



## Information sheet Registration duties for freelancers

In Germany the following are deemed as freelancers for the taxation

- scientific, artistic, literary, teaching, educational work,
- self-employed doctors, veterinaries, physiotherapists, non-medical practitioners, lawyers, notaries, tax consultants, auditors, consultants, political economists and economists, sworn auditors, engineers, architects, interpreters, trade chemists, journalists, press photographers, pilots and similar professions

All these activities must be conducted independently, at own responsibility and – if staff is employed – in a managing function and there must be the intention to make a profit.

All self-employed and freelance activities have the common denominator that the personal work performance stands in the foreground and that the people are not subject to directions vis-à-vis third parties.

Usually freelancers may only start their self-employed work after they have been licensed or approved by the responsible professional chamber or council (e.g. general medical council). It is, however, not necessary to register a business as it is necessary, for example, when establishing a trade business.

Registration with the following offices is obligatory:

### **Tax Office**

Freelancer must hand in an income tax statement for each expired calendar year. It is necessary to register with the locally responsible tax office before taking up the conduct of business; the tax office issues the self-employed a tax number. In addition, the tax office can give information whether the turnover freelancer makes will be subject to value-added tax and which other tax obligations the entrepreneur will have to face.

### **Professional Chambers**

Many professional groups have their own professional chambers (e.g. medical chamber, lawyers' chamber). They look after the duties transferred to them by the state, and engage themselves for the interests of the respective professional group. Without admission from the respective chamber, the freelancer usually may not take up his or her work, registration is therefore mandatory.

### **District Court**

In the case of the establishment of a partnership company with other freelancers, it is necessary to register this in the partnership register at the responsible District Court.

## **Particulars when employing staff**

In as far as staff is to be employed, it is also necessary to contact the local employment agency. The entrepreneur will be registered as employer with the agency and will receive a so-called business number.

In Germany the employees are obliged to regular membership in the social insurance system. The entrepreneur registers his employees for social insurance.

[www.deutsche-sozialversicherung.de](http://www.deutsche-sozialversicherung.de).

The responsible contact partner is the statutory health insurance of the employee.

[www.gkv.info](http://www.gkv.info) (only in German)

Social insurance comprises:

- Health insurance
- Nursing care insurance
- Pension insurance
- Unemployment insurance
- Accident insurance

The social insurance premiums, except for the statutory accident insurance, are borne jointly by employer and employee. The employer pays 100% of the accident insurance premiums. The employee's share is taken out of the gross wages; the employer's share has to be paid in addition. The amount of contribution is rated as a percentage of the employee's earnings.

## **Further useful links:**

[www.invest-in-germany.de](http://www.invest-in-germany.de)

[www.existenzgruender.de](http://www.existenzgruender.de)