



Minimum Wage and Mini-Job Threshold will Rise on January 1, 2024

On November 15, 2023, the German Federal Government adopted the Fourth Minimum Wage Adjustment Regulation presented by the German Federal Ministry of Labor and Social Affairs. We present the resulting significant changes with effect from January 1, 2024.

Minimum Wage

The current statutory minimum wage is EUR 12 gross per hour. On January 1, 2024, it will initially be increased to EUR 12.41 gross per hour and will rise to EUR 12.82 gross per hour in a further step on January 1, 2025. This will implement the corresponding resolution of the Minimum Wage Commission of June 26, 2023, made up of employer and trade union representatives, in a legally binding manner.

Mini-Jobs

The increase in the minimum wage also affects low-paid employment in the context of so-called mini-jobs.

Since October 1, 2022, the previously static low-income threshold has been made dynamic based on a weekly working time of ten hours and the corresponding development of the minimum wage. It is calculated in accordance with the wording of Section 8 para. 1a SGB IV by multiplying the minimum wage by 130, dividing by three and rounding up to full euros. As of October 1, 2022, this resulted in a low-income threshold with a monthly salary of EUR 520. From January 1, 2024, this will increase to EUR 538 per month and from January 1, 2025 to EUR 556 per month.

If the statutory minimum wage of EUR 12 gross per hour is currently paid, mini-jobbers can work approx. 43 hours per month (EUR 520 divided by EUR 12). As the minimum wage and the mini-job earnings threshold have been linked since October 2022, the maximum working hours in a mini-job will not change from January 1, 2024; with a minimum wage of EUR 12.41 gross per hour, mini-jobbers can therefore continue to work approx. 43 hours per month.

Midi-Jobs

From January 1, 2024, the increase in the mini-job threshold from EUR 520 to EUR 538 will also change the lower earnings threshold for employment in the transitional area. If a midi-job previously started at average earnings of EUR 520.01 per month, this will be the case from EUR 538.01 per month from January 1, 2024. The upper midi-job threshold will not change and will remain at a maximum of EUR 2,000 per month.

Notice:

If you have any questions about the specific implementation and review of existing employment contracts, please contact us at any time!

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