

ALSO

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Topic: Alg II and additional income up to 400 EUR (01.01.2016)

Preamble

Many recipients of ALG II (short for "Arbeitslosengeld II", i.e. Unemployment Benefit II) are in desperate need of money and therefore need additional income on top of the meager ALG II. The official justification for ALG II in the SGB II (short for "Sozialgesetzbuch II", i.e. Social Code Book II), states that the standard benefit rate of 404 EUR for singles and 364 EUR for married people should suffice for a decent life. According to the SGB II, the recipients are supposed to be able to afford the following items using only ALG II: food, electricity, mendings, medication, clothes, furniture, inviting friends, cultural activities, etc. However, experience shows that this is hardly ever possible. A study conducted by the welfare organization "Paritätischer Wohlfahrtsverband" showed that in practice the standard benefit rate only covers a fraction of the costs of living.

That's why for many people affected by this rule the only remaining option is to take up a mini job (i.e. a tax-free part-time job paying at most 450 EUR, also known as "geringfügige Beschäftigung", i.e. marginal employment). Unfortunately, large parts of an additional income earned through a mini job are deducted from the standard rate when the actual amount of ALG II to be paid is calculated. This leaflet explains the rules for this deduction.

In general, §11 of the SGB II states that up to 100 EUR of your salary (the basic exempt amount) are not deducted from the amount of ALG II you receive. This means, in particular, that any person earning a monthly additional income of less than 100 EUR still receives the full standard benefit rate. The justification for this rule is that an amount of 100 EUR is supposed to cover all expenses which may be necessary for receiving an additional income, including commuting expenses, working garment, tools and private insurance.

But if an additional income is higher than 100 EUR, then only 20% of the income exceeding 100 EUR is not deducted from ALG II (additional exempt amount). In other words: An unemployed person only gets to keep 20 Cent out of every Euro earned on top of a salary of 100 EUR.

For example: A woman works in a store and receives a monthly salary of 300 EUR from her employer:

300 EUR	Additional income
- 100 EUR	Basic exempt amount
= 200 EUR	Remainder
- 40 EUR	(20% of the remainder, i.e. the additional exempt amount)
= 160 EUR	Deduction from ALG II

So the Jobcenter is entitled to take away 160 EUR from ALG II, whereas 140 EUR are not deducted from ALG II. In effect, the woman in the example only gets to keep an additional 140 EUR of her earnings.

The following table contains the total exempt amount (i.e. the additional money an affected person actually gets to keep) relative to the amount of total additional income earned.

Income	Exempt
50 EUR	50 EUR
100 EUR	100 EUR
120 EUR	104 EUR
150 EUR	110 EUR
200 EUR	120 EUR
250 EUR	130 EUR
300 EUR	140 EUR
350 EUR	150 EUR
400 EUR	160 EUR

Recipients of ALG II should inform the Jobcenter well before starting a mini job that they will receive additional income in the future. Usually the agency will then ask for the prospective amount of salary. However, if this amount is not the same every month, then it is important to make sure that the Jobcenter does not base its calculation on an unrealistically large amount, as this might result in you having to demand additional payments from the Jobcenter later on. It is usually better for you if the Jobcenter instead considers a realistic average amount from the start.

Hint: For some unemployed people it can be preferable to receive an expense allowance from their employer instead of taking up marginal employment. Such an allowance can only be paid for certain jobs, including, for instance, coaches or instructors. More generally, these jobs are specified in §3, No 26 of the Income Tax Act ("Einkommenssteuergesetz"). Expense allowances have the advantage that the basic exempt amount is larger than the one for mini jobs; in this case up to 200 EUR a month are not deducted from ALG II. If the expense allowance is higher than 200 EUR, then 80% of the part of the allowance exceeding 200 EUR is deducted from ALG II.

ALSO – Counseling

Please check the yellow ALSO-leaflet or make an appointment via email:

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