Section 3 of the Citizen's Benefit Regulation</u> (Bürgergeld-V) must also be observed.

The income from self-employment that can be taken into account is generally determined as follows:

#### Step 1

First, the expected income is reduced by the expected operating expenses during the approval period. If self-employment is only carried out during part of the approval period, the income surplus calculation is only carried out for those months (Section 3 (1) and (2) Citizen's Benefit Regulation) (Bürgergeld-V). The information on income and expenses is based on your forecasts in sections A and B of Annex EKS (income of self-employed persons).

Our advice: Only include income in your forecast that you can actually earn during the approval period. Downward revisions to the forecast during the six-month period are often difficult for Jobcenters to accept.

Tax regulations do not apply in SGB II. The Jobcenter will check whether your business expenses are necessary. It expects self-employed persons to keep their business expenses as low as possible (<u>Section 3 (2) and (3) of the Citizen's Benefit Regulation)</u> (Bürgergeld-V).

Our advice: You should discuss expensive purchases for your self-employment with the Jobcenter in advance. Otherwise, you run the risk of the expenses not being recognised. Make it credible that the purchases are necessary for the continued existence of your business and that they will help you to end your need for assistance sooner. However, there is no legal obligation to obtain the prior consent of the Jobcenter.

Recognised expenses, for example for necessary PC equipment, are taken into account in full during the six-month approval period and are not depreciated over longer periods as in tax law.

The expected profit (= income minus expenses) is distributed evenly over the months in the approval period, if necessary only over the months of the approval period in which the self-employment is carried out (Section 3 (4) Citizen's Benefit Regulation) (Bürgergeld-V). This results in an average monthly profit for each of these months.

An even distribution of the *expected* income is not possible if the income fluctuates significantly during the approval period and a steady distribution of income would not secure the applicant's livelihood. In this case, the income to be taken into account provisionally must be reduced to such an extent that the means of subsistence is secured in each month (see <u>Technical Instructions of the Federal Employment Agency on Section 41a SGB II, as of 1 July 2023, margin number 41a.18 and 41a.20; Guide to Citizen's benefit, 2024/25 edition, published by the unemployment project TuWas, page 1202).</u>

If income from self-employment is expected for the first time at a later date during the approval period, it can only be taken into account from that date onwards (see <u>Technical Instructions of the Federal Employment Agency on Sections 11-11b SGB II</u>, as of 24 October 2024, the example in margin number

11.36; Guide to citizen's benefit, see above, page 579f. with example and page 1202).

#### Step 2

In a second step, the expected monthly profit is reduced by the statutory deductions and allowances for gainful employment (Section 11b SGB II). The following must be deducted from the profit

- the 100 euros basic allowance for employed persons and
- the income allowance for employed persons. How the income allowance for employed persons is calculated is explained in this Chapter in section "3. Income from gainful employment" and in the following example. Please note: The income allowance for employed persons is calculated from the profit.

If you are self-employed as an apprentice, pupil, student or volunteer, you can even deduct up to 556 euros from your monthly profits in 2025 as a basic allowance. However, the 100 euros allowance deducted from educational assistance will then no longer apply (for more details, see section 2.5 "Effortless income" under "Allowances" in this Chapter).

**Please note:** Beneficiaries who are not capable of gainful employment do not receive the 100 euros basic allowance or the increased basic allowance of 556 euros, nor do they receive the earned income allowance, but – like social assistance recipients under SGB XII, only an allowance amounting to 30 per cent of their earned income, limited to 50 per cent of the standard needs level 1 (2025: 281.50 euros).

Where applicable, further deductions must be made from income, for example

- advance payments on income tax,
- contributions to unemployment insurance for self-employed persons who have taken out insurance on application in accordance with <u>Section 28a SGB III</u>,
- contributions to statutory pension insurance for self-employed persons who are subject to insurance under <u>Section 2 SGB VI</u>, or
- maintenance payments made under the conditions described in Section 3 "Income from employment" of this chapter.

You can claim these expenses in Section C of Annex EKS.

**Please note:** If your income from self-employment exceeds 400 euros per month, it is possible to increase the euros100 basic allowance if your expenses exceed 100 euros per month in total. The expenses that can be taken into account are explained in this chapter in section 3.1 "Deductions" under "100 euros basic allowance".

The monthly profit adjusted in this way is credited against your needs.

**Example:** Ms B. has been working as a freelance interpreter in the Neukölln district for many years. She expects to earn 7,200 euros in the six-month approval period. Her business-related expenses for the same period are expected to amount to 480 euros. She has taken out unemployment insurance upon application (Section 28a SGB III) and pays a monthly contribution of approximately 97 euros (2025).

Her eligible income is calculated as follows:

#### Step 1

Average monthly operating income of 1,200 euros (7,200 euros/6 months) minus

- the average monthly operating expenses of 80 euros (480 euros/6 months)
- = 1,120 euros profit per month.

#### Step 2

Monthly profit of 1,120 euros minus

- the monthly contribution to unemployment insurance (contribution in Berlin-West) of 97 euros
- the basic allowance of 100 euros
- the earned income allowance (20 percent of 100 euros to 520 euros) of 84 euros
- the earned income allowance (30 percent of 520 euros to 1,000 euros) of 144 euros
- of the earned income allowance (10 percent of 1,000 euros to 1,120 euros) of 12 euros
- = amount to be credited in the amount of 683 euros

**Good to know:** As long as you are self-employed and receive supplementary social security benefits as a person capable of working, you are covered by health insurance through the Jobcenter. No further health insurance contributions need to be paid.

#### **Final decision**

At the end of the approval period, you must submit a final income statement at the request of the Jobcenter. The Jobcenter will issue the final decision based on the actual income and expenses from your self-employment in <a href="Annex EKS">Annex EKS</a>. When granting final approval, the Jobcenters must distribute the profit earned during the approval period evenly over the individual months of the approval period or over the months of the approval period in which the self-employment was carried out (Section 3 (4) <a href="Citizen's Benefit Regulation">Citizen's Benefit Regulation</a>) (Bürgergeld-V) The statutory deductions and allowances must then be deducted from the monthly average profit.

As a result, you will either receive a retroactive payment of citizen's benefit or you will have to repay benefits to the Jobcenter.

Our advice: If the Jobcenter asks you to provide your income and expenses in Annex EKS for the final decision, you should definitely comply with this request. The Jobcenters are entitled to reclaim the benefits paid provisionally if you do not comply with your obligation to provide information in full or on time (Section 41a (3) SGB II). If you have missed the deadline and the Jobcenter demands that you repay the benefits, you should lodge an appeal against this decision in good time and submit the final EKS with the required evidence. The Federal Social Court has ruled that your documents must still be taken into account until the appeal proceedings before the Regional Social Court (BSG of 12 September 2018 - B 4 AS 39/17 R and of 29 November 2022 - B 4 AS 64/21 R).

#### 5. "Effortless" income

For income that does not come from gainful employment, such as unemployment benefits, sickness benefits, injury benefits, maintenance payments, reduced earning capacity pensions or child benefits, the 100 euros basic allowance for employed persons, the basic allowance for trainees, schoolchildren, students and volunteers under the age of 25, as well as the earned income allowance, do not apply.

For almost all "effortless" income, therefore, the only deductions that can generally be considered are the 30 euros insurance allowance and – if contributions are actually paid – contributions to motor vehicle liability insurance and Riester pensions (at a lump sum).

As a reminder, some "effortless" income is not taken into account as income, either in whole or in part (see section 1 of this Chapter, "Which income is taken into account and which is not?").

#### Special features of child benefit

In SGB II, child benefit is counted as income for children living in your household. The insurance allowance can then only be deducted from child benefit on a regular basis for children who are of age.

If your child has their own income that is sufficient to cover their living expenses, for example through child benefit and maintenance, the portion of the child benefit that your child no longer needs to cover their living expenses is taken into account as income for the parent who is entitled to child benefit. The income transfer is limited to the child benefit.

As a rule, the 30 euros insurance allowance, and, if applicable, contributions to motor vehicle liability insurance and Riester pensions, must be deducted from the transferred child benefit each month. The condition is that these deductible amounts have not already been taken into account for the child or child benefit recipient, for example, for employed persons within the framework of the 100 euros basic allowance.

#### **Allowances**

Exemptions must be deducted from some "effortless" income:

at least 100 euros per month from vocational training allowances for apprentices, training allowances under SGB III, training grants under BAföG or comparable benefits from organisations for the promotion of gifted and talented individuals, provided that the 100 euros basic allowance for employed persons or the basic allowance for employed apprentices, schoolchildren, students and volunteers under the age of 25 (2025: 556 euros per month) has already been taken into account, for example due to the payment of a training allowance or other income from gainful employment (Section 11b (2b) sentence 4 SGB II),

**Good to know:** Trainees, schoolchildren and students who receive one of the above-mentioned educational grants can receive a basic allowance higher than 100 euros if they can prove that they have necessary training-related expenses of more than 100 euros per calendar month, together with the 30 euros insurance allowance (Section 11b (1) sentence 1 no. 5 SGB II) in the calendar month. Students who are entitled to BAföG can, for example, deduct their semester fees from BAföG in the month in which they are due.

• up to 300 euros per month from (basic) parental allowance, provided that the calculation was based on income earned before the birth; The corresponding allowance is halved for persons receiving parental allowance plus (parental allowance plus = double the duration of entitlement at half the amount of parental allowance if parents do not work after the birth) (Section 10 (1) and (5) of the Federal Parental Allowance and Parental Leave Act (BEEG)).

**Example:** Ms S., a single mother, receives citizen's benefit and the minimum parental allowance of 300 euros per month. In the year before the birth of her child, she earned an average of 200 euros per month in a mini-job. After the birth, Ms S. takes a career break (parental leave). Ms S. has no other income or assets

How is the parental allowance calculated?

The parental allowance exemption is 200 euros per month. In this example, this is the amount that Ms S. earned before the birth of her child. The parental allowance is not deducted from the citizen's benefit in the amount of this exemption. The 30 euros insurance allowance must be deducted from

the remaining parental allowance of 100 euros. As a result, 70 euros per month is deducted from Ms S.'s citizen's benefit due to the parental allowance.

• 100 euros per month plus 30 percent of the gross amount of old-age and disability pensions exceeding this amount, but not exceeding 50 percent of the standard needs level 1 (2025: 281.50 euros). The prerequisite is that the pensioners concerned can prove that they have at least 33 years of basic pension periods in accordance with <a href="Section 76g">Section 76g</a> (2) of the Sixth Book of the Social Code (SGB VI) in the statutory pension insurance scheme or comparable periods of insurance in other compulsory old-age pension schemes (Section 11b (2a) SGB II; Section 82a SGB XII). It is not necessary for benefit recipients to actually be entitled to a basic pension supplement.

Recipients of a survivor's pension who are in need of assistance also receive the allowance if the deceased person has acquired 33 years of basic pension periods or comparable periods.

You can find out which periods count as basic pension periods on the German Pension Insurance website under <u>FAQs on the basic pension</u>.

For a better understanding: Old-age pensioners and pensioners with a permanent full reduction in earning capacity are excluded from SGB II benefits. However, if they live with persons entitled to benefits who are capable of working in a joint household, their pension may be taken into account as income for the other members of the joint household (for more information, see Chapter 4, Section 1, "Income distribution in the a household-sharing community"). The new basic pension allowance reduces any possible income transfer from these pensioners to the other members of the joint household.

The allowance is only deducted from the pension once the Jobcenter has received notification from the relevant pension provider regarding the basic pension periods or comparable periods. As soon as proof has been provided, the allowance is retroactively taken into account (Section 69 SGB II).

## 6. Income paid retroactively

Special credit rules apply to income that is not earned in the month of receipt but in previous months. Examples of such arrears include: arrears of sickness benefit, unemployment benefit, BAföG or child benefit, as well as arrears of wages or salaries.

If the entire community at need ceases to be in need of assistance as a result of the adjusted additional payment being taken into account in the month in which it is received, the additional payment shall be spread evenly over a period of six months from the month in which it was received and taken into account monthly with a corresponding partial amount (Section 11 (3) SGB II). The six-month distribution period is not limited by the end of an approval period.

**Example:** The monthly citizen's benefit of the married couple E. amounts to 1,600 euros. Mr E. receives unemployment benefit from the unemployment insurance fund in the amount of 1,800 euros in arrears. His wife owns a car (motor vehicle liability insurance in the amount of 360 euros per year).

- Step 1: The retroactively paid unemployment benefit exceeds the monthly needs of the couple. Deductions for advance adjustment of income (Section 11b (1) sentence 2 SGB II) do not apply here.
- Step 2: Distribution of the retroactive payment over six months: 1,800 euros/6 months = 300 euro per month

Step 3: Adjustment of the distributed retroactive payment:
300 euros minus 30 euros insurance allowance and 30 euros for motor vehicle liability insurance = 240 euros per month of creditable income over six months

If any benefit entitlement remains despite taking into account the adjusted retroactive payment in the month in which it was received, the retrospective payment is only credited to the entitlement in the month in which it was received.

Please note: Remuneration for work that is not paid until the following month according to the employment contract is not considered a retroactive payment within the meaning of SGB II (<u>Technical Instructions of the Federal Employment Agency on Sections 11-11b SGB II</u>, as of 24 October 2024, margin number 11.10).

**Good to know:** If social benefits are paid retroactively due to a delay in approval, according to the instructions of the Federal Employment Agency, the deductible amounts under SGB II, for example the basic allowance of at least 100 euros per month for BAföG, must be deducted before the income is distributed *for each month paid retrospectively*. (see <u>Technical Instructions of the Federal Employment Agency on Sections 11-11b SGB II,</u> as of 24 October 2024, margin number 11.13a).

The entitlement to benefits ceases completely if, after distribution of the adjusted retroactive payment, there is no longer any entitlement to benefits in all six months. The portion of the retroactive payment that has not been used counts as assets after the six months and is then in many cases protected by the asset allowances under Section 12 SGB II.

# Chapter 10 | How are assets taken into account?

Assets are, in particular, monetary and non-monetary assets that you already had *before* submitting your application. Assets include, for example, cash, money in your current account, savings accounts, shares or other securities, life insurance policies, private pension insurance policies, motor vehicles, residential property or land. Tangible assets that you acquire *while* receiving basic income support for jobseekers are also considered assets.

Assets must be taken into account if they are realisable or not exempt from realisation (section 1) and exceed the asset allowances (section 2).

#### 1. Which assets are realisable and which are not?

Assets are realisable if they can be used for living expenses through consumption, sale, rental, leasing or, in exceptional cases, mortgaging.

The following assets (Section 12 (1) SGB II) are, among others, exempt from realisation:

- reasonable household effects,
- an appropriate motor vehicle (car, motorcycle or moped) for each person capable of working
  in the household. According to the guidelines of the Federal Employment Agency, a motor
  vehicle is considered appropriate if the proceeds from its sale—, after deduction of any
  liabilities attached to the vehicle—, do not exceed 15,000 euros (see <u>Technical Guidelines of
  the Federal Employment Agency on Section 12 SGB II</u>, as of 1 January 2025, margin number
  12.13). If the motor vehicle is worth more, the excess amount falls under the asset allowance,
  provided that this has not yet been exhausted,
- a reasonable residential property used by the beneficiary. A living space of 130 square metres
  is considered reasonable for an owner-occupied flat for up to four residents and a living space
  of 140 square metres for a single-family house used by the beneficiary. For each additional
  resident, the reasonable living space increases by a further 20 square metres. In cases of
  particular hardship, even larger living spaces may be recognised.
- insurance contracts that are *intended for retirement provision*. Case law has yet to clarify conclusively under what conditions insurance is "*intended for retirement provision*". For example, the Landshut Social Court considers the purpose of "retirement provision" to be guaranteed if, for a private pension or endowment insurance policy with a term of more than 20 or 30 years, the agreed payment of the insurance benefit is made at the earliest at the age of 60; state subsidies for old-age provision, for example under the Old-Age Provision Certification Act, are not a prerequisite (see decision of 4 December 2024 S 11 AS 347/24 ER and judgment of 31 January 2025 S 11 AS 160/23),
- all forms of old-age provision that are expressly promoted as pension provision under federal law, for example "Riester pensions" or occupational pension schemes under the Occupational Pensions Act.
- in the case of self-employed persons, other assets regardless of the form of investment, if they are (subjectively and objectively) intended for old-age provision. This also applies to former self-employed persons, regardless of how long ago they were self-employed and whether they received SGB II benefits during this period. For each year or part thereof of full-time self-employment during which no contributions were paid to the statutory pension insurance scheme, for example under the artists' social insurance scheme (Künstlersozialversicherung), or to a public-law insurance institution or pension scheme for a professional group, an amount of up to 8,500 euros (as of 1 January 2025) is not to be taken into account.

**Example:** After almost ten years of full-time self-employment without further insurance under the statutory pension insurance scheme or a pension scheme, the applicant has assets of up to 85,000 euros that are not taken into account. Assets designated by the applicant as being for retirement provision are disregarded in the means test up to this amount. If the realisable assets exceed this amount, the asset allowances (see "2. What asset allowances are there?") must be deducted from the excess amount.

- Assets that are essential for taking up or continuing vocational training or gainful employment, for example, a vehicle used for business purposes (<u>Section 7 (1) of the Citizen's Benefit Regulation</u>; see also the SGB II knowledge database, <u>entry "Betriebsvermögen" [business assets]</u>), and
- items and rights, insofar as their realisation would cause particular hardship.

#### 2. What asset allowances are there?

The amount of your asset allowances and the extent to which existing owner-occupied residential property is protected depend on whether you are in the "grace period".

The start and duration of the grace period for assets are regulated in a similar way to the grace period for accommodation costs (see Chapter 5, Section 3.2 "What is the grace period?").

## **During the grace period**

After you first apply under SGB II, a grace period applies to the use of your assets during the first year of receiving benefits (Section 12 (3) SGB II). The grace period begins on the first day of the calendar month in which you first receive benefits under SGB II or SGB XII.

**Example:** Mr A. applied for citizen's benefit for the first time on 30 November 2024. If Mr A. is in need, his grace period is expected to run from 1 November 2024 to 31 October 2025.

If the benefits are interrupted during the one-year grace period, the grace period is "extended" by the full number of months without benefits; the grace period then ends accordingly later. According to the wording of the law, the reasons for the interruption are irrelevant.

**Example:** Ms M. receives citizen's benefit for the first time in January 2025. She interrupts her benefit payments due to a six-month fixed-term employment contract for the period from 1 April to 30 September 2025. From 1 October 2025, Ms M. receives citizen's benefit again.

Result: After the grace period from January to March 2025, Ms M. is still entitled to a further nine months of grace period from 1 October 2025.

Persons who last received benefits under SGB II or SGB XII before the introduction of citizen's benefit can also benefit from the advantages of the grace period. The grace period is only triggered and used up by periods of citizen's benefit received from 1 January 2023 onwards (Section 65 (3) SGB II).

**Example:** Ms P. received unemployment benefit II until the end of December 2022 and then had worked for two and a half years before being dismissed. As the subsequent unemployment benefit is not sufficient to cover her living expenses, Ms P. applies for (supplementary) citizen's benefit on 15 July 2025. Her one-year grace period begins on 1 July 2025.

**Please note:** There is no grace period if, taking your income into account, you are only in need of assistance for *one* month or less and are receiving SGB II benefits, for example because of a large retroactive payment claim from your landlord for heating costs (<u>Section 12 (6) SGB II</u>). In this case, the conditions that apply to the means test after the grace period expires (see below) will apply to you.

Once the grace period has expired, a new grace period will only begin if you have not received any benefits under SGB II or SGB XII for at least three years.

The following special rules apply during the grace period:

- Your own home is not considered an asset, even if its living space is unreasonably large.
- Assets are only taken into account if they are "significant". Assets are considered significant if
  they exceed 40,000 euros for the (first) person entitled to benefits and 15,000 euros for each
  additional person in the benefits community. Assets that are exempt from realisation (see
  section 1 "Which assets are realisable and which are not?") are not included in this calculation.

The increased allowance of 40,000 euros is always granted to only *one* person entitled to benefits within the community at need, but this does not always have to be the same person entitled to benefits (see example at the end of this section and the <u>Technical Instructions of the Federal Employment Agency on Section 12 SGB II</u>, as of 1 January 2025, margin number 12.36, including example).

Unused allowances of one community at need partner can be transferred to the other community at need partner or from the children belonging to the community at need to their parents (Section 12 (4) SGB II). This means that, as a rule, the total amount of the asset allowances can be offset against the total assets of the community at need.

**Example:** Family B has saved the following amounts of money: husband (10,000 euros), wife (60,000 euros) and child (no assets). Their total assets amount to 70,000 euros.

The total allowance for the family is calculated as 40,000 euros for the first person entitled to benefits and 15,000 euros for each of the two other persons in the community at need, making a total of 70,000 euros.

Result: Due to the transfer of the unused allowances from Mr B. and his child to Ms B., the family is in need of assistance.

The Jobcenter assumes that no significant assets are available if applicants declare this in their
application and nothing else emerges from the mandatory self-disclosure (<u>asset declaration</u>).
According to the legislator, proof of existing assets should only be submitted during the grace
period in individual cases at the request of the Jobcenter.

The grace period must be determined individually for each person in the benefits community (BG). As a result, there may be different grace periods within a BG, for example, after another person (partner or unmarried child under 25) is included in the BG who has not yet received citizen's benefit or, after 31 December 2022, citizen's benefit or if a person temporarily leaves the community at need.

**Example:** Mr A, who is employed and has not previously been in need of assistance, moves into the flat with his partner, who is in need of assistance, and their son. The three now form a joint community at need. Ms B and her son have no assets; their grace periods have already expired. Mr A has assets of 60,000 euros.

Result: Mr A has a (personal) grace period of one year. During this time, the joint household has a total allowance of 70,000 euros (40,000 plus 2 x 15,000) and Mr A does not have to use his assets to cover living expenses.

**Example:** Ms. F. and Mr. G. live in a "marriage-like relationship". The couple must apply for citizen's benefit for the first time because Mr G.'s income is sufficient for him but not for both of them. Ms F. and Mr G. each have assets of 25,000 euros. Six months after starting to receive citizen's benefit, the couple separate. Mr F. moves in with a friend. After six months, the relationship crisis is resolved and Mr F. moves back in with his partner.

Result: The couple receives citizen's benefit because their total asset allowance of 55,000 euros (40,000 euros plus 15,000 euros) exceeds their total assets. After Mr G. moves out and thus leaves Ms F.'s joint household (no shared household), Ms F. retains an asset allowance of 40,000 euros during her remaining grace period, which continues to cover her assets. One year after the start of the citizen's benefit payments, Ms F.'s grace period ends. However, Mr G., who has returned to Ms F.'s household and BG, still has an unused entitlement to six months' grace period. The allowances for Mr G.'s assets (40,000 euros) and Ms F.'s assets (15,000 euros) together therefore cover the existing assets of 50,000 euros for a further six months.

#### After expiry of the grace period

After expiry of the grace period, each person in the community at need has a lump-sum asset allowance of 15,000 euros. Unused allowances of one person may be transferred to other persons in the community at need, with the exception described above (Section 12 (2) SGB II).

Please note: Unmarried children under the age of 25 are only part of the benefits community if they cannot cover their needs from their own income or assets. If they have assets of more than 15,000 euros that can be taken into account, they are no longer part of the benefits community (Section 7 (3) No. 4 SGB II). It is therefore not possible to transfer unused allowances from parents to their children.

Owner-occupied residential property is only protected to a reasonable extent (for more details, see section 1 of this Chapter, "Which assets are realisable and which are not?").

In addition, a "normal" asset assessment is carried out with the mandatory submission of all evidence of existing assets.

## 3. What happens if your assets exceed the exemption limit?

If your disposable assets exceed the exemption limit, you are not considered to be in need of assistance until the assets exceeding the exemption limit have been used up.

Good to know: When assessing the use of assets, the Jobcenter cannot base its decision on the spending habits of a person receiving basic income support (see LSG Lower Saxony-Bremen of 12 December 2018 - L 13 AS 111/17). However, it is not clear how you are allowed to live without behaving in a "socially unacceptable" or "uneconomical" manner, and this is a matter for individual cases. Economically reasonable expenses, such as necessary car repairs or the purchase of a household appliance, must be accepted by the Jobcenter when you reapply. It is up to you to demonstrate and prove that your assets are being used reasonably.

Unlike income, the monthly principle does not apply when calculating assets. Entitlement to citizen's benefit arises from the day of the month on which your assets fall below the relevant allowance. The Jobcenter must then grant benefits on a pro rata basis for the calendar month in question (BSG of 20 February 2020 - B 14 AS 52/18 R).

If the assets of an unmarried child under the age of 25 living in their parents' household exceed the child's allowance, only the child is not in need of assistance. This leads to the child's exclusion from the community at need and from receiving benefits under SGB II (Section 7 (3) No. 4 SGB II).

Please note: If the assets to be used are not immediately available but only at a later date, you are still considered to be in need (Section 9 (4) SGB II). You will then usually receive citizen's benefit as an interest-free loan (Section 24 (5) SGB II). If it is unlikely that the assets can be realised during the entire approval period (usually twelve months), through no fault of your own, the citizen's benefit must be granted as a subsidy. The Jobcenter will decide again at the beginning of each approval period whether your assets can be realised (BSG of 6 December 2007 – B 14/7b AS 46/06 R; see also SGB II knowledge database on Section 12, entry "Nießbrauch/Nicht selbst genutztes Wohneigentum" (Usufruct/Residential property not used by the owner).

# Chapter 11 | How are maintenance and maintenance claims taken into account?

If you receive maintenance from third parties, for example from relatives or a spouse who lives separately, the maintenance is counted as so-called unearned income, regardless of whether it was paid to you on the basis of a legal entitlement or voluntarily. You can find out more about the crediting of unearned income in Chapter 9, section 5, "Effortless income".

If you are entitled to maintenance but do not actually receive any maintenance payments, you are entitled to full benefits to cover your living expenses. If the Jobcenter pays you benefits, your maintenance claims are transferred to the Jobcenter. The authorities can then recover the benefits paid to you from the person who is obliged to pay maintenance.

The transfer of claims (Section 33 SGB II) is only possible in the case of maintenance claims of

- minor unmarried children against their parents,
- children under the age of 25 against their parents if the child's initial education has not yet been completed,
- separated or divorced spouses or life partners against their partners, or
- women during pregnancy and mothers until the child reaches the age of 6 against the child's father, if the pregnant woman or mother is unable to work because of the child.

The maintenance claim is not transferred to the Jobcenter if you live in a joint household with the person who is obliged to pay maintenance. The same applies to maintenance claims by children against their parents if the child entitled to maintenance is pregnant or is caring for a biological child under the age of six.

**Please note:** The Jobcenter is not entitled to make payment of the benefit dependent on you first claiming maintenance.

The following maintenance claims will only be taken into account if the persons entitled to maintenance have asserted them:

- parents against their children,
- of children of full age after completion of their initial education against their parents or
- grandchildren against their grandparents.

Relatives in the second and third degree of the person entitled to benefits, for example siblings, aunts and uncles, are not taken into account at all, as there is generally no legal entitlement to maintenance in these cases.

Our advice: If you become in need of assistance and are obliged to pay maintenance on the basis of a maintenance order, your maintenance obligations remain unchanged. In this case, you can apply to the family court to have the maintenance order amended. Contact a solicitor or the family court.

# Chapter 12 | When are sanctions imposed and what is their scope?

Citizen's benefit recipients face benefit cuts or sanctions if they violate their obligations or fail to report certain information. The benefits of persons who violate their obligations or fail to report information are reduced, not the benefits of other members of the household.

Since the introduction of citizen's benefit, the legislator no longer refers to sanctions, but uses the bureaucratic term "benefit reductions".

#### 1. What are reporting failures?

A failure to report occurs if you receive citizen's benefit and do not comply with a request from the Jobcenter to report in person or to attend a medical or psychological examination appointment without *good cause* (Section 32 SGB II). The rule applies to all persons entitled to benefits, regardless of whether they are capable of working or not.

"Good causess" include, for example, an invitation to a job interview at the same time as the reporting date, gainful employment or illness proven by a medical certificate ("certificate of incapacity for work").

Please note: Jobcenters sometimes point out in their invitations that a certificate of incapacity for work is not sufficient to justify non-attendance. If you are unable to attend the appointment, your doctor must confirm that you are unable to attend for health reasons. Otherwise, there is a risk that the Jobcenter will impose a sanction for failure to register.

The imposition of a sanction for failure to report or breach of duty requires that you have been informed in writing in advance of the consequences of your absence. A correct instruction must be accurate, clear, comprehensive and understandable to you. It must be given in a timely manner and in connection with the required behaviour. The *written* notification can only be waived if you *were aware of* the legal consequences of your actions or inaction in the specific situation – merely "should have known" is not sufficient.

If the conditions for a sanction are met, failure to report will result in a reduction in benefits of ten per cent of the relevant standard rate (2025: 56.30 euros per month for single persons) for a period of one month. The reduction takes effect in the month following receipt of the sanction notice. In the event of several consecutive failures to report, several sanctions may be imposed at the same time. The reduction amounts are then added together, but may not exceed a total of 30 per cent of the standard rate applicable to you.

## 2. What are breaches of duty?

As a person capable of gainful employment, you are in breach of your obligations if, despite written instruction on the legal consequences or despite being aware of them and without good cause, you

- refuse to fulfil obligations-specified in an administrative act pursuant to <u>Section 15 (5) or (6) of SGB II</u> (see Chapter 8, section 2, "What is a cooperation plan?"),
- refuse to take up, continue or prevent the establishment of reasonable work, training–or subsidised employment through their behaviour, or
- fail to take up or discontinue a reasonable measure for integration into work or give cause for its discontinuation (Section 31 (1) SGB II).

A breach of duty also exists, for example, if

- citizens entitled to income support who are capable of working terminate their employment relationship without good cause or give cause for the termination of the employment relationship by violating the employment contract, or
- adults entitled to citizen's benefit reduce their income or assets with the intention of receiving or increasing benefits (Section 31 (2) SGB II).

Good causes include, in particular, proven illness or disability that makes it impossible to take up or continue work or a measure, or the unreasonableness of work or a measure (see Chapter 8 in section 1, "What work is reasonable?").

#### 3. What are the sanctions for breaches of duty?

The amount and duration of the sanctions are generally based on the number of breaches of obligations identified within a certain period (Section 31a (1) SGB II).

• After a (first) breach of obligation, the citizen's benefit may be reduced by 10 per cent of the relevant standard rate for one month (2025: 56.30 euros for single persons).

Higher and longer sanctions may be imposed if a benefit reduction has already been imposed due to a breach of obligation and a renewed breach within one year of the start of the previous reduction period.

- In the event of a further (second) breach of duty within one year of the last sanction, the benefit shall be reduced for two months by an amount equal to 20 per cent of the relevant standard rate (2025: 112.60 euros per month for single persons).
- After each further (third, fourth, etc.) breach of obligation committed within one year of the last reduction, the benefits shall be reduced for three months by an amount equal to 30 per cent of the relevant standard rate (2025: 168.90 euros per month for single persons).

**Good to know:** If more than one year has passed since the start of the last sanction when a new breach of obligation occurs, the Jobcenter may only reduce the citizen's benefit again for one month by an amount equal to 10 per cent of the relevant standard rate.

In the event of multiple breaches of obligations or a combination of breaches of obligations and failure to report, reduction periods may overlap. However, except in cases of "persistent refusal to take up work" (see next section), the reductions may not exceed a total of 30 percent of the relevant standard rate per month (Section 31a (4) sentence 1 SGB II). Any reduction amounts exceeding this limit shall expire in individual months.

## 4. What is the sanction for "persistent refusal to take up work"?

The Second Budget Financing Act 2024 has tightened the sanctions available under SGB II effective 28 March 2024. If citizens receiving benefits "persistently refuse to take up reasonable employment and thus deliberately maintain or fail to reduce their need for assistance" (Bundestag document 20/9999, page 21), Jobcenters may temporarily withdraw all benefits for standard needs. The costs of accommodation and heating and additional needs may not be reduced.

In order for beneficiaries who are capable of working to be sanctioned for "persistent refusal to take up work", several conditions must be met:

- The beneficiary deliberately or intentionally refuses to take up reasonable work,
- The opportunity to take up work must actually exist and the work must be available immediately. This is the case, for example, if beneficiaries refuse to sign an employment contract despite a job offer from the employer. The "immediate possibility of taking up work" is generally not given if beneficiaries merely fail to respond to an invitation to a job interview or do not apply for a job offered by the Jobcenter.

In this context, apprenticeships or subsidised employment relationships pursuant to <u>Section 16e SGB II</u> do not count as 'work' (according to <u>the Technical Instructions of the Federal Employment Agency on Sections 31-31b SGB II</u>, as of 28 March 2024, margin number 31.46c).

- The beneficiary must have had their citizen's benefit reduced at least once within the last year due to a breach of duty one day with a reduction in benefits within the one-year period is sufficient. Previous breaches of duty such as
  - refusal to take up reasonable work, training or a subsidised employment relationship in accordance with <u>Section 16e SGB II</u> or the prevention of such employment from coming about (<u>Section 31 (1) sentence 1 number 2 SGB II</u>) or
  - the commencement of a grace period under SGB III or the existence of the conditions for the commencement of a grace period, for example, the termination of an employment relationship or the loss of a job as a result of a breach of the employment contract if this results in unemployment through intent or gross negligence (Section 31 (2) No. 3 or No. 4 SGB II).

According to the wording of the law, a previous waiver of the standard rate due to "persistent refusal to work" does not constitute such a prior breach of duty (see also the Technical Instructions of the Federal Employment Agency, margin number 31.46b). This also applies to a previous breach of duty in connection with a job opportunity, as this is not (or no longer) a breach of duty under Section 31(1) sentence 1 no. 2 SGB II (see Bundestag printed paper 20/3873, page 90).

 Before refusing the work, the beneficiary must have been informed of the consequences of their behaviour (loss of the standard rate) or must have been aware of the relevant legal consequences.

It is noteworthy that in its ruling of 5 November 2019 ( $\underline{1 \text{ BvL 7/16}}$ ), to which the legislature refers when introducing the new sanction regulation, the Federal Constitutional Court made a complete withdrawal of subsistence benefits dependent on the immediately available work being "subsistence-level" (margin number 209). However, this is no longer mentioned in the new sanction regulation.

The complete withdrawal of the standard rate may last for a maximum of two months (Section 31b (3) SGB II). If it is no longer possible to take up work immediately before the end of the two-month period, for example because the job offered has been filled by someone else, the sanction must be lifted from that point in time. The same applies if the person entitled to benefits does take up the job offered before the end of the sanction period. In the opinion of the Federal Employment Agency, the basis for the abolition of the standard rate pursuant to Section 31a (7) SGB II ceases to exist if, during the hearing procedure, i.e. before the threatened sanction takes effect, it is already clear that immediate (see Technical Instructions of the Federal Employment Agency, margin number 31.46h).

Please note: If the conditions for the complete abolition of the standard rate are not met, a breach of duty under <a href="Section 31 sentence 1">Section 31 sentence 1</a> (1) no. 2 SGB II or a "normal" reduction of your citizen's benefit may be considered (see section 3 in this Chapter).

The provisions on stricter sanctions are limited in time until 27 March 2026 (Section 86 SGB II).

## 5. What other rules apply to sanctions?

Before and after imposing sanctions, Jobcenters must observe the following rules:

- A sanction may not be imposed if it would constitute an *exceptional hardship* for the beneficiary due to special circumstances (<u>Section 31a (3) SGB II</u>). In particular, a reduction is not an option if it would jeopardise integration into work or the reduction of the need for assistance. Exceptional hardship *may* exist, for example, if the reduction in benefits threatens to result in the loss of contact with the Jobcenter, particularly due to psychological problems on the part of the beneficiary, or if there is a risk of homelessness. A reduction in cash benefits alone does not constitute exceptional hardship.
- A sanction may not reduce benefits for accommodation and heating (<u>Section 31a (4) sentence 2 SGB II</u>). This may mean that there is no reduction in benefits under SGB II if, as a result of countable income, there is only a supplementary entitlement to benefits for the costs of accommodation and heating (see also <u>Bundestag printed paper 20/3873</u>, page 93).
- A sanction may not be imposed if more than six months have elapsed since the date of the breach of duty or failure to report (Section 31b (1) sentence 3 SGB II).
- A sanction must be terminated prematurely if persons entitled to citizen's benefit subsequently, but before the expiry of the sanctions, cooperate in fulfilling their obligations, for example in an integration measure proposed by the Jobcenter which they did not initially undertake. If it is not possible to fulfil the obligation retrospectively, the sanction must nevertheless be terminated prematurely if the persons entitled to benefits credibly declare their willingness to fulfil their obligations in future (Section 31a (1) sentence 6 SGB II). However, the duration of the sanction shall then be at least one month.

Good to know: Before the Jobcenter can impose a sanction, you must be heard (Section 24 SGB X) so that you can explain the reasons for your behaviour. You have the right to request a *personal* hearing (Section 31a (2) SGB II). Young adults under the age of 25 and persons who repeatedly violate obligations or miss appointments should be offered a personal hearing ex officio.

# Chapter 13 | What are your obligations to cooperate? Do you have to take advantage of priority benefits?

Anyone who applies for or receives social benefits is obliged to cooperate (<u>Sections 60 to 64 SGB I</u>). Therefore, the following applies:

- When submitting your application, you must provide all information that is relevant to the benefit. This includes, in particular, truthful information about your income, assets, marital status, and the number and age of the members of your household.
- You must report any changes in your circumstances immediately after submitting your application. This includes notifications about people moving in or out of your household, changes in income and assets, taking up employment and credit balances in connection with utility and heating bills.
- You must submit any documents requested by the Jobcenter or consent to the provision of the necessary information by third parties. This includes the submission of bank statements and proof of income.
- At the request of the Jobcenter, you must undergo medical examinations or treatment or participate in measures to help you participate in working life (rehabilitation).

The obligations to cooperate do not apply in particular if you cannot reasonably be expected to cooperate for an good causes, for example due to special circumstances in your personal life (<u>Section 65 SGB I</u>).

If you fail to fulfil your obligations to cooperate without good cause and thereby make it considerably more difficult to clarify the facts of the case, you must expect that your benefits will be refused or withdrawn in whole or in part (Section 66 SGB I). The withdrawal and refusal of benefits is a discretionary decision that requires the Jobcenter to weigh up the pros and cons.

Before benefits are refused or withdrawn, you must be informed in writing of the legal consequences and be given a reasonable period of time to cooperate.

If your benefits have been suspended and you subsequently cooperate, the Jobcenter *may* pay the benefits retroactively (Section 67 SGB I).

If you have intentionally or negligently violated your obligations to cooperate and have thereby received excessive benefits from the Jobcenter, the Jobcenter *may* impose a fine on you (Section 63 (1) No. 6 and No. 7 and (2) SGB II). In addition, you must reimburse the overpaid amounts.

Please note: You are not obliged to provide information about the income and assets of third parties, such as persons liable for maintenance. Likewise, you must not suffer any financial disadvantages if your landlord refuses to provide you, as a subtenant, with the main tenancy agreement required by the Jobcenter. If third parties do not cooperate, you must not be denied social benefits for this reason.

In principle, you are obliged to apply for priority social benefits such as housing benefit, child benefit, supplementary child allowance, maintenance advance or a reduced earning capacity pension if this can prevent, reduce or shorten your need for assistance. The Jobcenter may then ask you to submit an application. The Jobcenter may only refer you to housing benefit and supplementary child allowance if this will overcome the need of the *entire* community at need for at least three months (Section 12a SGB II).

If you refuse to apply for priority benefits despite being requested to do so by the Jobcenter, the Jobcenter itself *can* submit the application to the other social security provider (Section 5 (3) SGB II).

The SGB II benefits may therefore not be refused or suspended by the Jobcenter. However, there may be negative consequences for your benefits if the application has already been submitted by the Jobcenter and you do not cooperate in the ongoing administrative procedure of the priority social security provider, for example by failing to provide necessary documents.

**Please note:** Questions about data protection cannot be answered in this brochure.

Our advice: If you have any questions about the protection of your social data at the Jobcenter or if you have any indications of a breach of data protection, please contact the official data protection officer at your Jobcenter or directly contact the Commissioner for Data Protection and Freedom of Information in Bonn. The Federal Commissioner is responsible for data protection control and advice for the Berlin Jobcenters, among others. Initial questions are answered in her flyer Data protection at the Jobcenter.

## Chapter 14 | Are benefit recipients entitled to holiday leave?

If you want to travel, you usually need the approval of your Jobcenter if you are capable of working. Those who are not capable of working and children under the age of 15 do not need permission to travel (you can find out more about this in Chapter 3, section 3, "Who is not entitled to SGB II benefits?" under "Inability to be reached").

The Jobcenter may approve a stay outside the immediate area "without good cause" for a total of up to three weeks (including Sundays and public holidays) in a calendar year. If there are "special circumstances", approval may also be granted for a period of more than three weeks (Section 7b (3) SGB II; Section 7 ErrV).

**Good to know:** If you supplement your income subject to social insurance contributions with citizen's benefit, the Jobcenter must grant you leave for the duration of your leave entitlement under labour law.

The Jobcenter may refuse to grant leave if your absence would significantly impair your placement in training or work. A significant impairment exists, for example, if you have a *concrete* offer for training or work or a *concrete* job interview that cannot be accepted or attended after your return from leave.

If you receive citizen's benefit in addition to unemployment benefits, the Employment Agency's permission to be absent from your place of residence also counts as consent to stay outside the immediate vicinity of the Jobcenter (Section 8 ErrV).

You should apply for leave two to three weeks in advance, but no later than five days in advance.

Our advice: If you have school-age children and are dependent on the school holidays as your holiday time, you should inform the Jobcenter regardingly when applying for leave. This will increase your chances of having your leave approved.

## Chapter 15 | Supplementary child allowance and housing benefit – an alternative to citizen's benefit?

The supplementary child allowance (KiZ) under <u>Section 6a of the Federal Child Benefit Act</u> (BKGG) is intended as an alternative to basic income support for jobseekers for families on low incomes. The KiZ can often be combined with housing benefit.

**Good to know:** The supplementary child allowance was actually supposed to be transferred to the new basic child benefit this year. The basic child benefit was intended to combine child benefit, supplementary child allowance, BuT benefits and other benefits for children into a single social benefit. However, the former federal government, consisting of the SPD, Bündnis 90/Die Grünen and FDP, was unable to agree on a comprehensive reform of state benefits for children.

KiZ can be applied for at the <u>relevant family benefits office</u>. Enter your postcode in the "Find an office" field at the bottom right of the family benefits office website.

The first requirement for KiZ is that you

- are entitled to child benefit or a comparable benefit (§ 4 BKGG) for your unmarried child under the age of 25 living in your household and
- you have received an average gross income of at least 900 euros (excluding housing benefit, child benefit and KiZ) in the six months prior to the month in which you submit your application; for single parents, an average gross income of 600 euros per month is sufficient.

Please note: The KiZ is subordinate to other possible income of the child. Therefore, there is generally no entitlement to KiZ for a child if you have not claimed child maintenance, maintenance advance payments or BAföG, for example.

**Good to know:** You can also receive the KiZ if you only live with your child in the same household part of the time due to separation from your partner. The prerequisite is that the family benefits office pays the child benefit to you and not to the other parent.

The KiZ is possible if, in the month in which you submit your application, your income together with the KiZ and housing benefit is sufficient to ensure that you and the other members of your household are not in need of assistance within the meaning of SGB II. Requirements for education and participation are not taken into account here. If you have not yet applied for housing benefit, an estimated housing benefit for the month of application will be included in this assessment.

For families who are not currently receiving or have not applied for benefits under SGB II or SGB XII, there is an "extended access option". You will also receive the supplement if

- the parents earn an income of at least euros100 per month and
- the family, with all income adjusted in accordance with SGB II, including KiZ and—, and, if applicable, fictitious— housing benefit, is less than 100 euros per month in order to avoid being in need of assistance within the meaning of SGB II.

With this regulation, the legislator wants to give more families in the low-wage sector who are entitled to basic income support but do not claim it ("hidden poverty") access to KiZ.

Good to know: Like recipients of citizen's benefit, recipients of KiZ are entitled to benefits for education and participation (Section 6b BKGG) and to contribution-free childcare (Section 90 (4) SGB VIII). In Berlin, the district housing offices are responsible for approving BuT benefits for KiZ recipients. Applicants can also contact their district citizens' offices.

#### **Amount and duration**

The family benefits office grants KiZ for a period of six months (approval period).

Each eligible child will receive a KiZ in 2025 of up to 297 euros per month (2024: 292 euros), including the immediate supplementary child allowance. The actual amount payable is calculated taking into account the eligible income and assets of the parents and the child in question. Calculating the KiZ is complicated, so only a few guidelines can be provided.

The starting point for calculating income is the average monthly income from the six months *prior* to the start of the approval period. Child benefit, KiZ, housing benefit and benefits under SGB II are not taken into account. In a further step, the income is adjusted for the allowances and deductions under SGB II (see Chapter 9, "How is income taken into account?").

**Good to know:** Subsequent changes in income or accommodation costs during the KiZ approval period are not taken into account and do not affect the amount of KiZ. If new members join or leave the benefits community, you must report this to the family benefits office.

Our advice: If your income decreases or your accommodation costs increase while you are receiving KiZ and you become eligible for assistance under SGB II, you can receive citizen's benefit in addition to KiZ.

The income of a child determined in this way, such as maintenance, maintenance advance or training allowance, is credited at 45 per cent to the child's KiZ entitlement, i.e. deducted from the 297 euros. If there are several children, the supplements determined for each child are combined to form a total child supplement.

The parents' income and assets only reduce the KiZ or total KiZ if they exceed the parents' needs. The excess earned income is deducted from the KiZ at a rate of 45 per cent, while other income, such as a pension, is credited to the KiZ at 100 per cent above the parents' needs.

When determining the parents' needs, the standard and additional needs specified in SGB II apply. In addition, the following proportions of the housing needs are used as the parents' housing costs.

Table 17
Parents' share of housing costs when receiving KiZ

Single parents with	Share of housing costs of single parents	Parents with	share of housing costs of parents
1 child	77 %	1 child	83 %
2 children	63 %	2 children	71 %
3 children	53 %	3 children	62 %
4 children	46 %	4 children	55 %
5 children	40 %	5 children	5 %

The assets of parents and children must also be taken into account. The asset regulations from SGB II apply. Unlike in SGB II, however, assets are only taken into account for supplementary child allowances if they are "significant" (see Chapter 10 "How are assets taken into account?").

**Example:** Ms G. is a single mother with two children (aged 2 and 4). She earns 1,650 euros gross per month (approximately 1,330 euros after deductions) working part-time. The mother receives child benefit of 510 euros per month. She also receives an <u>advance maintenance payment</u> of 227 euros per month for each child. The family also receives supplementary citizen's benefit of 245.40 euros and the immediate supplementary child allowance of 25 euros per child per month. The monthly rent including heating is 681.72 euros. The family has no assets. For simplicity's sake, it is assumed here that the income earned in the last six months has remained unchanged.

Can the family switch from citizen's benefit to KiZ? Is the switch financially worthwhile?

#### Calculation:

Step 1: Ms G. meets the minimum threshold of 600 euros gross income per month.

Step 2: The advance maintenance payments for the children reduce the KiZ by102.15 euros each (45 per cent of 227 euros). The remaining KiZ per child is 194.85 euros per month (297 euros minus 102.15 euros), and the total KiZ is 390 euros (rounded up in accordance with <u>Section 11 (2) BKGG)</u>.

Step 3: No parental income is deducted from the total KiZ, as Ms G.'s assessable income does not exceed her own needs.

a.) Ms G.'s monthly needs according to SGB II are as follows:

563.00 euros (standard needs)

- + 202.68 euros (additional needs for single parents)
- + 429.48 euros in proportionate housing costs (63 per cent of 681.72 euros)
- = 1,195.16 euros.
- b.) Ms G.'s income creditable under SGB II amounts to
- 1,330 euros (net income)
- 378.00 euros (basic allowance and tax-free allowance for gainful employment)
- = 952 euros.

Step 4: Using the total KiZ and other income, the family's need for assistance is avoided in the month of application: the eligible family income is higher than the family's SGB II requirement.

a.) The family's monthly SGB II requirement is made up of

563 euros (standard need for single parents)

- + 202.68 euros (additional allowance for single parents)
- + 357.00 euros (standard need for children under 6 years of age)
- + 357.00 euros (standard need for children under 6)
- + 681.72 euros (rent including heating)
- = 2,161.40 euros.
- b.) The family's monthly income is

952.00 euros (eligible portion of net remuneration)

- + 510 euros child benefit
- + 454 euros maintenance advance
- + 390 euros total KiZ

- + 358 euros estimated housing benefit
- = 2,664 euros

Result: Ms G. can switch to KiZ. With KiZ and housing benefit, the family will then have 452.60 euros more per month at their disposal than with citizen's benefit and immediate supplement for children (748 euros from KiZ and estimated housing benefit compared to 295.40 euros from citizen's benefit and immediate supplement).

#### **KiZ** as an alternative to citizen's benefit?

Jobcenters often ask families to apply for KiZ and housing benefit. Both benefits take precedence over citizen's benefit (please refer to the explanations in Chapter 13, "What are your obligations to cooperate? Do you have to take advantage of priority benefits?"). If you do not comply with the request, the authorities *can* submit the applications themselves (Section 5 (3) SGB II).

While receiving citizen's benefit, you can only switch to KiZ if your household's need for assistance ends after the switch to KiZ. To do so, KiZ, together with housing benefit if applicable, must be at least equal to the amount of citizen's benefit (see example).

If you have not yet applied for citizen's benefit or do not reapply for citizen's benefit after the expiry of an approval period, you can already switch to KiZ and housing benefit if, together with KiZ and other income, you are missing a maximum of 100 euros per month to avoid being in need of assistance within the meaning of SGB II. You can find out what specific requirements you must meet for "extended access" to KiZ at the beginning of this chapter.

If you make use of the "extended access" option, you will have slightly less money at your disposal than if you receive citizen's benefit. However, you are free to apply for supplementary citizen's benefit at a later date, even during the KiZ approval period.

Please note: If you switch to KiZ and housing benefit, you will no longer be covered by health insurance through the Jobcenter. If you have income that is subject to insurance contributions, for example income from employment or unemployment benefit, you will continue to be covered by health insurance through this. If you have no income and your spouse is a member of the statutory health insurance scheme, you will usually be covered by family insurance (Section 10 of Book V of the Social Code (SGB V) when you switch to KiZ and housing benefit, some benefits linked to receiving citizen's benefit no longer apply (see Chapter 18 "Benefits for people with little money"). When applying for housing benefit, you should expect long processing times in the Berlin districts (see Taz.de from 14 August 2024).

To check whether you are likely to be entitled to supplementary child allowance, you can use the KiZ-Lotse (KiZ pilot) service provided by the Family Benefits Office: <a href="www.arbeitsagentur.de/familie-und-kinder/kinderzuschlag-verstehen/kiz-lotse">www.arbeitsagentur.de/familie-und-kinder/kinderzuschlag-verstehen/kiz-lotse</a>

Please note: If you are currently receiving citizen's benefit and indicate this, the KiZ pilot will terminate the check and refer you to the Jobcenter, which will check your priority entitlement to KiZ. In order to use the KiZ pilot, you must therefore indicate that you are not currently receiving citizen's benefit.

To check your entitlement to housing benefit, you can use the housing benefit calculator provided by the Berlin Senate Department for Urban Development, Construction and Housing <a href="https://ssl.stadtentwicklung.berlin.de/wohnen/wohngeld/diwoformular.shtml">https://ssl.stadtentwicklung.berlin.de/wohnen/wohngeld/diwoformular.shtml</a>.

# Chapter 16 | What benefits do foreigners receive who are excluded from citizen's benefit?

Foreigners in need of assistance who are excluded from basic security benefits for jobseekers and citizen's benefit (see Chapter 3 in Section 4.1 "Exclusions from benefits and entitlement to benefits") and who are not eligible for benefits under the Asylum Seekers Benefits Act may, under certain circumstances, invoke the **European Social Security Agreement (EFA)**. In addition to Germany, the signatory states of the EFA include Belgium, Denmark, Estonia, France, Greece, Ireland, Iceland, Italy, Luxembourg, Malta, the Netherlands, Norway, Portugal, Sweden, Spain, Turkey and the United Kingdom.

According to <u>Article 1 of the EFA</u>, nationals of signatory states are to be granted welfare benefits in the same way as nationals of their own country if they are "lawfully" resident in another EFA state. The principle of equal treatment with Germans then applies. The Federal Government has suspended the application of the EFA for SGB II, but not for SGB XII.

Since the Federal Social Court assigns EFA citizens who are excluded from SGB II benefits to SGB XII, they are entitled to most benefits under SGB XII (social assistance). This entitlement includes, in particular, assistance with living expenses (<a href="Chapter 3 of SGB XII">Chapter 3 of SGB XII</a>), which corresponds to the amount of the citizen's benefit, support in the event of illness and benefits from the education and participation package. Although the assignment of persons capable of gainful employment to SGB XII and to the social welfare offices is controversial, many social and regional social courts have now ruled in this sense.

However, the prerequisite is "legal residence" in Germany. According to the highest court ruling, this requires either a "material" right of freedom of movement under the Freedom of Movement Act, i.e. at least a right of residence for the purpose of seeking employment or another right of residence, or the person concerned must be in possession of a valid residence permit under the Residence Act.

The Senate Administration responsible for social affairs clearly states in its implementing regulations for social welfare offices: EU citizens and their family members, as well as persons from EEA countries who have the same right of residence and are nationals of a signatory state to the European Social Security Agreement, are entitled to assistance with living expenses (<a href="Chapter 3 of SGB XII">Chapter 3 of SGB XII</a>), even if they are able to work. The exclusions from social assistance under <a href="Section 23(3) sentence 1 nos. 2 and 3 SGB XII</a> do not apply to them (<a href="AV Section 23 SGB XII of 25 June 2021">AVII of 25 June 2021</a>, point II.8.).

If the foreigners described above are not EFA citizens, they are only entitled to **transitional benefits** under <u>Section 23(3) sentences 3 to 6 SGB XII</u> "until their departure" according to the intention of the legislature. They receive, for a maximum of one month,

- benefits for food, health care and personal hygiene,
- benefits for accommodation, heating and hot water,
- necessary medical services for the treatment of acute illnesses and pain, and
- assistance during pregnancy and maternity.

The law does not require the foreigner to have the intention or willingness to leave the country (see BSG of 13 July 2023 –  $\frac{B \ 8 \ SO \ 11/22 \ R}{2}$ , marginal number 27).

The transitional benefits may only be claimed once every two years.

In cases of particular hardship, if "special circumstances" so require, transitional benefits may be granted for longer than one month. The legislator cites as an example the inability to travel as determined by a public health officer (printed paper 18/10211, page 17). The Social Affairs Department

of the Berlin Senate Administration lists a number of special hardship cases in its circular (<u>AV § 23 SGB XII of 25 June 2021, point II.7.d</u>). However, according to the circular, benefits may only be granted for a "temporary need" and not on a permanent basis, "even if the end of the need is not expected for months or years".

The prevailing view in case law is now that the scope of the hardship provision for transitional benefits must be interpreted narrowly. The 10th Senate of the Berlin-Brandenburg Regional Social Court, for example, is of the opinion "that only very exceptional individual situations, such as serious permanent illnesses that make travel impossible, can justify the granting of benefits." (judgment of 27 July 2023 – L\_10 AS 311/19, marginal number 68; similarly LSG Berlin-Brandenburg of 18 October 2023 - L\_4 AS 106/20).

The court no longer upholds the view previously held by the LSG Berlin-Brandenburg in its judgment of 11 July 2019 (<u>L 15 SO 181/18</u>) that the hardship provision must be interpreted broadly for constitutional reasons. The Senate had taken the view that affected EU citizens could claim a presumption of freedom of movement and claim transitional allowance as long as the immigration authorities had not taken any measures to terminate their residence, i.e. their residence was de facto tolerated (LSG Berlin-Brandenburg, decision of 24 May 2022 – <u>L 8 AS 449/22 B ER</u>, marginal number 18).

The granting of benefits other than those mentioned above, such as clothing, shoes, household energy or additional needs, is also possible in cases of particular hardship.

**Please note:** EU citizens should, if necessary, refer the case workers at the social welfare offices to the relevant passages in the circular. However, the social courts are not bound by the administrative regulation.

Our advice: Since the transitional assistance does not cover the cost of living, you should state in any appeal or urgent application to the social court why you need additional benefits, such as for clothing, household energy or a social ticket, and why transitional benefits must be paid for longer than one month, for example due to pregnancy or serious illness.

In addition to the transitional benefits, the reasonable costs of return travel will be covered as a loan upon application. The loan is also available to persons whose need for assistance arises solely from the costs of return travel (Section 23 (3a) SGB XII).

Applications for SGB XII benefits must be submitted to the **Berlin social welfare offices**.

# Chapter 17 | Do you disagree with your decision or have you not received a decision? What can you do?

## 1. Appeal

You can appeal against a decision made by the Jobcenter within a period of one month (Section 84 (1) SGG). The period begins on the day on which the decision arrives in your letterbox. If you receive it significantly later than the date stated on the decision, keep the envelope with the postmark as proof in case of a dispute.

If the notice from the Jobcenter does not include information on your right of appeal, or if this information is incorrect or incomplete, for example because it does not state that the appeal can also be lodged electronically, the deadline for lodging an appeal is one year (Section 66 (2) SGG; BSG of 27 September 2023 -  $B_7 AS 10/22 R$ ).

**Good to know:** If you are running out of time to meet the deadline, you have the option of lodging the appeal in time and justifying it later. In this case, however, you should inform the authority that you will provide your justification at a later date.

An effective appeal must also be in the correct form. A formal appeal must be either

- in writing,
- in electronic form using a qualified electronic signature or another form of electronic written form, or
- be submitted for recording at the responsible Jobcenter

For written appeals, the original letter with your handwritten signature is generally required, but sending the appeal by fax with your signature is also sufficient, provided that there is no doubt as to the identity of the appellant. We also recommend that you send the application by post. An appeal made verbally or by telephone to the case worker is not sufficient.

Our advice: If you send the objection by post, you should do so by egistered letter with return receipt. This way, you can prove later that you submitted the objection on time if it gets lost at the Jobcenter.

An objection sent by simple email does not meet the formal requirements (see, for example, LSG Lower Saxony-Bremen, judgment of 4 November 2021 - <u>L 11 AS 632/20</u>). If the objection is lodged via an access point set up for email communication, a qualified electronic signature replacing the signature of the author is required (<u>Section 36a (2) SGB I)</u>. Find out whether the email address provided by the Jobcenter is set up to receive emails with digital signatures.

Other electronic forms of objection replacing the written form pursuant to <u>Section 36a (2a) SGB I</u> and <u>Section 9a (5) OZG</u> are also possible if the identity of the sender is ensured.

For example, the Federal Employment Agency offers the option of lodging an appeal online at <a href="https://www.arbeitsagentur.de/eservices">www.arbeitsagentur.de/eservices</a> if you have previously registered and identified yourself using your new identity card (<a href="https://new.new.identity.card">new.identity</a> card (<a href="https://new.new.identity.card">new.identity</a> and third-country nationals with an activated electronic residence permit (<a href="https://eAT">netw.identity</a>. The correctly submitted online objection will then appear in your user account under the menu item "History" and can be downloaded as a PDF file with the date.

You can also have your objection recorded by the appeals office at the Jobcenter. The Jobcenter is obliged to record your objection. Before signing the objection, check that your words have been

correctly reproduced in the record.

The objection must contain your name, address and the date of the decision against which your objection is directed. It should also include your signature and the number of your benefits community.

You should state the reasons for your objection. You do not need to quote any legal texts or sections of the law. It is sufficient to write, for example, that you believe the decision contains an error or that you cannot understand the calculation.

**Good to know:** The objection has a suspensive effect, for example, in the case of decisions on the reimbursement of benefits. In this case, you do not have to make any repayments until the Jobcenter has decided on the objection.

#### 2. Legal action

If your objection is rejected in whole or in part by the Jobcenter, you can file a lawsuit with the Berlin Social Court within one month of receiving the objection notice. You can submit the action in writing or verbally at the <u>legal application office of the Social Court</u> (Invalidenstr. 52 in 10557 Berlin, telephone: (0.30) 9.02 27 - 0.07 - 12.90) for the record. You do not have to pay any court costs for the action.

Our advice: If you file your appeal verbally at the legal application office of the social court, take a copy of the decision and a copy of the appeal decision from the Jobcenter with you, and if possible also a copy of your appeal. Point out what you believe to be incorrect in the decisions. The staff at the legal application office will draft the appeal for you in writing.

It may be advisable to consult a solicitor to represent you in court. The state may grant you "legal aid" for this purpose. For more information, see section 6, "Government aid for legal fees," in this chapter.

Good to know: Appeals and legal action can be worthwhile. For example, <u>according to the Federal Employment Agency</u> (see monthly figures under "3.1 Appeals and legal action by type of outcome") and our own calculations, 33.0 percent of all appeals to Jobcenters and 35.4 percent of all legal actions before the social courts were at least partially successful in 2023.

## 3. Missed the deadline for appeal? - Request for review

If you have missed the deadline for lodging an objection, your application must be reviewed again, even if the decision is incorrect and disadvantageous to you (Section 44 SGB X). State the reasons for your application and quote the date of the decision against which your review application is directed. Unlike an objection, the review application does not have a suspensive effect on reimbursement claims from the Jobcenter. If the decision is corrected in your favour, the Jobcenter will only make additional payments for the current and previous calendar year.

## 4. Is the Jobcenter not taking action? – Action for failure to act

The Jobcenter must make a final decision on an objection within three months and on an application within six months. If this does not happen and there is no reason for the delay for which you are responsible, an action for failure to act is admissible.

**Our advice:** Before you file an action for failure to act, you can write to the Jobcenter to remind them of the expiry of the statutory deadline and threaten to take legal action if they do not make a decision within the deadline. This is usually enough to force a decision.

#### 5. If you need a quick decision – urgent application

If you cannot wait for a decision on your application or appeal because your livelihood is not secure, you can file an urgent application ("application for a temporary injunction") with the social court. This can also be done at the legal advice centre of the social court (see section 2 "Legal action" in this chapter).

### 6. State assistance with legal fees

You can represent yourself in appeal proceedings and in proceedings before the social and regional social courts against the Jobcenter. As a person entitled to SGB II benefits, you do not have to pay court fees or the costs of the other party (Jobcenter). However, you may incur costs if you hire a solicitor.

People with low income and assets who do not have legal protection through legal expenses insurance or membership of a trade union can have the costs of legal advice and representation in court paid by the state.

A distinction must be made between

- legal advice under the <u>Legal Advice Act</u> during the appeal proceedings and
- legal aid (PKH) under <u>Sections 114 of the Code of Civil Procedure</u> for lawsuits or summary proceedings before a court.

To be eligible for state support, certain income, and asset limits must be met. Persons receiving SGB II benefits regularly are within the income limits. The current income limits or income allowances for legal advice and legal aid are published in the <u>Legal Aid Notice 2025</u>.

However, the limits set out in Section 90 of SGB XII in conjunction with the Ordinance on the Implementation of Section 90 (2) No. 9 of SGB XII apply to assets. According to this, single persons are entitled to an allowance of 10,000 euros and married couples to a total of 20,000 euros. For each additional person who is predominantly dependent on the beneficiary, in particular children, 500 euros is added. Anyone with more assets is not eligible for legal aid. In the case of legal aid, assets above the exemption amount must be used and are deducted from the legal aid requirement accordingly.

#### 7. Where do you apply for legal aid, where for legal aid for court costs?

You can apply for legal advice at the legal application office of <u>the local court responsible</u> for your place of residence. Take the necessary documents and evidence with you. These include, in particular, the decision of the Jobcenter against which you wish to take action, your current citizen's benefit statement and proof of your income and assets.

The application for legal advice can also be submitted to the court at a later date through your solicitor. The solicitor is entitled to charge you a contribution of 15 euros for advice and legal representation.

You can apply for legal aid at the social court where you or your solicitor is filing the claim. Your application will only be approved if the claim has a chance of success.

**Please note:** If your financial situation improves significantly within four years of the end of the proceedings, the PKH may be reclaimed in full or in part.

Our advice: We recommend that you do not hire just any lawyer to represent you in Jobcenter matters, but rather a specialist lawyer for social law. You can find addresses of specialist lawyers under the keyword "Anwaltssuche" (lawyer search) at the <u>Berlin Bar Association</u>.

#### 8. Ombudsman offices

The district offices of Friedrichshain-Kreuzberg and Charlottenburg-Wilmersdorf have set up free ombudsman services (complaints and arbitration offices) for those entitled to benefits from their district Jobcenter. These offices will mediate on your behalf in the event of conflicts with the Jobcenter.

Our advice: If you make use of an ombudsman service, you should not waive your legal rights, such as the right to appeal or take legal action. Please note the applicable deadlines. If you do not lodge an appeal, you may suffer legal disadvantages.

**Please note:** You can also find useful information about the legal remedies available to you for enforcing your rights in our flyer "How do I enforce my rights against the Jobcenter?".

## Chapter 18 | Benefits for people with little money

#### 1. Doctor's visits and medication

If you receive citizen's benefit and have statutory health insurance, there are special hardship provisions and exemptions from co-payments for medical services for you and the members of your household. Corresponding benefits also apply to privately insured persons with basic insurance (General Insurance Conditions for Basic Insurance).

#### Hardship provision for dentures

If you require dentures, you are entitled to double the standard subsidy (= 100 percent of the standard care) upon application to your health insurance fund, up to a maximum of the actual costs incurred (Section 55 of the German Social Code, Book V). If you choose dentures that exceed the standard care, you must bear the additional costs yourself.

#### **Exemption from co-payments for medication**

Upon application to your health insurance fund, you are exempt from further co-payments for medication, inpatient hospital stays or necessary ambulance transport in the current calendar year if you have reached the flat-rate limit of two percent of the annual requirement for standard needs level 1 (12 x 563 euros) (Section 62 (2) sentence 6 SGB V). The maximum limit will be 135.12 euros in 2025. For chronically ill persons, the maximum limit is one per cent, which is 67.56 euros in 2025. The so-called chronic illness guideline defines who is considered "chronically ill". The respective burden limit applies to the co-payments of all members of the benefits community. Children and young people under the age of 18 are always exempt from all co-payments, with the exception of travel costs.

Our advice: Collect all receipts and documents relating to your co-payments and submit them to your health insurance fund when you have reached your limit. After checking your documents, the health insurance fund will issue you with a certificate exempting you from co-payments for the current calendar year.

### **Free contraceptives**

Until your 22nd birthday, you are entitled to free contraceptives on prescription as a benefit from your health insurance fund (Section 24a of SGB V). All other persons with a registered address in Berlin can apply to the centres for sexual health and family planning for coverage of the costs of their medically prescribed contraceptives if they receive citizen's benefit or social assistance or have another low income. The centres operate across districts and are located in Charlottenburg-Wilmersdorf, Friedrichshain-Kreuzberg, Marzahn-Hellersdorf, Mitte and Steglitz-Zehlendorf.

## 2. Exemption from the broadcasting licence fee

As a recipient of citizen's benefit, you can apply for exemption from the broadcasting licence fee. Recipients of child allowance and housing benefit are not eligible for exemption. However, exemption is possible in *cases of particular hardship*, for example if your monthly income within the meaning of SGB II is less than 18.36 euros—this is the monthly amount of the broadcasting licence fee applicable at the beginning of 2025 — via exceeds the requirement for citizen's benefit (Section 4 (6) and (7) of the

<u>Broadcasting Licence Fee State Treaty</u>). You can find out how your income is calculated in Chapter 9, "How is income taken into account?"

Further information is available at <a href="www.rundfunkbeitrag.de">www.rundfunkbeitrag.de</a>. The information is available in many languages. A certificate for the contribution service is enclosed with your citizen's benefit approval notice.

#### 3. Exemption from personal contributions for the purchase of learning materials at schools

In Berlin, primary schoolchildren receive all learning materials, in particular school books, workbooks, dictionaries and atlases, free of charge on loan from the school. At secondary schools – from Year 7 onwards – parents must contribute a maximum of 100 euros per schoolchild per school year towards the cost of learning materials.

If you receive citizen's benefit, housing benefit, child allowance, BAföG or asylum seeker benefits, for example, you are exempt from paying the personal contribution. Upon presentation of the Berlin Pass BuT, the school will provide your child with all the necessary learning materials free of charge. The eligibility requirements must be met at the start of the school year on 1 August of the year and proof must be provided to the school administration at least four weeks before the start of the summer holidays (Section 7 of the Learning Materials Regulation). Further information can be found at www.berlin.de/sen/bildung/unterricht/medien/lehr-und-lernmittel.

#### 4. Social ticket and more

If you receive citizen's benefit, you are entitled to numerous benefits in Berlin. You can use these benefits in the areas of public transport, sport, education, culture and leisure by presenting your benefit notification (copy), often together with your identity card or other official ID. The proof of eligibility previously required for this is no longer issued.

#### **Berlin Ticket S (social ticket)**

The Berlin Ticket S or social ticket is a reduced-price monthly ticket for public transport and allows you to use all public transport in Berlin in fare zone AB. The monthly price for the social ticket is 19 euros.

In addition to recipients of citizen's benefit, recipients of housing benefit, social assistance (SGB XII) and asylum seekers' benefits are also eligible for the social ticket. Receiving child allowance alone, without housing benefit, is not sufficient. Members of the household of a person entitled to basic income support can also use the social ticket. This includes persons who are not themselves entitled to basic income support due to their income, but whose income is taken into account for the other members of the household (see <u>VBB tariff, Part C, Section 5.2</u>).

Since 1 January 2025, the Berlin Ticket S has only been valid in combination with a currently valid benefit notice (a copy is sufficient) and an official identity document. The previous complicated procedure involving proof of eligibility and a VBB Berlin S customer card has been discontinued as of 31 December 2024. However, persons who are still in possession of a valid VBB customer card S can continue to use it beyond 31 December 2024 until it expires.

From 1 January 2025, you will no longer need to enter the number of your household on the social

ticket, but your full first name and surname. The name on the social ticket must match the name on the benefit notice. The notice may be partially <u>blacked</u> out, but the following must be clearly visible: letterhead, heading/subject, surname and first name of the person using the benefit notice, customer number or file number of the benefit notice and the approval period. These regulations are initially valid until 31 January 2026.

Further information on the Berlin Ticket S and instructions on how to use it can be found at: www.berlin.de/sen/soziales/soziale-sicherung/bn-berlin-ticket-s/

#### Free student ticket for Berlin AB

Schoolchildren residing in Berlin with a Schülerausweis I (school ID card) can apply for a free SchülerTicket for public transport in fare zone AB, regardless of whether they are in need of assistance or not. The SchülerTicket is issued as a "fahrCard" (chip card) and can be ordered at <a href="https://www.bvg.de/schuelerticket">www.bvg.de/schuelerticket</a> or from S-Bahn Berlin.

#### Family pass

For six euros, you get attractive discounts for children up to and including the age of 17 at swimming pools, concerts, cinemas, theatres, museums and many other attractions in Berlin and the surrounding area for a whole year. There are also extras for low-income families. Further information and the addresses of sales outlets can be found at<a href="https://www.jugendkulturservice.de/de/ferien-und-familienzeit/berliner-familienpass">www.jugendkulturservice.de/de/ferien-und-familienzeit/berliner-familienpass</a>.

## **Super Holiday Pass**

For nine euros, young people from Berlin up to and including the age of 18 have free admission to all outdoor and indoor swimming pools operated by Berliner Bäder-Betriebe on all public holidays. The pass also entitles holders to one free visit to the zoo, the Tierpark, the Funtkturm (radio tower) and the Fernsehturm (television tower). The pass can be financed through the Education and Participation Package (BuT) (see Chapter 7, Section 1.3 "Benefits for social participation"). Further information and the addresses of sales outlets can be found atwww.jugendkulturservice.de/de/ferien-undfamilienzeit/super-ferien-pass.

## Free participation in cultural events

The non-profit association Kulturleben Berlin (cultural life in Berlin) arranges free tickets to cultural events for people on low incomes. Find out more at: https://kulturleben-berlin.de.

#### 3-euro tickets for cultural events

Numerous Berlin theatres and concert halls offer tickets at a price of three euros for recipients of citizen's benefit, provided that the performances are not sold out. More information: <a href="https://www.berlin.de/sen/kultur/kulturpolitik/kulturelle-teilhabe/ermaessigungen">www.berlin.de/sen/kultur/kulturpolitik/kulturelle-teilhabe/ermaessigungen</a>

#### Free use of libraries

As a recipient of citizen's benefit or another benefit listed in § 16 of the terms of use, you can use Berlin's libraries free of charge. There you can not only borrow books, but also daily newspapers and magazines, CDs and DVDs. Berlin's public libraries also offer you the opportunity to access the internet free of charge. Addresses and further information: <a href="https://service.berlin.de/stadtbibliotheken/">https://service.berlin.de/stadtbibliotheken/</a>

## Adult education centres (VHS)

Berlin's adult education centres offer reduced prices for courses to numerous groups of people. More information at www.berlin.de/vhs/volkshochschulen/

#### **Music schools**

Fees may be reduced on social grounds. Ask at your music school for details. Addresses: www.berlin.de/sen/kultur/kultureinrichtungen/musikschulen/adressen/

## **Save electricity**

The Caritas "Stromspar-Check" campaign helps people on low incomes to reduce their electricity consumption. In addition to information on energy saving, you will receive free energy-saving light bulbs or switchable power strips. You can also receive up to 200 euros — depending on the number of people in your household—for a new refrigerator if you want to replace your old one with an energy-efficient model. More information at: <a href="https://stromspar-check.de/">https://stromspar-check.de/</a>

#### **Food for home**

If you are on a low income, you can get food for one euro once a week at a distribution point of the Berliner Tafel. Addresses: <a href="https://www.berliner-tafel.de/berliner-tafel">www.berliner-tafel.de/berliner-tafel</a>

## Social markets and social department stores

Toys, refurbished bicycles and much more are available for little money at the Goldnetz social markets. Find out about the current market dates at: <a href="www.goldnetz-berlin.org">www.goldnetz-berlin.org</a>. Clothing, household goods, furniture and electrical appliances are available at low prices in the social department stores. Addresses: Enter "Sozialkaufhaus Berlin" in your search engine.

## Chapter 19 | Where can you find advice and support?

#### 1. Advice on citizen's benefit

On our website <u>www.beratung-kann-helfen.de</u>, under the "Beratung" (advice) menu, you will find a selection of independent advice services on citizen's benefit in Berlin's districts. Under the same menu, you will find an overview of social services on many other topics.

You can find the locations of our mobile citizen's benefit advice service at <a href="www.beratung-kann-helfen.de">www.beratung-kann-helfen.de</a>. From April to October, our advice bus will be parked directly in front of one of Berlin's Jobcenters.

The advice is free of charge and confidential and can also be provided anonymously if desired. Please bring the necessary documents with you to your consultation appointment.

#### **General independent social counselling**

General independent social counselling is aimed at individuals and families with economic, existential, psychosocial, educational and/or health problems. It is open to all individuals and families of all ages seeking help, regardless of gender, nationality, religion or ideology.

Those seeking advice should first contact the counselling centres in their district. The counselling focuses on the benefits provided by the basic social security systems SGB II and SGB XII: <a href="https://www.berlin.de/sen/soziales/besondere-lebenssituationen/uebergreifende-angebote/allgemeine-unabhaengige-sozialberatung">www.berlin.de/sen/soziales/besondere-lebenssituationen/uebergreifende-angebote/allgemeine-unabhaengige-sozialberatung</a>

#### Advice on benefits for education and participation (BuT)

The independent BuT advice centre offers cross-district advice on benefits from the education package and assistance with applications. The advice is offered in five languages (German, English, Turkish, Russian and Arabic). Further information: https://but-beratung.de.

#### Sanktionsfrei e.V.

This non-profit association provides a tool for drafting appeals and, if necessary, free legal assistance via its online platform <a href="https://plattform.sanktionsfrei.de">https://plattform.sanktionsfrei.de</a>. The association can use a donation-funded solidarity fund to compensate for sanctions imposed by the Jobcenter, for example, as long as there is money in the fund: <a href="https://sanktionsfrei.de">https://sanktionsfrei.de</a>

## 2. Tenancy law advice

All Berlin districts offer free initial consultations for tenants in their district. Information on consultation locations and times can be found at <a href="https://stadtentwicklung.berlin.de/wohnen/mieterberatungen.shtml">https://stadtentwicklung.berlin.de/wohnen/mieterberatungen.shtml</a>.

Tenants in Friedrichshain-Kreuzberg can contact the Asum association for advice on tenancy law. The advice is free of charge. More: <a href="https://www.asum-berlin.de/mieterberatung">www.asum-berlin.de/mieterberatung</a>

Advice from the Berlin Tenants' Association or the Berlin Tenants' Community requires you to be a member. There is a reduced social tariff for those entitled to benefits under SGB II and SGB XII. In

individual cases, the Jobcenter will cover the costs of membership (see Chapter 5 in Section 3.6 a) "Membership in a tenants' organisation").

#### 3. Debt counselling

## **Recognised advice centres**

Here, people who are heavily in debt can get professional support free of charge: www.schuldnerberatung-berlin.de/fur-ratsuchende/beratungsstellen-berlin

## **Energy debts**

The Berlin Consumer Advice Centre offers free advice on energy debts: www.verbraucherzentrale-berlin.de/energieschuldenberatung

#### 4. Advice on pregnancy, birth and family

#### **General pregnancy counselling**

The counselling centres provide information on maternity leave and maternity benefits, parental allowance and child benefit, benefits for single parents and unemployed persons, as well as health insurance benefits during pregnancy and after childbirth. More information at:

www.berlin.de/sen/gesundheit/schwangerschaft-und-kindergesundheit/schwangerschaft-und-familienplanung/allgemeine-schwangerenberatung-1364739.php

## **Pregnancy conflict counselling**

Pregnancy conflict counselling helps pregnant women in emergency or conflict situations. According to German law, counselling is required in order for a termination of pregnancy to be carried out without penalty. More information:

www.berlin.de/sen/gesundheit/themen/schwangerschaft-und-kindergesundheit/schwangerschaft-und-familienplanung/schwangerschaftskonfliktberatung

## **Foundation for Family Assistance**

Pregnant women and families in Berlin can receive benefits from the "Stiftung Hilfe für die Familie" (Family Assistance Foundation) in addition to citizen's benefit.

Support for pregnant women: <a href="https://stiftunghilfe.de/schwangere-in-not/">https://stiftunghilfe.de/schwangere-in-not/</a> Support for families: <a href="https://stiftunghilfe.de/familien-in-not/">https://stiftunghilfe.de/schwangere-in-not/</a>

## Centres for sexual health and family planning

These centres provide advice on pregnancy, family planning, marriage and relationships, as well as sexually transmitted infections, including HIV and AIDS. The centres are located in Charlottenburg-Wilmersdorf, Friedrichshain-Kreuzberg, Marzahn-Hellersdorf, Mitte and Steglitz-Zehlendorf: <a href="https://service.berlin.de/standorte/gesundheitsaemter">https://service.berlin.de/standorte/gesundheitsaemter</a>

## 5. Help with impending or existing homelessness

You can get help if you are at risk of losing your home or if you no longer have a home or other accommodation.

#### Social housing assistance from the districts

The social services office in the district where you live is responsible for your case. Separate regulations

apply to people without a permanent residence or registered address in Berlin. Locations: <a href="https://service.berlin.de/dienstleistung/324485/">https://service.berlin.de/dienstleistung/324485/</a>

#### **Independent advice centres**

- Central advice centre for people in housing need Levetzowstraße 12a, 10555 Berlin, telephone: (0 30) 3 90 47 40 www.wohnungslos-berlin.de
- Advice centre for housing emergencies and securing livelihoods GEBEWO pro Taborstraße 17, 10997 Berlin, Telephone: (0 30) 53 15 68 50 www.gebewo-pro.de/beratungsstelle
- Immanuel Beratung Lichtenberg
   Advice centre
   Bornitzstraße 73-75, House B, 10365 Berlin, Telephone: (0 30) 5 50 09 118
   https://beratung.immanuel.de/wo-wir-sind/berlin-lichtenberg/wohnhilfen/
- Rent debt counselling at GEBEWO Social Services Berlin gGmbH: www.gebewo.de/mietschuldnerberatung

#### Guide to cold weather assistance in Berlin

Addresses of emergency overnight accommodation, night cafés, day centres, meeting places, soup kitchens, medical care for homeless people, advice, clothing banks, hygiene. A free cold weather app is also available for <u>iOS</u> and <u>Android</u>: <u>www.kaeltehilfe-berlin</u>.de

## 6. Migration advice

Do you need help finding a suitable language course? Do you have questions about paperwork from government offices and authorities? Do you need support finding a school, training programme or job?

#### **Welcome Centre Berlin**

First point of contact for questions about residence and social law, access to the labour market, and training and further education opportunities. Advice is available in many languages. Address: Potsdamer Straße 65, 10785 Berlin, Telephone: (0 30) 90 17 23 26

Website in nine languages: <a href="www.berlin.de/willkommenszentrum">www.berlin.de/willkommenszentrum</a>

## Advice centres run by welfare organisations

The Migration Advice Service provides information, advice and support to young people and adults on all issues. Depending on the advice centre, consultations can also be held in Arabic, French, Italian, Polish, Russian, Spanish and Turkish.

Overview of services in Berlin's districts:

www.berlin.de/einwanderung/ assets/beratung-liga-wohlfahrtsverbaende.pdf

## Berlin Advice Centre for Migration and Good Work (BEMA)

BEMA supports immigrant workers in exercising their labour rights. BEMA provides counselling in 13 different languages. For more information, visit: <a href="https://www.bema.berlin">www.bema.berlin</a>

### **Refugee Council Berlin**

Helpful information on issues relating to immigration and social law, as well as a comprehensive address book for refugee counselling in Berlin: <a href="https://fluechtlingsrat-berlin.de">https://fluechtlingsrat-berlin.de</a> (Refugee Council Berlin). The <a href="asylum counselling information sheet">asylum counselling information sheet</a> contains advice centres for migrants with problems relating to residence law.

## 7. Advice for people without health insurance

The **clearing house of the Berlin City Mission** advises people without residence permits, people from EU countries and third countries, and Germans without adequate health insurance. During the consultation, you can find out whether you are eligible for health insurance. The consultation is free, confidential and multilingual. Contact: Zinzendorfstr. 18/corner of Levetzowstraße, telephone: (0 30) 6 90 33 59 72. More information: <a href="https://www.berliner-stadtmission.de/clearingstelle">www.berliner-stadtmission.de/clearingstelle</a>

Through the **Malteser Hilfsdienst (Maltese Aid Service)**, people without health insurance can also find doctors and medical professionals who provide initial examinations and emergency care in the event of sudden illness, injury or pregnancy. More information: <a href="www.malteser-berlin.de/angebote-und-leistungen/medizin-fuer-menschen-ohne-krankenversicherung.html">www.malteser-berlin.de/angebote-und-leistungen/medizin-fuer-menschen-ohne-krankenversicherung.html</a>

**Medizin hilft e.V:** This open clinic for people without health insurance offers free medical assistance, psychological psychotherapy and social counselling for migrants, refugees with limited access to the state health system, people without residence status and without health insurance. More information at: <a href="https://medizin-hilft.org/">https://medizin-hilft.org/</a>

#### Ärzte der Welt e.V.

Open.med Berlin-Lichtenberg offers free medical assistance and social counselling for people who have no or only limited access to the healthcare system. The organisation works independently of state institutions and respects the anonymity of its patients. More: <a href="www.aerztederwelt.org/wem-wir-beistehen/hilfe-fuer-patientinnen">www.aerztederwelt.org/wem-wir-beistehen/hilfe-fuer-patientinnen</a>

## 8. Further education counselling

Our website <u>www.beratung-kann-helfen.de/beratung/beratungstellen/weiterbildung</u> provides an overview of the counselling centres for continuing vocational education and training funded by the State of Berlin.

## **Specific counselling services**

The <u>Berlin Youth Employment Agency</u> advises and supports **young people between the ages of 15 and 25** at twelve locations in finding the right training or study programme.

**Women** can also seek advice on career reorientation and further training by calling the free advice hotline on 0800 4 54 02 99 (Monday to Friday from 10 a.m. to 4 p.m.). You can find out more about the "Career Prospects for Women" advisory network at <a href="https://www.frauen-berufsperspektive.de/beratungstelefon">www.frauen-berufsperspektive.de/beratungstelefon</a>.

**People with disabilities and people at risk of disability** can seek advice on rehabilitation and participation from the "Supplementary Independent Participation Advice Service" (EUTB). The EUTB is funded by the Federal Ministry of Labour and Social Affairs (BMAS). Addresses of advice centres in Berlin can be found atwww.teilhabeberatung.de/beratung/beratungsangebote-der-eutb.

#### 9. Energy advice

## **Energy law advice from the Berlin Consumer Advice Centre**

For recipients of citizen's benefit, BAföG or basic income support, as well as holders of a valid residence permit, the advice is free of charge upon presentation of the notification or equivalent proof: <a href="https://www.verbraucherzentrale-berlin.de/energie/energierechtsberatung-15347">www.verbraucherzentrale-berlin.de/energie/energierechtsberatung-15347</a>

For energy debt advice, see 3. "Debt counselling".

## Energy saving advice with the electricity saving check

The electricity saving check project is aimed in particular at people on low incomes. The partners in the electricity saving check are the German Caritas Association and the Federal Association of Energy and Climate Protection Agencies in Germany (eaD): <a href="https://www.stromspar-check.de/">www.stromspar-check.de/</a>

#### EcoSave energy saving advice from the Turkish Association in Berlin-Brandenburg

The service is aimed at people with their own or family history of migration and/or flight and is available in German, Turkish, Kurdish (Kurmandzhi/Zaza) and Arabic, among other languages: <a href="https://tbb-berlin.de/projekte/ecosave">https://tbb-berlin.de/projekte/ecosave</a>

## 10. Advice for single parents

On the website <a href="https://alleinerziehend-berlin.de/beratungsstellen">https://alleinerziehend-berlin.de/beratungsstellen</a>, you will find contact points for advice or specific assistance, for example on topics such as securing a livelihood, childcare or entitlements after separation/divorce (maintenance).

#### 11. Advice on data protection and freedom of information

Since 2011, the Federal Commissioner for Data Protection and Freedom of Information (BfDI) has been responsible for data protection control at joint institutions, including the Jobcenters in Berlin: www.bfdi.bund.de/

Contact details: www.bfdi.bund.de/DE/Service/Kontakt/kontakt node.html

#### 12. Crisis services

If you are experiencing a crisis that is so emotionally stressful that you are unable to cope on your own or with the help of family or friends, you can find help from expert crisis services.

#### **Berlin Crisis Service**

The Berlin Crisis Service provides qualified help in acute mental and psychiatric emergencies. Free of charge and anonymous if desired. Counselling is available by telephone or in person: <a href="https://www.berliner-krisendienst.de/">www.berliner-krisendienst.de/</a>

#### Social psychiatric services in Berlin's districts

The social psychiatric services of the districts offer counselling, referral to other services and crisis intervention, and may also make home visits:

www.berlin.de/lb/psychiatrie/hilfe-in-krisen/sozialpsychiatrischedienste-der-bezirke/

## Child and adolescent psychiatric services in Berlin's districts

The child and adolescent psychiatric services provide help with problems of living with children and adolescents, especially with parenting problems and developmental disorders. The child and adolescent psychiatric services in the districts offer counselling and referral to other services in crisis situations, as well as medical, psychological and social-educational assessments.

www.berlin.de/lb/psychiatrie/hilfe-in-krisen/hilfen-fuer-kinder-und-jugendliche/

## Further crisis and emergency numbers for adults (examples)

Berlin Telephone Counselling Service: https://telefonseelsorge-berlin.de, Tel. 0800 - 111 0 111

Church telephone counselling in Berlin and Brandenburg: <a href="https://ktsbb.de">https://ktsbb.de</a>, Tel. 0800 - 111 0 222

## **Annexes**

## I. Overview: Guidelines and limits for reasonable accommodation costs and reasonable heating requirements in Berlin in accordance with AV-Wohnen

Reasonable and recognisable accommodation costs (reference values for gross rent excl. heating and hot water) from 1 October 2023

Please note: The Jobcenter will pay the actual gross rent (excl. heating and hot water) for the first 12 months in which you receive benefits under SGB II for the first time after December 31, 2022. There will be no review of adequacy during this so-called waiting period. The waiting period and the assumption of the actual accommodation costs are excluded if the Jobcenter has already recognized only the reasonable accommodation costs as a need for your currently occupied accommodation at an earlier point in time. After the end of the waiting period and a further six-month grace period, your gross rent (excl. heating and hot water) will be covered in full for an existing tenancy if it does not exceed the values of the expenses to be recognized (Tables 1 and 2, columns 3 and 4 respectively). In the case of a new tenancy (also during the waiting period), the Jobcenter will only cover your gross rent (excl. heating and hot water) up to the (individually) reasonable accommodation costs (Tables 3 and 4, columns 2 to 9 respectively).

**Table 1: Existing flats** 

Size of the community at need	(simple) Reference value	Review limit for recognisable accommodation costs* for existing tenancies monthly in euro		
Number of persons	beeting and bet	including Relocation avoidance surcharge (+15%)	Including Hardship surcharge (+10%) and Relocation avoidance surcharge (+15%) **	
1	2	3	4	
1	449.00	516.35	561.25	
2	543.40	624.91	679.25	
3	668.80	769.12	836.00	
4	752.40	865.26	940.50	
5	903.72	1,039.28	1,129.65	
for each additional person	106.32	122.27	132.90	

Table 2: Existing public accommodation units (1st funding channel)

Size of the community	Reference value Gross rent (excl. heating and hot water) for public housing	Review limit for recognisable accommodation costs* in public housing for existing tenancies monthly in euro		
Number of persons		including Relocation avoidance surcharge (+15%)	Including Hardship surcharge (+10%) and Relocation avoidance surcharge (+15%) **	
1	2	3	4	
1	494.00	561.35	610.75	
2	598.00	679.51	739.31	
3	736.00	836.32	909.92	
4	828.00	940.86	1,023.66	
5	994.50	1,130.06	1,229.51	
for each additional person	117.00	132.95	144.65	

<sup>\*</sup> Taking into account a lump sum surcharge, to avoid uneconomical moving

<sup>\*\*</sup> calculated on the basis of the simple reference value

Table 3: New tenancies of accommodation

	Reasonable accommodation costs for new tenancies			
Size of the community	monthly in euros			
at need  Number of persons	(simple) Reference value Gross rent (excl. heating and hot water)	including climate bonus	including hardship surcharge (+10%)	including climate bonus and hardship surcharge (+10%)
1	2	3	4	5
1	449.00	474.00	493.90	521.40
2	543.40	575.90	597.74	633.49
3	668.80	708.80	735.68	779.68
4	752.40	797.40	827.64	877.14
5	903.72	954.72	994.09	1050.19
for each additional person	106.32	112.32	116.95	123.55

## **Continuation of Table 3:**

	Reasonable accommodation costs for new tenancies			
	monthly in euros			
Size of the community at need Number of persons	including new rental surcharge (+20%)***	including climate bonus and new rental surcharge (+20%) ***	including new rental surcharge (+20%)*** and hardship surcharge (+10%)	including climate bonus, new rental surcharge (+20%) *** and hardship surcharge (+10%)
	6	7	8	9
1	538.80	563.80	592.68	620.18
2	652.08	684.58	717.29	753.04
3	802.56	842.56	882.82	926.82
4	902.88	947.88	993.17	1042.67
5	1,084.46	1135.46	1,192.91	1249.01
for each additional person	127.58	133.58	140.34	146.94

<sup>\*\*\*</sup> New tenancy surcharge for homeless people, people at risk of homelessness, people with and no refugee background in shared accommodation, hostels, guesthouses and similar comparable accommodation, or persons affected by domestic violence; calculated on the basis of the simple reference value

Table 4: New tenancy of accommodation in public housing (1st funding channel)

	Reasonable accommodation costs for new tenancies			
Size of the community	monthly in euros			
at need  Number of persons	Reference value Gross rent (excl. heating and hot water) for public housing	including climate bonus	including hardship surcharge (+10%)	including climate bonus and hardship surcharge (+10%)
1	2	3	4	5
1	494.00	519.00	543.40	570.90
2	598.00	630.50	657.80	693.55
3	736.00	776.00	809.60	853.60
4	828.00	873.00	910.80	960.30
5	994.50	1045.50	1,093.95	1150.05
for each additional person	117.00	123.00	128.70	135.30

## **Continuation of Table 4:**

	Reasonable accommodation costs for new tenancies			
		monthly i	n euros	
Size of the community at need Number of persons	including new rental surcharge (+20%)***	including climate bonus and new rental surcharge (+20%) ***	including new rental surcharge (+20%)*** and hardship surcharge (+10%)	including climate bonus, new rental surcharge (+20%) *** and hardship surcharge (+10%)
	6	7	8	9
1	583.80	608.80	642.18	669.68
2	706.68	739.18	777.35	813.10
3	869.76	909.76	956.74	1000.74
4	978.48	1023.48	1,076.33	1,125.83
5	1,175.24	1,226.24	1,292.77	1348.87
for each additional person	138.26	144.26	152.09	158.69

<sup>\*\*\*</sup> New tenancy surcharge for homeless people, people at risk of homelessness, people with and no refugee background in shared accommodation, hostels, guesthouses and similar comparable accommodation, or persons affected by domestic violence; calculated on the basis of the simple reference value

## Reasonable heat consumption (limits for heating with/without hot water) from 1 January 2023

Please note: The Jobcenter will only cover the actual costs of heating and central hot water supply if your heat consumption does not exceed the limit applicable to you – unless you can prove or substantiate an increased individual heat need, for example due to illness or the poor energy efficiency of the building. This also applies during the waiting period for accommodation costs.

In the case of decentralised hot water supply, for example by means of an electric boiler or instantaneous water heater in the flat, a deduction is made from the limit. In return, in the case of decentralised hot water supply, an additional need of between 0.8 and 2.3 per cent of the respective standard need is recognised.

Table 5: Limit values for heating with heating oil, natural gas, district heating and heat pumps

	Reasonable heat consumption for heating oil, natural gas and district heating		Reasonable heat consumption for heat pumps	
Size of the community at need  Number of persons	Heat consumption limit including central hot water supply per year in kWh	<b>Discount</b> for decentralised hot water supply per year in kWh	Heat consumption limit including central hot water supply per year in kWh	<b>Discount</b> for decentralised hot water supply per year in kWh
1	2	3	4	5
1	11,900	1,200	4,700	480
2	15,500	1,560	6,100	624
3	19,000	1,920	7,500	768
4	21,400	2,160	8,500	864
5	24,300	2,448	9,600	979
for each additional person	2,900	288	1,100	115

There are no representative consumption values that can be used for heating with solid fuels such as coal or for night storage heating. The Jobcenters are required by the Senate Department responsible for social affairs to always check the appropriateness of heat consumption on a case-by-case basis in these cases. The values on the website of the Senate Department for Labour, Social Affairs, Equality, Integration, Diversity and Anti-Discrimination serve as an initial guide: <a href="https://www.berlin.de/sen/soziales/service/berliner-sozialrecht/kategorie/sonstige/brennstoffe-601787.php">https://www.berlin.de/sen/soziales/service/berliner-sozialrecht/kategorie/sonstige/brennstoffe-601787.php</a>

On our website <u>www.beratung-kann-helfen.de/beratung/haeufige-fragen-zum-buergergeld</u>, you can find out about the current status of the values that are considered "reasonable" for your accommodation needs in Berlin.

#### II. Sources and documents

## **Laws and regulations**

All laws and regulations mentioned in the text can be found in their current version at <a href="www.gesetze-im-internet.de">www.gesetze-im-internet.de</a>. Enter the name or abbreviation of the relevant law or regulation under the heading "Titelsuche" (title search).

The Residence Act (AufenthaltsG), the Freedom of Movement Act/EU (FreizügigkeitsG), the Advisory Assistance Act (Beratungshilfegesetz), the Insurance Contract Act (VersicherungsvertragsG), the Code of Civil Procedure (BGB) and other laws are also available in English, but not in their current versions.

The General Administrative Provisions (AVV) for the Freedom of Movement Act/EU can be found at <a href="https://www.verwaltungsvorschriften-im-internet.de/bsvwvbund\_03022016\_MI12100972.htm">www.verwaltungsvorschriften-im-internet.de/bsvwvbund\_03022016\_MI12100972.htm</a>.

#### **Decisions of German courts**

Many decisions of German social courts (from all three instances) are available in the database <a href="https://www.sozialgerichtsbarkeit.de">www.sozialgerichtsbarkeit.de</a> and decisions of the Federal Social Court from 2010 onwards at <a href="https://www.rechtsprechung-im-internet.de">www.rechtsprechung-im-internet.de</a>. If you know the file number of the decision, enter it in the search mask of the database <a href="https://www.sozialgerichtsbarkeit.de">www.sozialgerichtsbarkeit.de</a>. Decisions of the Federal Social Court from 2018 onwards and reports on current court proceedings are available on the website <a href="https://www.bsg.bund.de">www.bsg.bund.de</a>.

Selected decisions of the Berlin Social Court and the Berlin-Brandenburg Regional Social Court can be accessed in the case law database of the State of Berlin at: <a href="https://gesetze.berlin.de/bsbe/search">https://gesetze.berlin.de/bsbe/search</a> (first click on the arrow to the left of the link "Rechtsprechung" (Case law), then click on the arrow next to "SO Sozialgericht" (Social Court) in the list that opens, and then click on "SO-2 Grundsicherung für Arbeitsuchende" (Basic assistance for jobseekers)).

#### **Administrative regulations**

The State of Berlin, together with the Federal Employment Agency (BA), has set up joint institutions in the Berlin districts known as Jobcenters. As the institutions responsible for basic security benefits for jobseekers, the State of Berlin and the BA issue administrative regulations ("instructions") for their employees in the areas of responsibility specified in Section 6 (1) of SGB II ().

#### **Instructions of the Berlin Senate**

All Berlin administrative regulations mentioned in the text can be found in their current version at <a href="https://www.berlin.de/sen/soziales/service/berliner-sozialrecht">www.berlin.de/sen/soziales/service/berliner-sozialrecht</a> in the "Collection of Regulations on Berlin Social Law". (To access the Berlin administrative regulations on Social Code II, click on "kommunale Leistungen der Grundsicherung für Arbeitsuchende nach dem SGB II" (municipal benefits for jobseekers under SGB II) after the subheading "Die Vorschriftensammlung im Überblick" (Overview of regulations) and then click on the linked paragraphs on the following page after the heading "Weiterführende Vorschriften" (Further regulations).

We have compiled the most important administrative regulations relating to citizen's benefit for you on our website <a href="www.beratung-kann-helfen.de/service/gesetze-und-co">www.beratung-kann-helfen.de/service/gesetze-und-co</a>.

The social courts are not bound by the internal administrative regulations of the authorities.

## **Instructions of the Federal Employment Agency**

The instructions reflect the legal opinion of the Federal Employment Agency (BA) on individual legal norms. BA employees must comply with the instructions. The social courts are not bound by the instructions. The instructions can currently be found at: <a href="https://www.arbeitsagentur.de/ueber-uns/veroeffentlichungen/gesetze-und-weisungen">www.arbeitsagentur.de/ueber-uns/veroeffentlichungen/gesetze-und-weisungen</a>. (There you must click on "SGB II – Grundsicherung" to access the instructions relating to citizen's benefit.)

The Federal Employment Agency also offers an SGB II knowledge database for selected questions:www.arbeitsagentur.de/veroeffentlichungen/wissensdatenbank-sgbii.

Instruction 201611028 of 21 November 2016 (interpreting/translation services)
<a href="https://con.arbeitsagentur.de/prod/apok/ct/dam/download/documents/Weisung201611028\_ba014">https://con.arbeitsagentur.de/prod/apok/ct/dam/download/documents/Weisung201611028\_ba014</a>
503.pdf

Directive 201806011 of 20 June 2018 (acknowledgements of receipt) www.arbeitsagentur.de/datei/Weisung-201806011 ba018017.pdf

Directive 202412006 of 9 December 2024 (Provision of benefits to Ukrainian nationals and other persons)

www.arbeitsagentur.de/datei/weisung-202412006 ba051185.pdf

## **European and international law**

European Social Security Agreement (EFA)
In German, English, French and Russian:
www.coe.int/de/web/conventions/full-list?module=treaty-detail&treatynum=014

Regulation (EC) No 883/2004 on the coordination of social security systems <a href="https://eur-lex.europa.eu/eli/reg/2004/883/2014-01-01">https://eur-lex.europa.eu/eli/reg/2004/883/2014-01-01</a> (in all major European languages)

Regulation (EU) 492/2011 on the freedom of movement of workers within the Union <a href="https://eur-lex.europa.eu/eli/reg/2011/492/oj?locale=de">https://eur-lex.europa.eu/eli/reg/2011/492/oj?locale=de</a> (in all major European languages)

German-Austrian Agreement on Social Welfare and Youth Welfare of 17 January 1966 <a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10008233">www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10008233</a>

Decision No. 1/80 of the EEC-Turkey Association Council on the development of the Association of 19 September 1980 (in short: ARB 1/80)

www.migrationsrecht.net/kommentar-arb1-80-assoziationsratsbeschluss-ewg-tuerkei-arb-1/80.html

Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (short: Withdrawal Agreement) In English:

https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:12019W/TXT (02)

#### In German:

https://eur-lex.europa.eu/legal-content/DE/TXT/HTML/?uri=CELEX:12019W/TXT(02)

#### Recommendations of the German Association for Public and Private Welfare

Recommendations on granting additional benefits for expensive diets in accordance with Section 30 (5) SGB XII for adults dated 16 September 2020

www.deutscher-verein.de/fileadmin/user\_upload/dv/pdfs/Empfehlungen\_Stellungnahmen/2020/dv-12-20\_kostenaufwaendige-ernaehrung.pdf

Recommendations of the German Association for the recognition of additional nutritional requirements for infants, children and adolescents in accordance with Section 30 (5) SGB XII dated 17 September 2024

www.deutscher-verein.de/empfehlungen-stellungnahmen/detail/empfehlungen-des-deutschenvereins-fuer-oeffentliche-und-private-fuersorge-ev-zur-anerkennung-des-ernaehrungsbedingtenmehrbedarfs-bei-saeuglingen-kindern-und-jugendlichen-gemaess-30-abs-5-sgb-xii

#### III. Further information

## Applications, instructions for completion and information sheets from the Federal Employment Agency

You can access applications and forms on the topics of unemployment benefits, citizen's benefit, self-employment, short-time work benefits and insolvency benefits via the download centre or the "Forms A-Z" page of the Federal Employment Agency website. You can also download information sheets and instructions for completing forms via the link. Many applications, information sheets and instructions for completing forms, especially for citizen's benefit, are also available there in other languages.

Download centre of the Federal Employment Agency: <u>www.arbeitsagentur.de/arbeitslos-arbeit-finden/downloads-arbeitslos-arbeit-finden</u>

Forms A – Z: www.arbeitsagentur.de/formulare-a-z

## Information from the Federal Office for Migration and Refugees (BAMF)

#### **Integration courses**

- In German: <u>www.bamf.de/DE/Willkommen/DeutschLernen/Integrationskurse/integrationskurse-node.html</u>
- In English: <u>www.bamf.de/EN/Themen/Integration/ZugewanderteTeilnehmende/Integrationskurse/integrationskurse-node.html</u>

## **Vocational language courses**

• In German: <u>www.bamf.de/DE/Willkommen/DeutschLernen/DeutschBeruf/Bundesprogramm-45a/bundesprogramm-45a-node.html</u>

•

• In English: www.bamf.de/EN/Themen/Integration/ZugewanderteTeilnehmende/DeutschBeruf/deutschberuf.html?nn=282656

## **Brochure of the Federal Ministry of Labour and Social Affairs**

Social security at a glance

The Federal Ministry of Labour and Social Affairs has published the brochure "Social security at a glance". It covers pension, health, nursing care and accident insurance, employment promotion, labour law and child-raising allowances, rehabilitation of disabled persons, housing benefits and social assistance.

The brochure is also available for download in English, French, Italian, Spanish and Turkish, as well as in simplified language: <a href="https://www.bmas.de/DE/Service/Publikationen/Broschueren/a721-soziale-sicherung-ueberblick.html">www.bmas.de/DE/Service/Publikationen/Broschueren/a721-soziale-sicherung-ueberblick.html</a>

#### Information from various federal ministries on the subject of Brexit

Information on the right to work and social security benefits: <a href="https://www.bmas.de/SharedDocs/Downloads/DE/Internationales/faq-brexit.pdf">www.bmas.de/SharedDocs/Downloads/DE/Internationales/faq-brexit.pdf</a>? blob=publicationFile&v=1

Information for British citizens and their family members on the right of residence under the Withdrawal Agreement:

www.bmi.bund.de/SharedDocs/faqs/DE/themen/verfassung/brexit/faqs-brexit.html

## Criticism by welfare organisations regarding the assessment of standard needs (SGB II/SGB XII) and the sanction regulations

Written statement by Diakonie Deutschland – Evangelisches Werk für Diakonie und Entwicklung e. V. – on the public hearing of experts in the Committee on Labour and Social Affairs (Bundestag) in Berlin on the draft citizen's benefit bill on 7 November 2022, committee document 20(11)229 of 3 November 2022:

 $\underline{www.bundestag.de/resource/blob/919176/9d83a8d514c593dcd69c127efc60218e/Stellungnahme-\\\underline{Diakonie-data.pdf}$ 

Critical studies and statements on the assessment of standard needs on behalf of Diakonie Deutschland e. V., written by Dr Irene Becker and Dr Benjamin Held, among others: <a href="https://www.diakonie.de/informieren/infothek/2020/hartz-iv-saetze-lebensnah-berechnen-diakonie-stellt-alternativ-modell-vor">www.diakonie.de/informieren/infothek/2020/hartz-iv-saetze-lebensnah-berechnen-diakonie-stellt-alternativ-modell-vor</a>

Deutscher Paritätischer Wohlfahrtsverband – Gesamtverband e. V., Expertise – Standard needs 2021. Alternative calculations for determining standard needs in basic social security, dated 19 September 2020:

www.der-paritaetische.de/fileadmin/user\_upload/Publikationen/doc/expertise-regelsatz 2020 web.pdf

Paritätische Forschungsstelle, Standard needs 2024: Update of the Paritätische standard needs requirement (brief expert opinion), December 2023:

www.der-paritaetische.de/fileadmin/user\_upload/Publikationen/doc/expertise\_regelsatzberechnung-2023.pdf

Brief assessment by Diakonie Deutschland on the draft of the SPD, Bündnis 90/Die Grünen and FDP parliamentary groups for a Second Budget Financing Act 2024 (printed paper 20/9999) dated 8 January 2024, here: Amendments to Sections 31a and 31b of SGB II:

www.diakonie.de/informieren/infothek/2024/januar/kurzbewertung-zur-verschaerfung-dersanktionsregelungen-im-sgb-ii

Citizen's benefit: Increases do not compensate for purchasing power losses in previous years — Brief expert opinion commissioned by the Paritätischer Gesamtverband (Parity Association) by Dr Irene Becker, approx. April 2024: <a href="https://www.der-">https://www.der-</a>

paritaetische.de/fileadmin/user upload/Becker2024 Buergergeld Inflation 2021-2024.pdf

## Non-governmental, independent information providers

#### Tacheles e. V.

The website of the independent Wuppertal-based unemployment association Tacheles e. V. provides information on changes in legislation and current court rulings in a case law ticker, among other things. We recommend the newsletter by Harald Thomé, which can be accessed or subscribed to at <a href="https://tacheles-sozialhilfe.de">https://tacheles-sozialhilfe.de</a>.

## Coordination Office for Trade Union Unemployment Groups (Kos)

Information on citizen's benefit and other social law topics can be found on the website of the Coordination Office for Trade Union Unemployment Groups of the Association for the Promotion of Trade Union Unemployment Work (Förderverein gewerkschaftliche Arbeitslosenarbeit e. V.). The address database for unemployment advice centres in Germany is helpful: www.erwerbslos.de

## energie-hilfe.org

A platform initiated by the Tacheles e. V. association and the Paritätischer Wohlfahrtsverband (Parity Welfare Association) for benefit recipients and low-income earners who are unable to cope with the additional burdens caused by increased heating and energy costs on their own. The website contains a wealth of information on how people with little money can obtain financial support from government agencies, as well as a large number of addresses of advice centres: <a href="www.energie-hilfe.org/de/infos-fuer-betroffene.html">www.energie-hilfe.org/de/infos-fuer-betroffene.html</a>



This practical guide is available for free download at: <a href="https://www.beratung-kann-helfen.de/beratung/hilfreiche-ratgeber/buergergeld">www.beratung-kann-helfen.de/beratung/hilfreiche-ratgeber/buergergeld</a>

You can download the practical guide in English as well as German.

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