

Simplified explanation -

**Important terms related to basic income
for job seekers**



Bundesagentur für Arbeit
bringt weiter.

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Simplified explanation – Important terms related to basic income for job seekers

This text provides **simple explanations of important terms**. The terms are all related to **basic income for job seekers**.

The information provided in this text is **not legally binding**. That means: If you want to file a legal action in court in relation to a benefit, you cannot base your action on information from this text. The examples are also not legally binding. The examples are only intended to help you better understand the text.

You may also receive legally binding information. You have a **variety of options for doing so**:

- For example, you can register with your responsible **Jobcenter**.
- The information in the **data sheet on Book 2 of the German Social Code (SGB II)** is legally binding.
- You will find legally binding information in the **Instructions for completion**.
Instructions for completion are included in the **application forms**.
- You will also find legally binding information online if you go to **www.jobcenter.digital**.

Your digital Jobcenter (Ihr digitales Jobcenter)

The Jobcenter has an **extensive website**. You can find it at **www.jobcenter.digital**.

You have to **register** for this service. After doing so, you can do many things easily and quickly on the website. For example, you can submit **applications** and get information. You can get important **information** about Unemployment Benefit II.

Without being limited to the opening hours of the Jobcenter, you are able to:

- Communicate changes
- Submit additional documents
- Submit an Application for Continued Approval (Weiterbewilligungsantrag)
- Use the SGB II mailbox service



Good to know: Scan the QR code with your cell phone. This will take you directly to the **www.jobcenter.digital** website.

Data privacy (Der Datenschutz)

People have to give a lot of information about themselves to the Jobcenter if they want to receive benefits. They have to provide their personal data. This data is important so that the Jobcenter can calculate how much money the person will receive.

This personal data is subject to very special protections. This is called data privacy. There are different rules on data privacy. The rules are included in the German Social Code and European Union General Data Protection Regulation, for instance. Your data are processed according to these rules in the Jobcenter.

The Jobcenter can also provide information on data privacy. You can also find the information online at www.arbeitsagentur.de/datenerhebung.

Basic income benefits in Germany (Die Grundsicherung in Deutschland)

People who are looking for work in Germany can receive **basic income for job seekers** according to specific rules. These rules are stated in Book 2 of the German Social Code (SGB II). Basic income benefits are intended to secure a basic livelihood for all people. A basic livelihood is the money you need to pay for the most important things you need to live. These important things include rent for an **apartment** and something to **eat**, for instance.

There are **2 kinds** of benefits related to basic income:

- Benefits intended to help you get **work**.
- Benefits intended to secure your **basic livelihood**.

The basic income in Germany has one **goal**. To ensure people are able to earn a basic livelihood for themselves and their families on their own again.

The basic income in Germany ensures that everyone has the things they need to live. This benefit is for people who have **no money of their own** or who have **too little money**.

In Germany, only someone who does not have enough of their own money can receive a basic income. Therefore, the basic income ensures that everyone has enough to live.

The benefit community (Die Bedarfsgemeinschaft)

A person's benefit community is important if they want to receive or apply for benefits. A benefit community consists of multiple people. At least one member of the benefit community must be **able to work**.



Typically, a benefit community consists of a **person who is able to work** and:

- their **husband** or **wife**, if they are not permanently separated.
- their **registered partner**, if they are not permanently separated.
- a person with whom they are involved in a “**consensual union**”. This is also called a community of responsibility and support. This may be your **long-term boyfriend** or **long-term girlfriend**, if you live together.

Children can also be part of the benefit community. Children are only considered part of the benefit community if they meet these conditions:

- Children are only part of the benefit community until they are **25 years of age**.
- Children may **not be married**.
- The children may not have their own children.
- The children may not have enough money to pay for their own basic livelihood.

There are special rules if a child applies for benefits according to Book 2 of the German Social Code (SGB II). If a child **between 15 and 25 years of age** submits an application and their parents are not able to work, there are other rules for the benefit community. The **parents** or **one parent** from the household are then considered part of the child's benefit community.

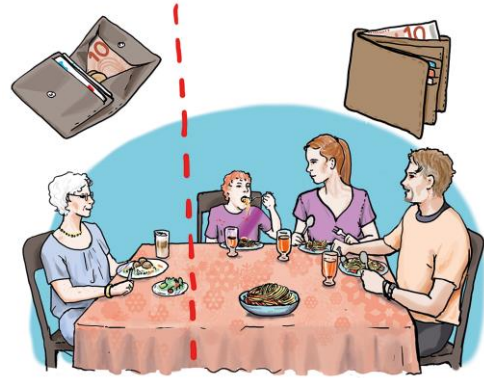
The household community (Die Haushaltsgemeinschaft)

A household community is **different** from a benefit community.

The members of a household community **live together**. The members of a household community, however, are not part of a benefit community.

A household community includes, for instance:

- Relatives and in-laws, such as grandparents, siblings over 25 years of age, uncles and aunts.
- Foster children and foster parents.



Community of responsibility and support (Die Verantwortungs- und Einstehensgemeinschaft)

A community of responsibility and support is the name for a **unique kind of partnership between two people**. The partners, at least one of whom is able to work, live together in a home or apartment. They share their household and support one another. It doesn't matter if they are **two men, two women, or a man and a woman**.



The Jobcenter assumes that the two partners in a relationship are **there for one another**. The partners help one another with **money**, for instance.

A few rules have been defined to clarify what the term community of responsibility and support means. The Jobcenter assumes that a partnership exists if two people are in a relationship and live together. The two partners in the community of responsibility and support must also be legally **able to get married**. In Germany, for example, people **younger than 16** cannot get married. Because of this, they cannot be in a community of responsibility and support.

The Jobcenter assumes that the partners support one another, if several requirements are fulfilled:

- The partners have lived together for at least 1 year.
- The partners live together with **their child** (the partners are the child's parents).
- The partners care for **children or family members** together in their household.
- The partners have access to one another's money. This is the case, for instance, if the partners have a **joint bank account**.

These requirements are called **assumption regulations**. This means the Jobcenter makes an automatic assumption about the partnership if these requirements are met. If you think this assumption is not right, you must prove it.

In addition to the assumption regulations, there are **other ways** to prove people are part of a community of responsibility and support. These ways include:

- Being **engaged** to your partner.
- Living in a **home you own together**.
This may include a **house** or a **condominium**, for instance.
- **Caring for your partner** in your common household. In this case, there may be other information we need to review.

The representative of the benefit community (Der Vertreter der Bedarfsgemeinschaft)

If you submit an **application**, you represent your benefit community.

However, the application applies to the whole benefit community. When you represent the benefit community, you should **involve** everyone in that community. You should talk to everyone in the benefit community to make sure the information in the application is **correct**.



You can also serve as the representative for only **some** parts of the application. This means that the members of the community will **fill out** and sign certain parts of the application **themselves**. The members of the benefit community can, for instance, complete and sign the attachments on their income levels and financial circumstances themselves. The applicant must then submit these attachments along with the application.

Primary benefits (Die vorrangigen Leistungen)

Before people can apply for benefits according to Book 2 of the German Social Code (SGB II), they must take advantage of **all the other social benefits**. Social benefits are designed to ensure people no longer need help. Benefits according to Book 2 of the German Social Code (SGB II) are designed for people who **still need help despite receiving other social benefits**. The same is true for a benefit community. The benefit community must take advantage of all other social benefits first. That is why these are called **primary benefits**. Before people can apply for benefits according to

Book 2 of the German Social Code (SGB II), they must use all of their primary social benefits.

If someone does not file an application for primary social benefits, the **Jobcenter can file the application for them**. The same is true for a benefit community. In some cases, receiving primary benefits will mean you cannot receive benefits according to Book 2 of the German Social Code (SGB II).



Here is a list of the most important primary benefits:

- Child Benefit.
- The **child allowance** is for people who work and have a child for whom they receive child benefits. These people can cover their own and their partner's needs with their income, but do **not have enough money for the child**. The child allowance is paid if it allows the recipient to overcome their need for benefits for **3 months**. In some cases, the child allowance can be paid along with the **Housing Benefit**.
- The **advance child maintenance payment** for children. One parent can receive this benefit if the other parent does not want to or cannot pay any child support.
- Unemployment Benefits.
- The **reduced retirement pension**, which can be paid out from 63 years of age. The benefit is not considered primary if people need help because they are receiving a reduced retirement pension.
- A **foreign pension**, if it is comparable with the German pension.
- Other pensions, such as a **reduced earning capacity pension**, a **widow's** or **widower's pension** or an **orphan's pension**.
- Continued payment of wages in case of sickness.
- Benefits to continue your education. These benefits include the education benefit, benefits under the German Federal Education Assistance Act (**BAföG**) and vocational training assistance (**BAB**).
- **Housing benefits for tenants** are considered primary benefits if they ensure the tenant no longer needs help. The same applies to a state benefit for homeowners.
- The **Maternity Benefit**, which is paid out during maternity leave. Maternity leave typically begins six weeks before the birth and lasts until eight weeks after the birth.
- The **Parenting Benefit** after the birth of a child.

Unemployment Benefit II (Das Arbeitslosengeld II)

Unemployment Benefit II is for people who have **no work**. Working people can also receive Unemployment Benefit II. However, they can only do so if they do not have enough money to live on. To receive Unemployment Benefit II, people have to fulfill certain requirements:

- They must be at least 15 years of age.
- They cannot receive an old age pension, because they are too young.
- They are **able to work**. This means they are eligible to work.
- They need help to pay for their basic livelihoods. This means they **are in need of help**.
- They must reside in Germany. This means they must live in Germany.



People can only claim Unemployment Benefit II if they are able to work. The claim is regulated in Book 2 of the German Social Code (SGB II).

Social Benefit (Sozialgeld)

People may have a claim to the **Social Benefit** if they are not able to go to work. The same applies to children younger than 15. However, they can only claim the Social Benefit under the **following conditions**:

- They are part of a benefit community.
- Someone in the benefit community must be able to work.
- Someone in the benefit community must be entitled to receive **Unemployment Benefit II**.

If these conditions are fulfilled, people unable to work can receive the Social Benefit.



Capacity to work (Die Erwerbsfähigkeit)

The **capacity to work** means a person is able to work.

People are able to work if they can work **at least 3 hours per day** under normal conditions. Normal conditions mean at a normal job. For example, in an office or as a salesperson.



People can be able to work even if they have an illness. This changes if they are unable to work **for at least 6 months** due to an illness or disability. There may be different reasons someone is **unable to work**.

Your capacity to work is also important for benefits under Book 2 of the German Social Code (SGB II). People in a benefit community only receive benefits under Book 2 of the German Social Code (SGB II) if **at least one person** in the community is able to work.

Need for assistance (Die Hilfebedürftigkeit)

People can need help for a **variety of reasons**.

- People need help if they do not have enough money to live on. This money is also called their basic livelihood.
- People also need help if their benefit community does not have enough money, for instance because the money isn't enough for everyone in the benefit community. These people also don't receive enough help from their relatives or other social benefit offices like the housing benefit authority.



Basic income benefits are **only** for people in need who cannot help themselves. If people want to receive basic income benefits, they must first **use up their own money**. This includes their **income**, saved money, and other things. These are also called **assets**. However, they do not have to use up all of their assets. There are **specific rules** on how much money you can retain.

If people have **income** or **assets**, we have to look and see how much money they have for their basic livelihood. They may be fully or partially in need, depending on how much money they have. If people have enough money for their basic livelihood, they are not considered in need.

Needs (Der Bedarf)

A person's needs describe the **amount of money** the person **needs to live**. A person's needs include a variety of things people need to live. This includes **clothing** and **food**, for instance.



In Germany, there exists what is called **standard support**. Standard support represents an average value. This means we determine how much money, on average, a person needs to live. Standard support is **defined by law**.

Standard support is divided into different levels, and depends on different things, such as your **age** and **family situation**.

Additional benefit (Der Mehrbedarf)

Sometimes, standard support is not enough for people in **special situations**. This extra need is called an additional benefit. The additional benefit is paid out to certain groups of people.



These include:

- Women, once they have been **pregnant for 13 weeks or more**.
- Single parents caring for a **minor child**.
- **People with disabilities** can also receive additional benefits in certain cases.
- People receive additional benefits if they need **special foods** for health reasons.
- **School students** if they have to purchase school books themselves. This only applies if the school requires the books.

Special needs (Besondere Mehrbedarfe)

You have special needs if the costs of living are higher due to special circumstances. And if the special circumstances are unavoidable.

Examples of special needs are, for example:

- **Hygiene items** for certain **illnesses**. These include an **HIV** infection, for instance, or the **skin disease neurodermatitis**. Hygiene items include specialized cleaning agents, for example.
- If a child's parents live far apart, **travel expenses** to visit the other parent may be a special need. This is important to ensure the child has contact with both of their parents.



People have to submit an application if they want the costs of special needs to be paid. However, they can only receive the money if they **cannot pay** for these things themselves.

You already receive benefits from the Jobcenter for most needs. For example, **glasses** and **dentures** are not special needs. It is also important that no other body pays the costs.

One solution for one-off expenses is an **interest-free loan**. The Jobcenter lends people money without charging them loan fees (**interest**). This way, people only have to pay back the amount they borrowed. The Jobcenter looks into this solution when special needs arise.

Housing costs (Die Kosten der Unterkunft)

Housing and **heating** costs are paid. Costs are only paid if they are **reasonable**. Reasonable means that the home or apartment is not too large or expensive.



Reasonable housing and heating costs are determined based on **where people live**. You can ask your Jobcenter what costs would be reasonable. Jobcenter benefits for housing costs can only be used for **rent**.

In certain cases, the money can also be transferred directly to the **landlord**.

When people own a house or a condominium, they also have **housing costs**. These include **property tax, debt interest, and homeowner's insurance**. The Jobcenter can pay these costs. In some cases, the Jobcenter can also pay other costs. These include costs for **major repairs** and costs to **maintain the house**, for instance. However, the repairs have to be major for the costs to be paid. There are also costs that cannot be paid. **Repayment instalments** for the house or condominium **cannot be paid**. Repayment instalments are the payments you have to make to repay the loan.

If the housing costs are **not reasonable**, people have to lower their costs if they can. They may have to **move** if the costs are not reasonable.

When people want to move into a new apartment, they have to talk to the responsible Jobcenter **first**. They cannot simply rent any apartment. They need a **declaration of consent** from the Jobcenter before signing a lease agreement. The declaration of consent is also called a **guarantee**. If people move into a new and more expensive apartment without a reason to do so, we will only pay the costs of their old apartment. In this case, they will have to **pay for the rest themselves**.

Income (Das Einkommen)

Income is all the money a person makes. It does not matter where this income comes from or what type of income it is. Income may include **wages**, for instance, or **rental income**. It does not matter whether you receive the money **once** or on a **regular** basis. You always have to state your income.



These are some of the things included in income:

- The income people receive for **work**. This includes payments for **freelance work**. If someone **owns a home or apartment** and receives rent, the rent is also part of their income. The same applies if someone leases land. For instance, if they own fields or a tract of forestry.
- In Germany, different **monetary payments** are also considered part of your income. These include **Child Benefit, Unemployment Benefit, Insolvency Benefit, Transition Benefit, continued payment of wages in case of sickness** and **vocational training assistance**.
- Your pension is also considered income. This includes pensions from statutory social security insurance. This includes, for instance, an **old age pension, accident pension, injury pension** and **miners' compensation benefits**. **Foreign pensions** and **company pensions** are also part of your income.
- **Alimony payments** are also considered income. People receive alimony payments in certain circumstances if they raise a child alone or are **divorced**. This also includes benefits under the Maintenance Advance Act. These are benefits one parent receives if the other parent does not want to or cannot pay any child support.
- **Interest** and **capital gains** are also considered income.
- **Housing Benefits** and **Social Assistance** under Book 12 of the German Social Code (SGB XII) are also considered income.
- **Parenting Benefits** and **Constant Attendance Allowance** for educational activities under Book 8 of the German Social Code (SGB VIII) are also considered income.

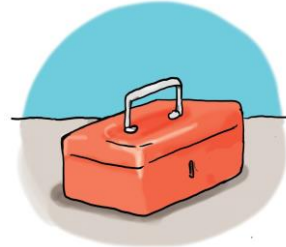
People must also report **one-time income** right away.

One-time income, for instance, includes a **tax refund, profits** from legal gambling, or **operating cost reimbursements**. For tax refunds, it is only important if the money from the **tax refund** was in the account.

People also have to report income if they do not receive money regularly. You may receive an irregular income, for instance, if you **sell** things. This may include artwork, for instance.

Assets (Das Vermögen)

Assets include everything that belongs to a person whose **value can be measured in terms of money**. It does not matter if these things are in **Germany** or **abroad**. Assets include money that is not income. This is the money the person had before the month in which they submitted their application.



Assets include:

- Credit in **bank accounts** and **savings banks**. Savings can also be in an online bank account. In addition, assets also include **cash, securities, shares, loans and equity funds**.
- Vehicles such as **cars and motorcycles** are also assets.
- Life insurance, private pension insurance and home savings plans are also considered assets.
- **Land** a person owns is counted as part of their assets. This includes **developed and undeveloped properties** and **houses**. The houses might be single-family homes or duplexes, for instance. A home you own is also considered part of your assets.
- **Jewelry, valuable paintings** or other **valuables** are also considered assets.

When someone submits an application, the part of their assets that can be sold to pay for their **basic livelihood** is considered. Assets are considered usable if they can be used for your basic livelihood. This may include selling or leasing the asset. However, there are also assets that you cannot sell or lease. This may be because the assets are pledged or mortgaged, for instance. These objects are not usable.

If someone lives in a **benefit community**, the assets of the other people in the benefit community are also taken into consideration.

Application for benefits according to Book 2 of the German Social Code (SGB II) (Antrag für Leistungen nach dem 2. Sozialgesetzbuch (SGB II))

You have to submit an **application** if you want to receive benefits under Book 2 of the German Social Code (SGB II).

The application has several parts. These parts of the application are called **attachments**. The Jobcenter will let you know which attachments you need to fill out.



Caution!

You must be careful to file your application **with the right Jobcenter**. You have to file your application with the Jobcenter responsible for the town you live in.

The application process (Die Antragstellung)

There are some things you should remember when submitting your application. The application is generally based on the first of the month. This means the application is almost always **retroactive**.

For example: You place an application on July 15th. The application will be valid retroactively from July 1st.

Therefore, you **always** have to provide your information **for the entire month**. This is especially important when stating your **income**.



The notification on your application (Der Bescheid zur Antragstellung)

When you file an **application**, you will receive an **answer**. The answer is called a **notification**. The notification provides an answer to your application. If something changes in the decision, you will receive a new notification from your Jobcenter. You will always receive the notification **in writing**.

People receive notifications in the following cases:

- Your application was **approved**.
- Your application was not approved, or only partially approved.
- There is a **change** in the amount of benefits you will receive.
- You have received a benefit **incorrectly**. The Jobcenter will inform you in the notification that you have to **repay** the benefit.



Appealing a decision (Widerspruch gegen eine Entscheidung)

You can lodge a **complaint** if you do **not agree** with a decision. This is also called **submitting an appeal**. Anyone affected by the decision can do this. However, you must appeal within 1 month once you have received the notification.

You must submit the appeal in **writing** or **personally** to the Jobcenter. You can only submit the appeal to the Jobcenter that issued the notification. The decision will then be **reviewed**.

The review can have different results:

- Your appeal is correct. This means your appeal has been granted.
- Your appeal is partially correct. This means your appeal has been only partially granted.
- Your appeal is not correct. This means your appeal has not been granted.



If your appeal is not granted or only partially granted, you can file a **complaint with the social welfare court**. The complaint can only be filed with the **social welfare court**.

Collaborative obligations for benefit recipients (Die Mitwirkungspflichten von Leistungsempfängern)

People who receive benefits according to **Book 2 of the German Social Code (SGB II)** have certain obligations. They have to work with the Jobcenter. These are also called collaborative obligations.



- They have to provide **correct information**. If you submit an application for a benefit, for instance, the information has to be correct. If people live together in a benefit community, the information on other people in the benefit community also has to be correct. The information is important for reviewing your claim to benefits. For example, whether you or another member of the benefit community should receive basic income.
- Information must be complete. No information may be missing.
- You also have to be able to “prove” the information if you are asked for proof. This means you will have to submit **documents** and **certifications**, for instance.
- People also have obligations after they submit an application, for instance if something changes that would change the amount of the benefit or prevent them from receiving it. For example, if they have found a job or if their rent increases. You must provide this information to the responsible Jobcenter **immediately**.

Social security (Die Sozialversicherung)

When people receive Unemployment Benefit II, they are usually **subject to compulsory insurance** under statutory health and care insurance. The Jobcenter then provides insurance to the recipients of Unemployment Benefit II.



When people receive **the Social Benefit**, they are **not** insured under statutory health and care insurance by the **Jobcenter**.

If you want to know something about insurance protection, you must **contact your health and care insurance company directly**.

If people had private health insurance before receiving Unemployment Benefit II, **they remain privately insured**.

People may be able to receive a **grant** for the costs from the Jobcenter. However, the grant is only for health and care insurance costs, and is paid directly to the insurance company.

The Jobcenter only insures people once the benefit has been approved. They are then insured from the 1st of the month in which the benefit was approved. This means the insurance can be **retroactive**. For example, you are insured from the 1st of the month, even if your application was only approved on the 15th of the month.

You may get sick after you have placed an application. However, your application has not yet been approved. You will **not have health insurance protection yet**.

To be safe, you should talk to your health insurance right after submitting your application. The **health insurance company** can provide you with information on your provisional insurance protection. The same applies to all family members on your insurance.

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