



The German Benefits Report 2023



figures

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Summary

[Introduction](#)

[Participants](#)

[Benefit Portfolio](#)

[Most Popular](#)

- [1. Remote Work](#)
- [2. Personal Development](#)
- [3. Health & Well-being](#)
- [4. Mobility](#)
- [5. Working time](#)
- [6. Family Life](#)
- [7. Pension & Insurances](#)
- [8. IT Equipment](#)
- [9. Financial Incentives](#)
- [10. Team Life](#)
- [11. CSR](#)

Introduction

Purpose of survey

Benefit packages have become an essential part of every hiring directive to stay competitive with other businesses on the job market. With the wide range of benefits available nowadays it may be difficult to keep up to date with modern trends and adjust one's own policies accordingly. This survey aims to **identify trends in modern employee benefit packages** across various service industries and company sizes on the German job market, showing which developments are popular amongst start up companies to grown ups to larger companies with over 500 employees. For that **we surveyed 125 companies** in different industries towards the end of 2022, we hope you'll enjoy the read!

Participants

Cluster of participants

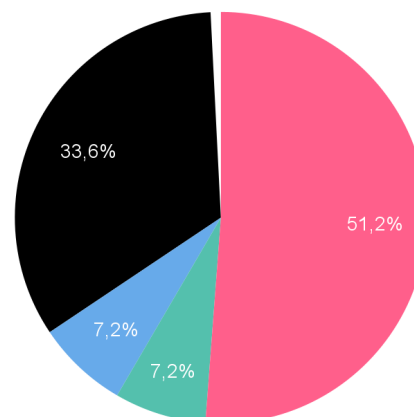
Start Ups 1	Companies with up to 100 employees in GER, Big City, financing round series A - C+	19
Start Ups 2	Companies with up to 100 employees in GER, Remote, Pre-Seed * Seed * Self-financed * financing round series A - C+	16
Start Ups 3	Companies with up to 100 employees in GER, Big City, Pre-Seed * Seed * Self-financed	19
Grown Ups	100 - 500 employees in GER	28
Large Companies	over 500 employees in GER	17

Despite there being a wide range of different industries present, **Tech/Software businesses** clearly make up the majority of all participants at 51,6%. It may be assumed however that various intersections between tech and non-tech related industries exist and that these are simply not defined in more detail within the scope of this question.

Companies' industries

And what is your business's industry

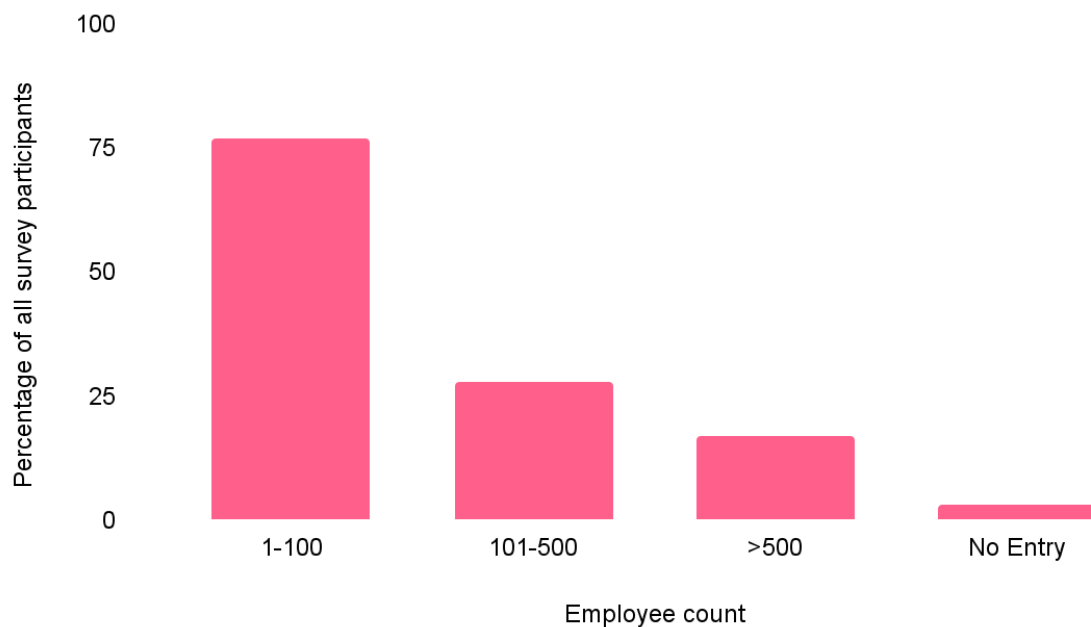
- Tech/software
- Banking/Insurance/Finance
- Consulting/Audit
- Other
- No entry



Number of employees in Germany / worldwide

The range of employment is greatly diversified within our survey. About **61,6% of all participants have employee counts in the range of 1-100** and by our cluster analysis, most of these fall within the start-up clusters. 22,4% of the participants on the other hand belong to grown-ups (100 - 500 employees in Germany) and 13,6% belong to larger companies (> 500 employees). The global employment size in contrast is of course shifted towards higher employee numbers, with **51,2% of companies still remaining in the start-up clusters**, while 24% are classified as grown-ups and 23,2% as larger companies.

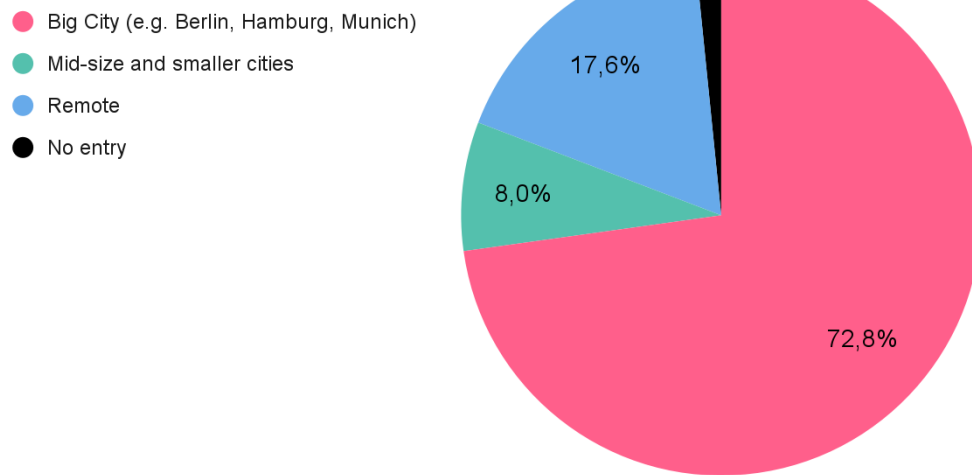
How many people do you employ in Germany?



Office locations

Almost $\frac{3}{4}$ of all companies in this survey are located in **bigger German cities**, well representing the continuously growing urbanization trend in Germany throughout the last decades. About 17,6% of all companies provide mainly remote work access.

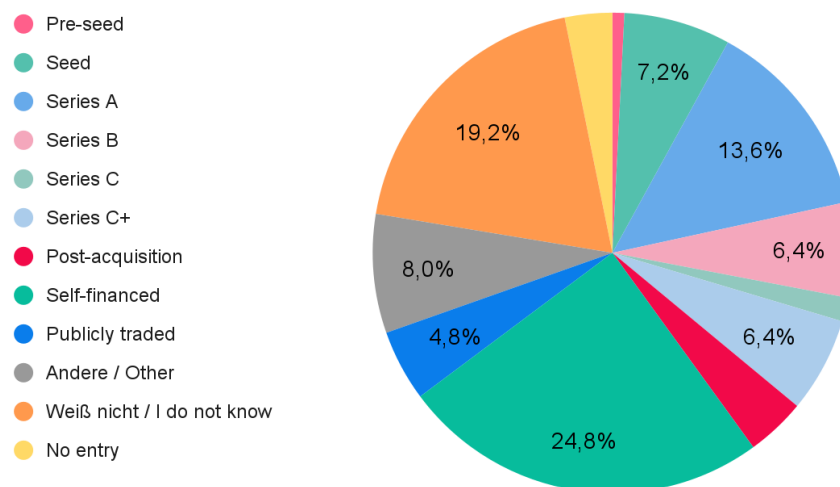
Where do the majority of employees work from?



Financing stage

For the various differently-sized and developed companies in our survey, we clustered our results based on financing stages to showcase the different trends that come with financing capabilities and employee count.

What is the financing stage of your company?



Traditionally self-financed companies had been the norm, but in recent years start-ups attracted investors to grow their business more rapidly. We clustered smaller companies based on their financing stage, combining stages of self-financing, pre-seed and seed financing into one group (33%) as well as companies with Series A - C+ investments (28%). 19% of survey participants were however not able to mention their financing stage, which indicates a certain lack of transparency about the financial situation of the companies.

Benefit Portfolio

The benefit portfolio of a company comprises the **collection of all voluntary company benefits** offered to the entire workforce or individual employee groups. Benefits reserved for individual employees only are exceptions that are not part of the benefit portfolio.

In practice, People & Culture teams often have to invest a great deal of time and effort in managing the range of benefits on offer. In the process, many companies fail to first ask themselves which offerings employees really need and consider valuable. Ultimately, you want your benefits portfolio to **provide employees with recognition** that is not tied to performance but that reflects what employees and companies value most. To achieve this, it is essential to revise and communicate your benefits offering constantly.

82% of our survey participants advertise their benefits, especially in job ads to attract new talents. Companies also tend to obtain feedback from employees if benefits are considered valuable and relevant. Top 3 benefits categories mentioned in this survey are connected to improve individuals professional and personal life's immediately. Contrary, advantages that play out in future time, seem to be of less value for employees.

Most Popular

Top 3	Middle	Last 3
Personal development & training	Mobility	Financial incentives
Homeoffice	Working hours & time	Pension & insurance
Health and wellbeing		Workplace & equipment

Food for thought

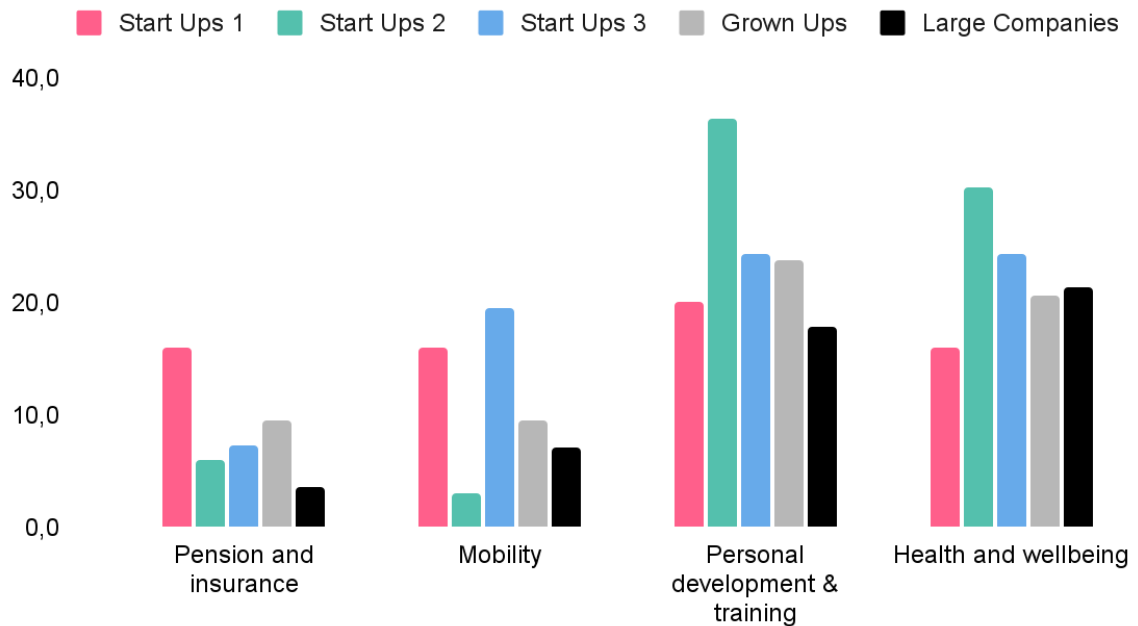
The pandemic changed people's perception to a great extent. Predicting the future does not seem a viable option. People adjusted the best way they can and focus on what is right in front of them more than what might be further ahead. Those years also changed our day-to-day life, with remote work being the norm and environmental matters becoming increasingly important. Effects will likely remain long term, and survey responses show a certain **shift in relation to the benefit requests and offerings**.

Top 3 benefits have a direct impact on employees daily life. It is tangible for them and presents a real and current value.

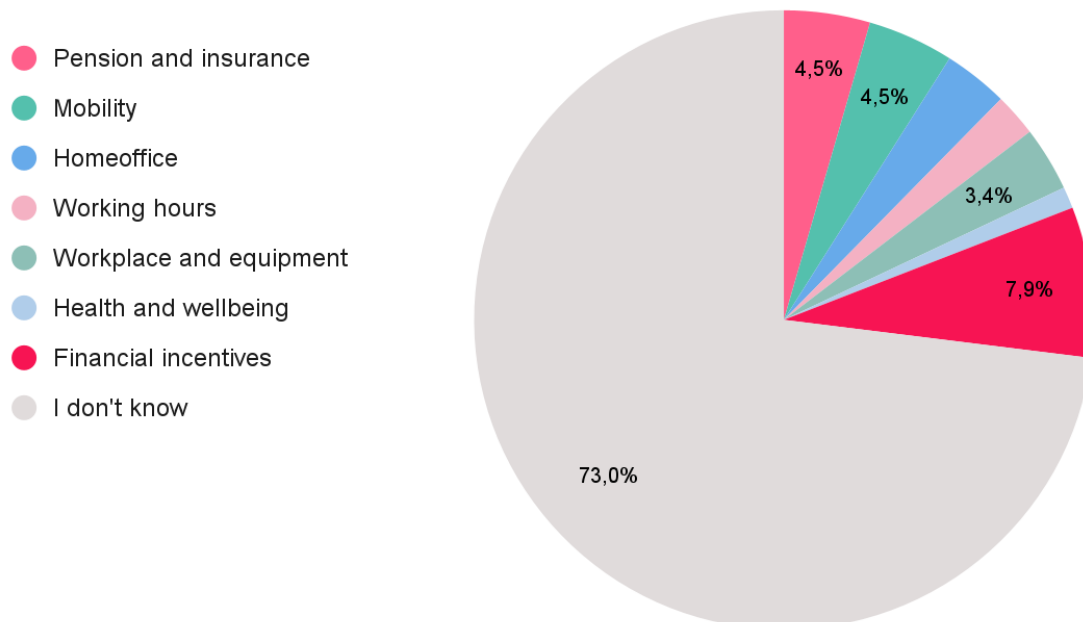
Classic benefits such as pension & insurances and financial incentives seem less attractive, probably because the advantage is postponed to the future and the actual future value is unknown.

Mobility and working time is strongly linked to the business location and company type. Companies with remote set up will not engage in additional remote policies, as this is their company nature anyway, and for them mobility solutions become irrelevant. As many survey participants are located in bigger cities, remote work and mobility is catered to their location based struggles (traffic, cost of parking, public transportation accessibility etc).

In which category do you want to offer more benefits in 2023?

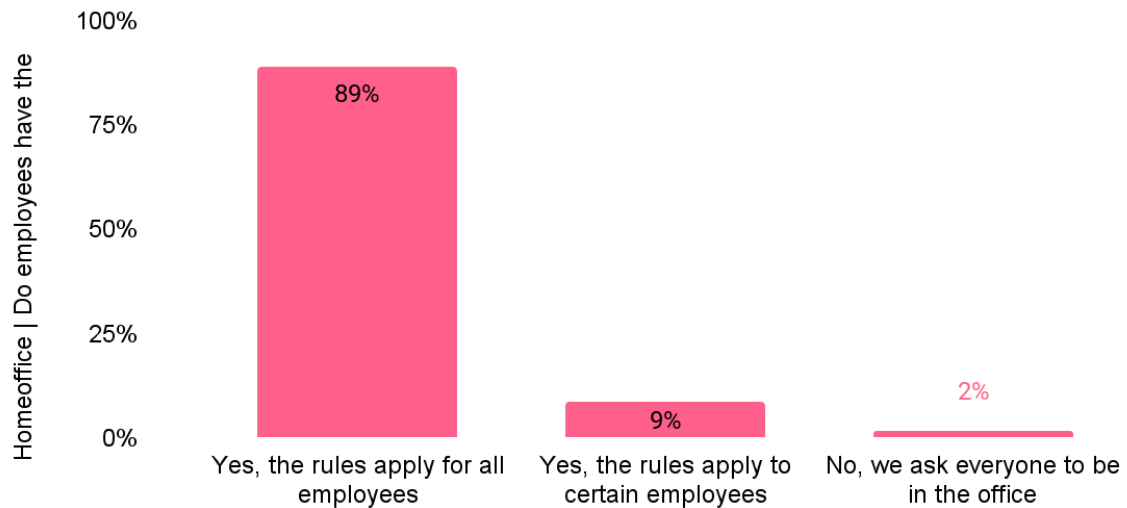


In which category do you want to offer less benefits in 2023?



1. Remote Work

Do employees have the possibility to work from home / remotely?

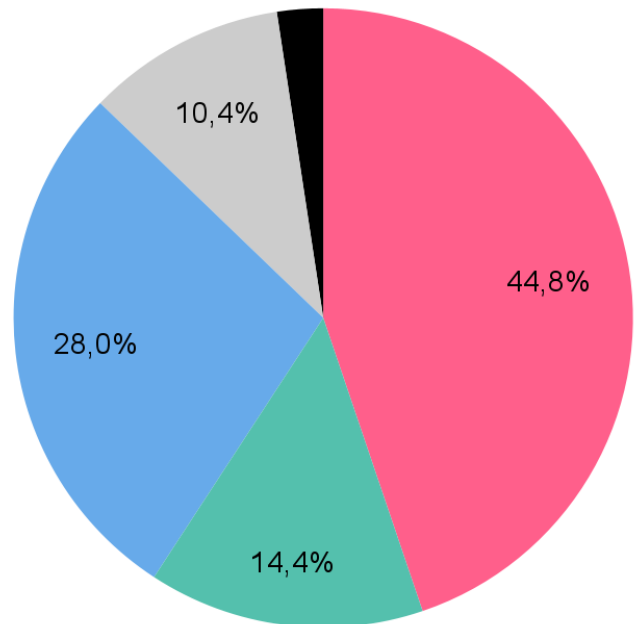


Pie chart 1

36 out of 122 companies who offer home office in general but not exclusively, exclude certain jobs from working remotely. Client facing jobs, internal office management and support functions or jobs on site/production/storage are mentioned to be excluded from general home office rules. However, the vast majority of the smaller size companies seem to offer the most flexibility to working remotely.

What is your general remote policy?

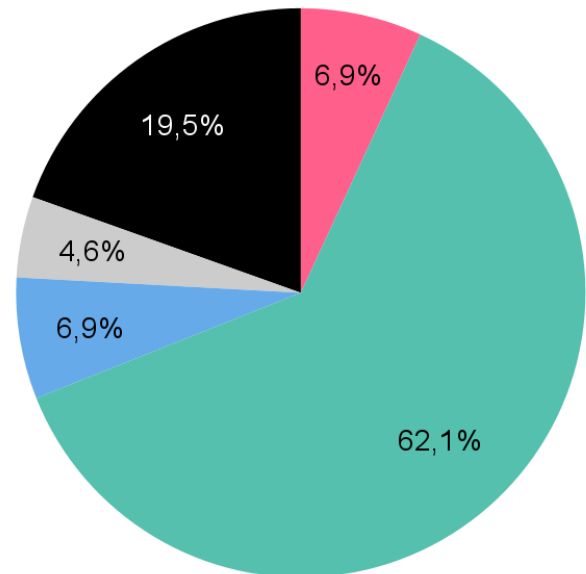
- Fully flexible
- For all - defined mix between office and remote work
- Per employee - agreed mix between office and remote work
- Fully remote
- Other



Remote work has become a central part of People & Culture policies and companies have learned over the past few years what works best for them. The **flexible model** - where employees schedule their office days by themselves - is the most common approach among our survey participants (**45%**). For 28%, a fixed schedule between office days and remote days is agreed with each individual; for larger organizations this is even the most common practice (53%). Despite the remote model, **90% of all companies leave it up to their employees** which days to work remotely - either fully flexible or as per agreement.

Do you cover any costs or offer any benefits for those who work remotely?

- Energy costs
- Equipment (e.g. desks, IT-Hardware, chairs, etc)
- Internet
- Meal allowance
- Other



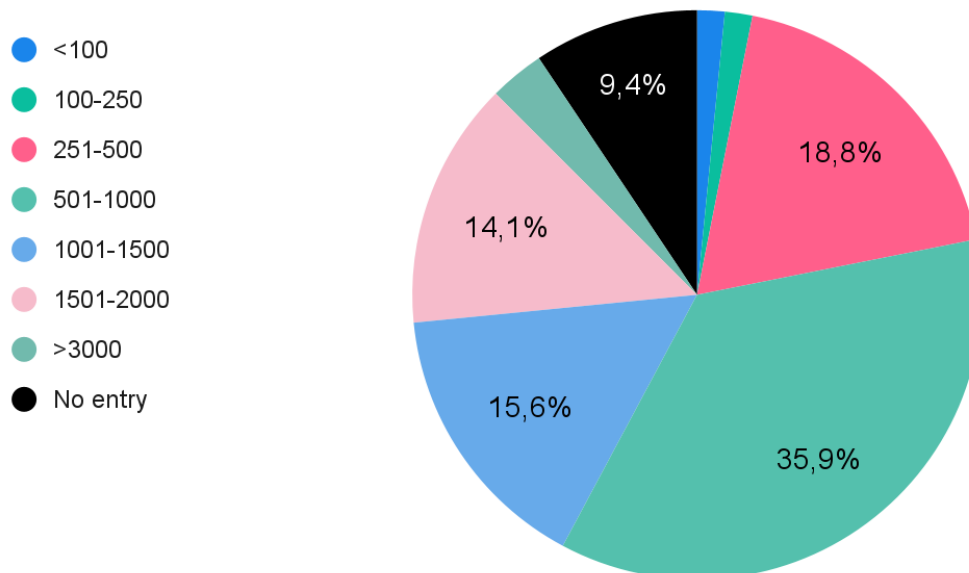
52% of companies will provide certain benefits for remote work, especially by providing equipment such as IT hardware or furniture to work effectively and comfortably from home. Allowances to cover private expenses such as energy consumption (7%) or internet (7%) is still quite rare; especially larger companies do not offer any of those benefits. 48% of survey participants do not cover any costs connected to remote work, however we want to assume that standard IT equipment will be provided anyhow.

2. Personal Development

Training budgets

Training budgets, associated with personal development are **fixed in 51% of the companies** that participated in this survey. Having a fixed training budget allows for a certain standardization of an employee's career and skill progression within their work environment. Employees are given **equal opportunities at self-learning activities and upskilling**, while companies can forecast expenses more effectively. The cluster with the highest budget fixation in this study is the remote work cluster at 69%, which is rather unsurprising, as remote work typically requires a more standardized administration of employees' work and benefits anyways. For start-ups it's the least common to have fixed budgets at 42%. This may reflect to some degree the economic uncertainties that startups are more commonly subjected to or the fact that a early-stage company is in an "operational mode" to get things done for a while before investing more on the long term development of their teams. The **average training budget lies at 1,169 Euros per employee per year**.

What is your overall training budget per employee per year in (€)?

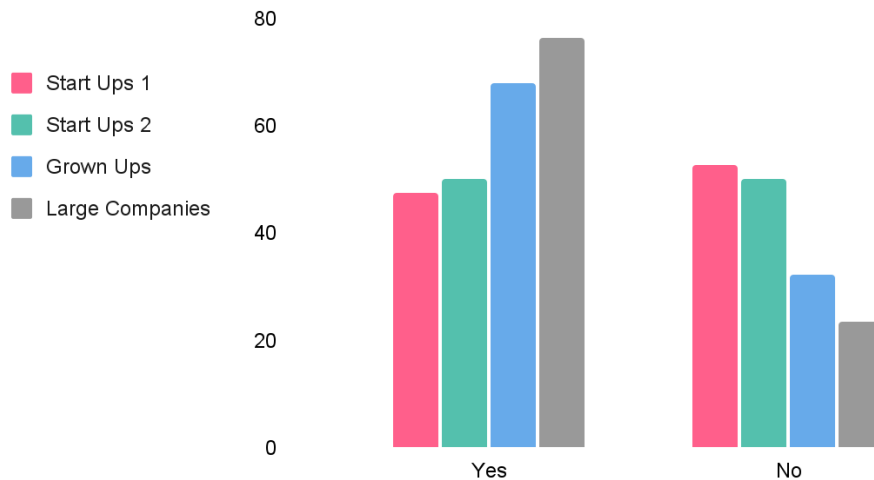


E-Learning

Self-learning platforms are available for most modern service industries and depict a resourceful way of training an employee's individual set of skills and expertise. **Self-learning opportunities are provided by 56,8%** of all survey participants, with the majority of offers on self-learning tools being present in larger companies (76,5%).

The average budget dedicated to self-training per employee per year is at around **729 Euro** and will likely see a further increase in the future with more training services being provided and more skill-sets covered.

Do employees have access to self-learning platforms (e.g., LinkedIn Learning, Udemy)?



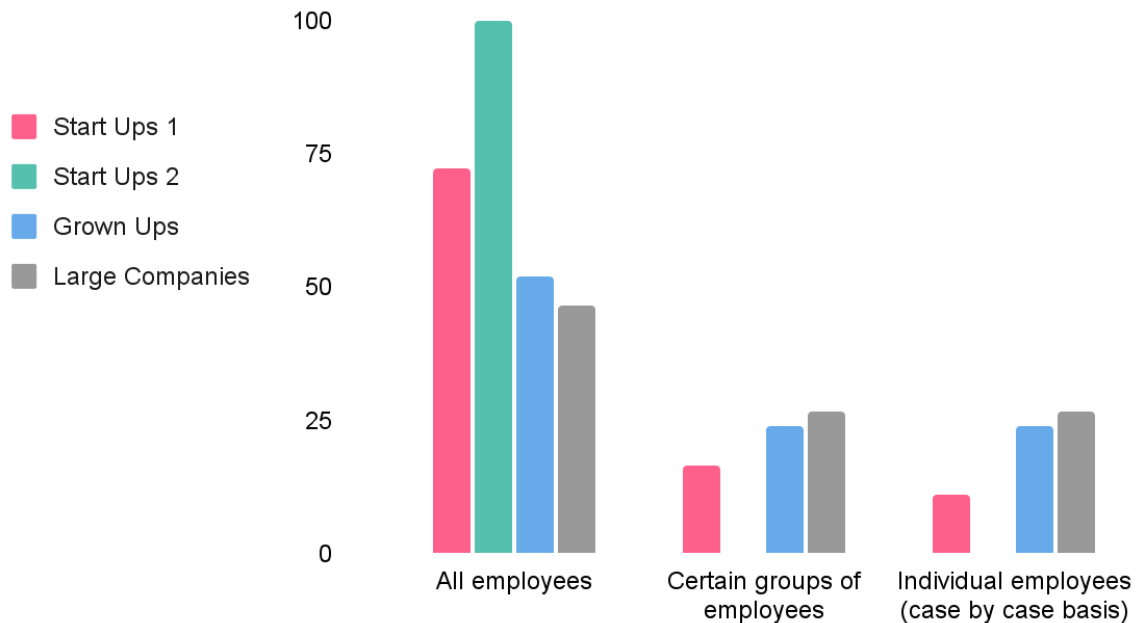
Conference

The attendance of company representatives at conferences is an important aspect of marketing strategies and one of the best ways to establish business relationships. In addition, it is a great benefit for employees to get out and learn.

About **90,4% of all participants stated that their employee's attendance at conferences is supported** with all participant clusters averaging around the 90% mark. The average dedicated **budget per employee per year is at 1,091 Euro**. When it comes to the availability of such perks for different employee groups, all remote start up participants stated that they provide these benefits to all of their employees. On the contrary, only 46,7% of the larger companies offer attendances to all their employees and appear to have other

additional eligibility criteria by which they choose either employee groups (26,7%) or single individuals (26,7%).

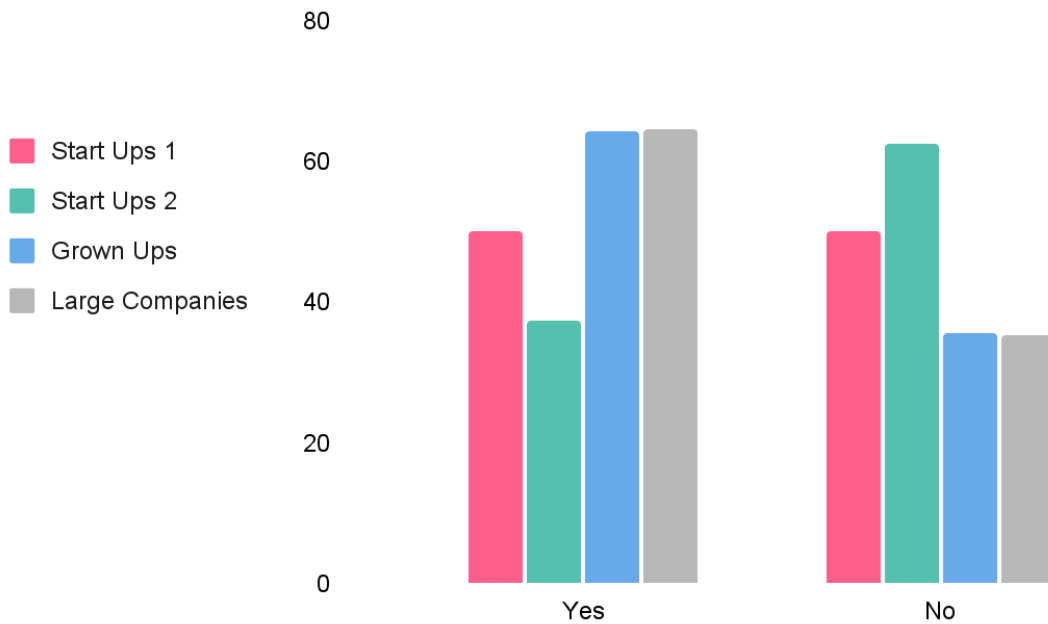
Which employees are eligible for attending conferences/events?



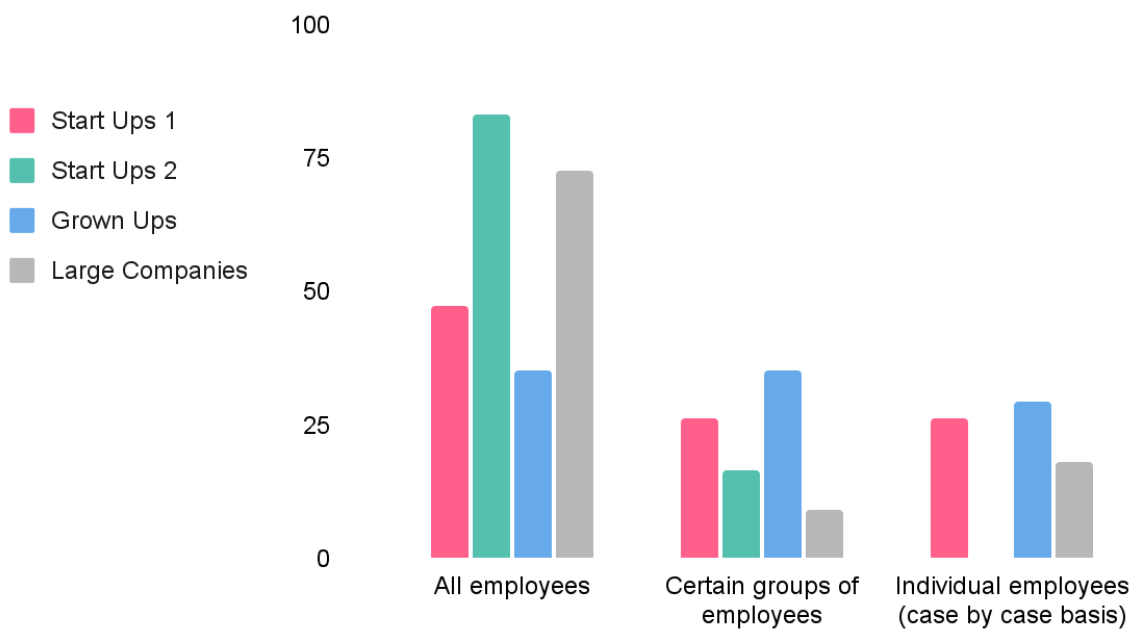
Coaching / Mentoring

Coaching benefits are offered by about half (50,4%) of all participants and are more commonly seen in larger companies than in startups. The average budget dedicated to coaching services lies at around 803 Euros per employee per year. Similar to conference attendances, if coaching is offered, **it is widely available to all employees** at around 83,3% of all remote work companies and at 72,7% of all larger companies, which is a surprisingly large share. Grown ups (participant cluster) on the contrary provide coaching benefits only to 35,3% to all employees and have more specific criteria for eligible employees in place.

Do you offer coaching/mentoring?



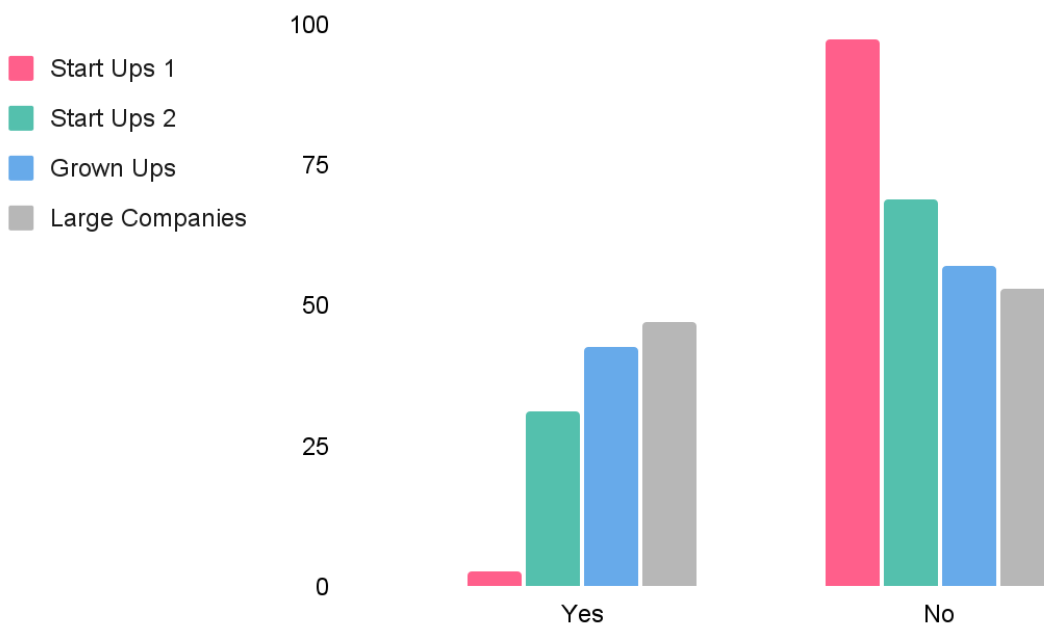
Which employees are eligible for coaching/mentoring programs?



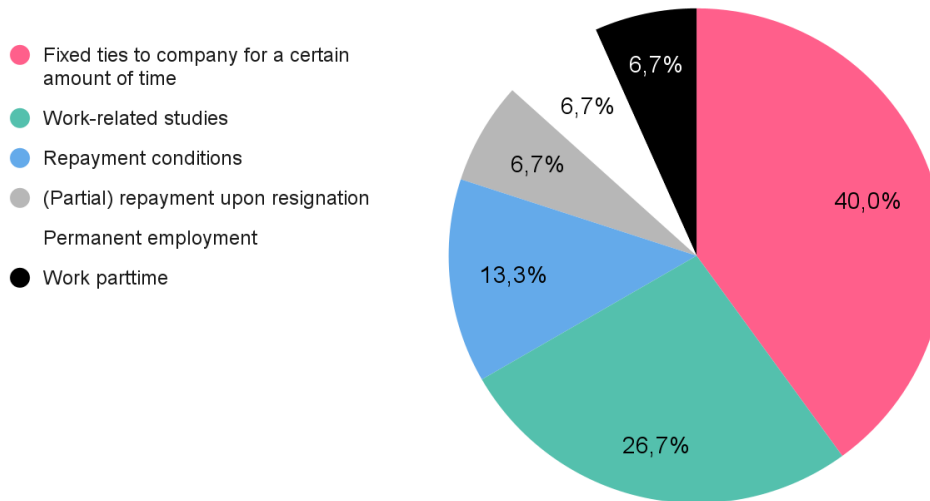
University funding

Funding university degrees and any form of higher education is usually a rather costly and time-intensive investment, but allows a company to **retain employees with a tailor-made skill set for specific positions and purposes** within a company. Due to the longevity of these investments however, many businesses find such funding schemes rather impracticable as shown by the survey results. A total of **21,6%** of all companies indicated that they were providing such benefits. Such investments are most commonly **made by larger companies** at 47,1% and the least in startups at only 2,6%. The average budget dedicated to university funds amounts to **1838 Euros per employee per year**. Common conditions that were mentioned in association with funding higher education are fixed work-contracts that tie the employee to the company for a certain period of time (40%), studying subjects that are work-related (26,7%) and other conditions that define repayment options (13,3%).

Do you offer university degree funding?



What are the eligibility requirements for degree funding?

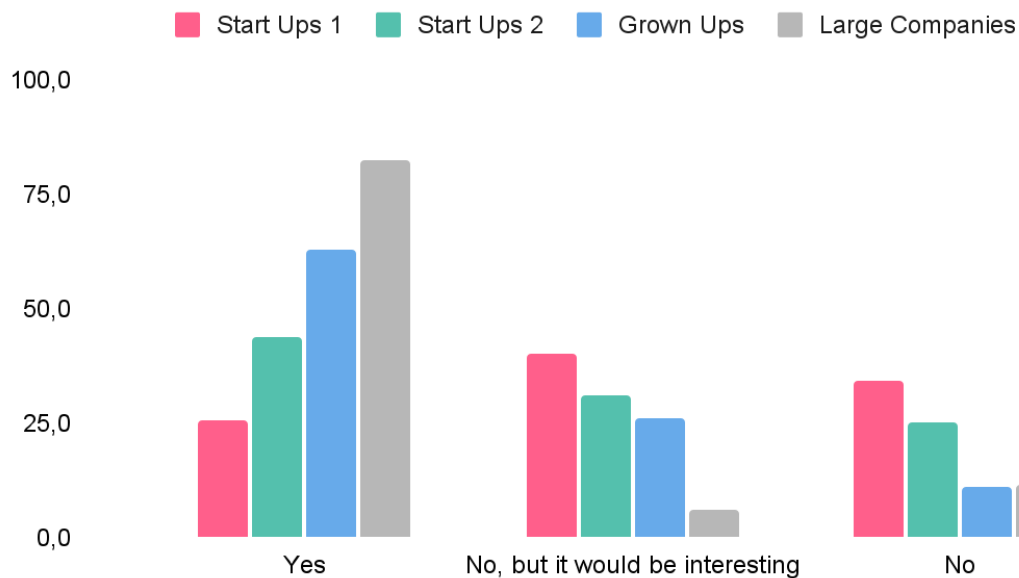


3. Health & Well-being

Mental Health Support

Mental health support benefits have increasingly gotten into the focus of health-associated benefits, especially during the course of the pandemic. **44% of all participants offer mental health benefits**, more typically in larger companies (63 - 82,4%) than in start ups (10,5 - 43,8%) however. The majority of these services (96,4%) are **available to all employees** wherever they're provided and the **average budget lies at around ~404 Euro per employee per year**. In terms of popularity of these services, most survey participants did not provide any estimates (47,3%) possibly due to a lack of popularity feedback. Participants that did however, noted, that about 0-20% and 21-40% of employees were taking advantage of mental health support services at an response rate of 29,1% and 12,7% respectively.

Do you offer mental health support (especially burn-out prevention) for your employees?



Meal vouchers / allowance

Food coupon benefits in Germany are adopted only by a **tiny fraction of all companies (16%)**, typically representing about 25% and less in each individual cluster.

Remote companies especially offer little benefits in this regard (6,3%), as flexibility associated with the work space location doesn't make coupons very beneficial for either employee nor restaurant.

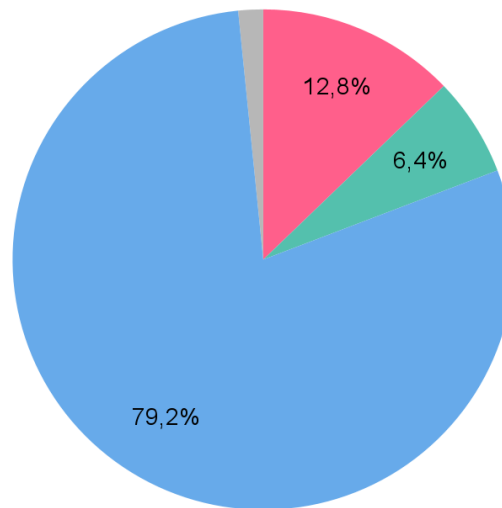
The demand in larger companies at 5,9% for food coupons is likely explainable by a counter-trend presented in the **increased amount of canteen-services provided (35,3%)**, thus lessening the demand for food coupons overall.

This share is in comparison also much higher than the average amount of all companies that have their own canteens, which lies at around 12,8%. Shared meals are offered by around 42,4% of all survey participants, with no much different trends seen in-between the clusters. An interesting observation here however is the **high amount of remote work**

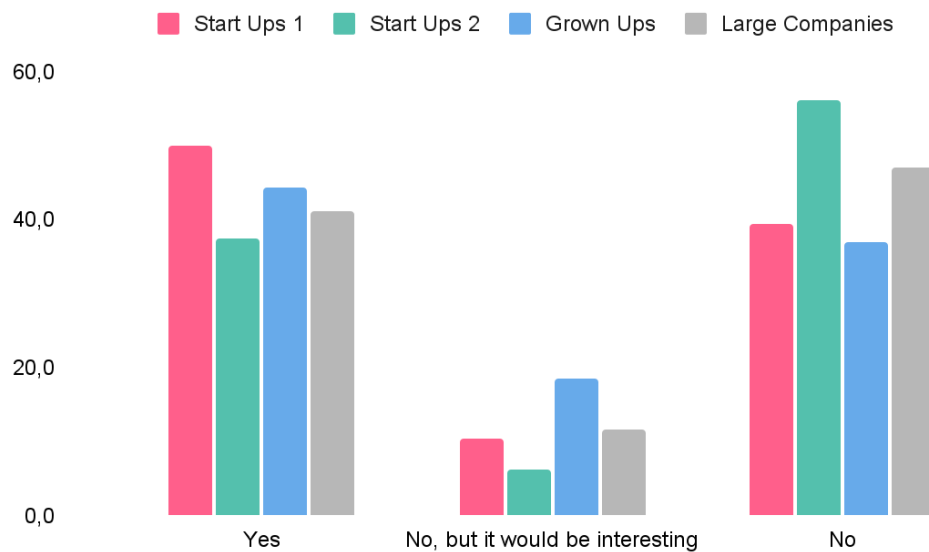
companies (37,5%) that offer shared meals, making us wonder, whether lunch activities are shared in video meetings or whether they actually arrange lunch meetings to also meet in person once in a while?

Do you have your own canteen?

- Yes
- No, but it would be interesting
- No
- No entry



Do you offer shared meals for your employees in the office?



Sports - working time / access (gym, showers)

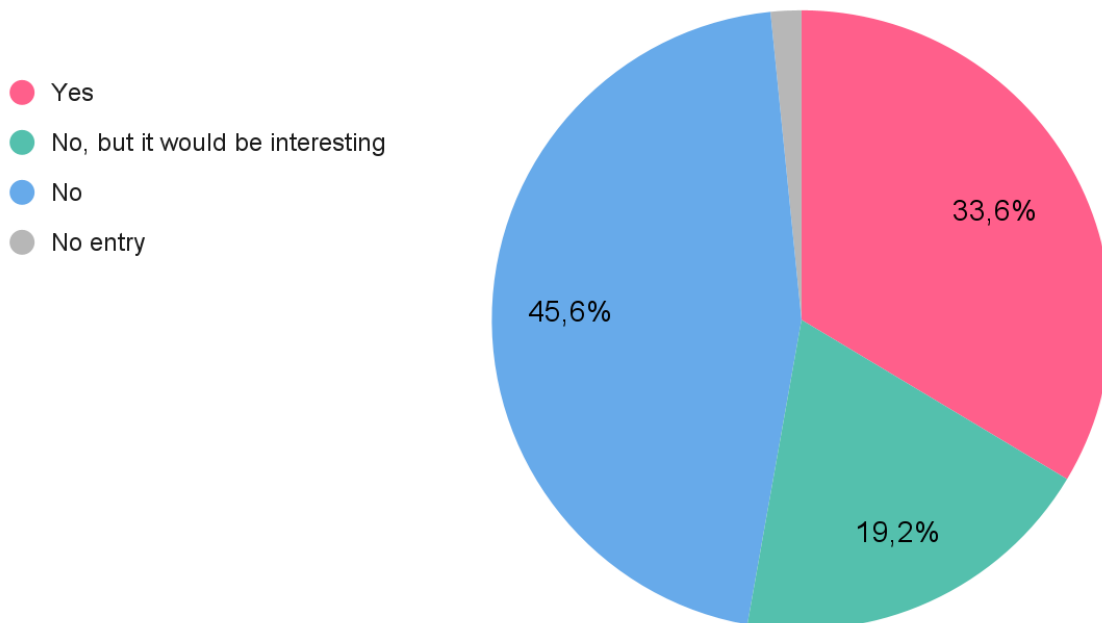
Health benefits associated with **sports-related activities become more and more popular**. About 24% of all survey participants noted that their employees could pursue sports related activities during work time. It is most established in remote work companies at 37,5% and the least trendy for grown ups at 14,8%.

Internally provided sports-related facilities are still rather uncommon, with only 11,2% of companies having their own gym or sports room while bathrooms with accessible showers however are available at a total of 44,8%.

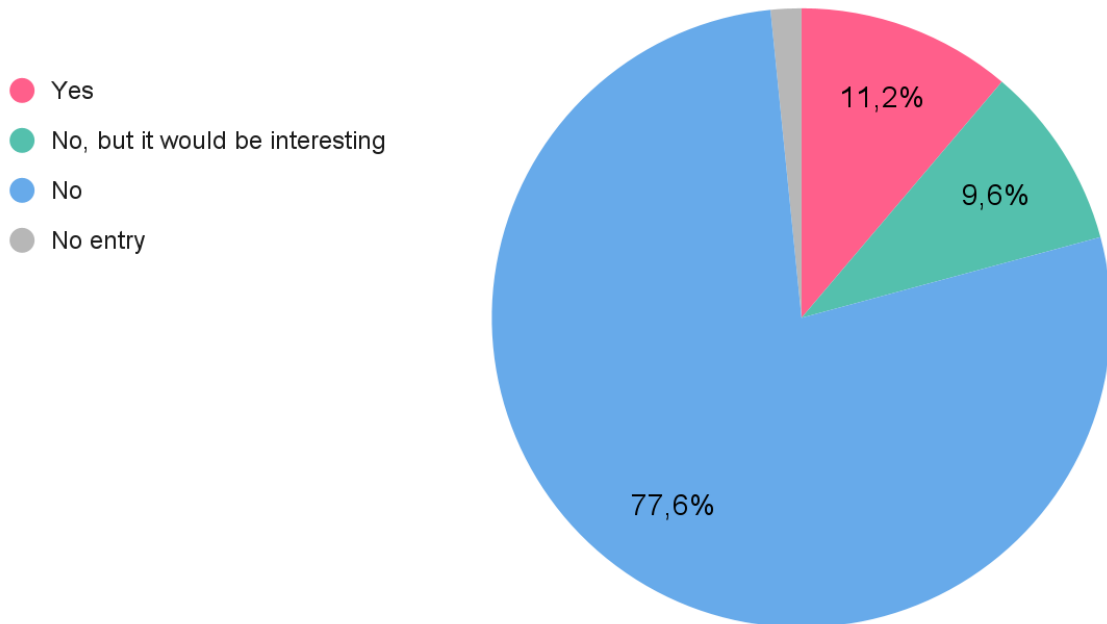
Company internal sports events are conducted by 33,6% of all survey participants, which also appears to be a rather high rate.

The consequences of prolonged periods of remote work during the pandemic and a rising affinity to sport activities in the labor force of the younger generations have certainly had an impact on how this trend was shaped.

Do you offer company internal sports events?



Do you have your own fitness studio or sports room?

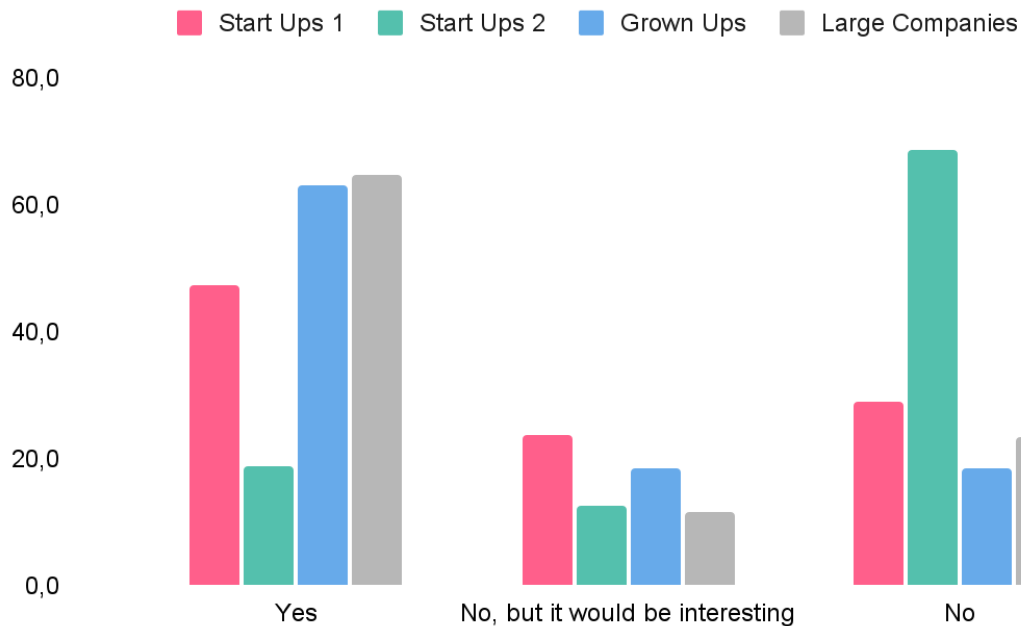


Sports - allowances

Allowances for sport related activities are even more popular than company-internal sports facilities it appears, showing that **about 60% of companies with more than 100 employees provide such benefits.**

It is not surprising that remote businesses provide less benefits in this regard (only 18,8%), indicating the **administrative difficulties** that come along with managing budgets for employees at different work locations.

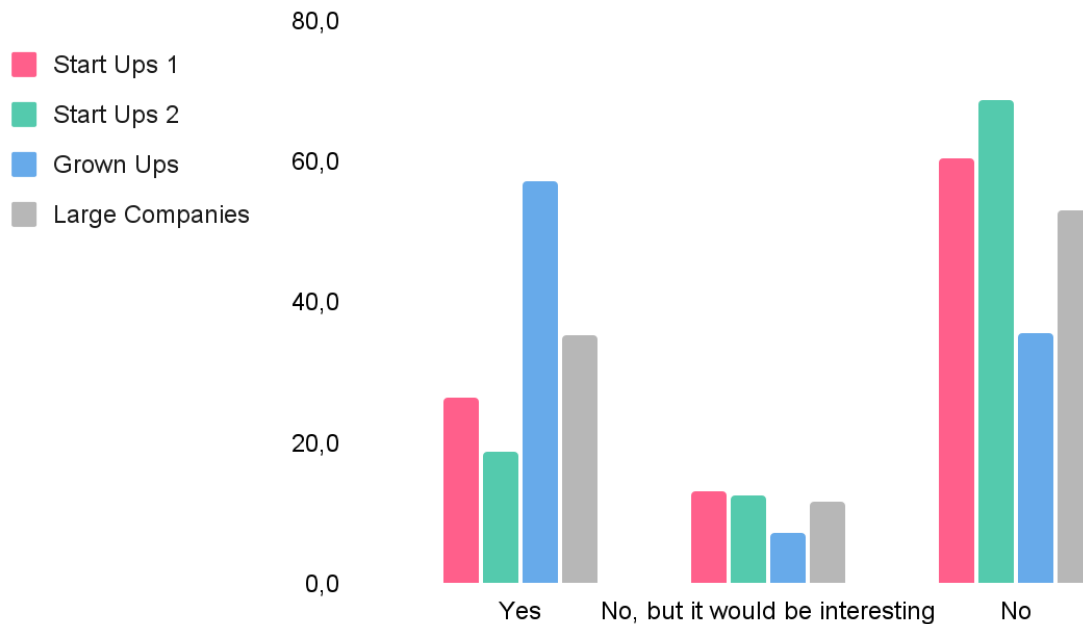
Do you offer sport related allowances / subsidies?



Sponsorship

The average sponsorship budget of our survey participants **amounts up to 2538 Euro per year at a rate of 33,6% of the companies providing them**. It is the most popular benefit in grown-up companies at 57,1%, followed by larger companies at 35,3%. This popularity in grown-ups can be explained by local marketing-related advantages that are to be gained. For larger companies, local sports events may become less appealing due to the shifting of marketing strategies towards broader scales. The most commonly sponsored activities are **running sports events, making up a surprising 58,3% of all sponsorships**, followed by Volleyball (10,4%), Soccer (8,3%) and Biking (6,3%). This strong focus on running sports is likely aligned with the increasing popularity of running among younger generations as a relatively simple and accessible sport.

Do you sponsor sport events?



Other health & well-being benefits

Health-related benefits offered in the companies of our surveys' participants are quite diverse, despite **a total of 61,6% not providing any further health-related benefits.**

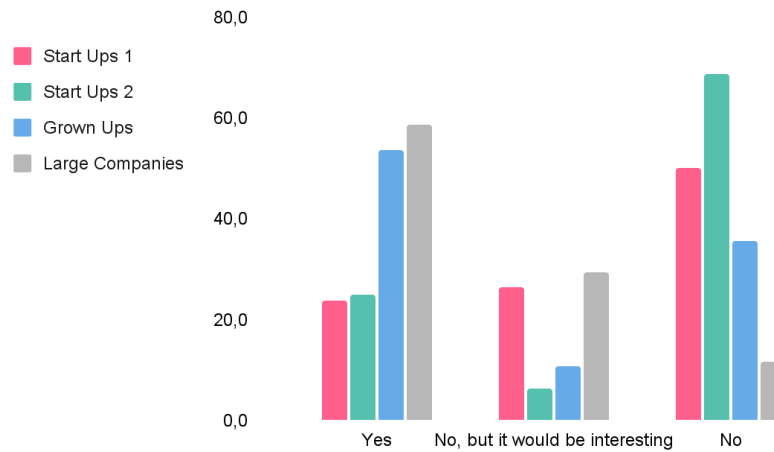
Starting with personal well-being benefits, containing activities such as yoga, massages and meditations, a total of 10,3% of companies provide access making it the most popular benefit as anti work-stress measures. 8,9% of companies provide coaching and health-consultation services, likely aligned with other mental health benefits.

To a smaller degree, additional mental health benefits (6,2%), general allowances (2,7%) and many others are provided.

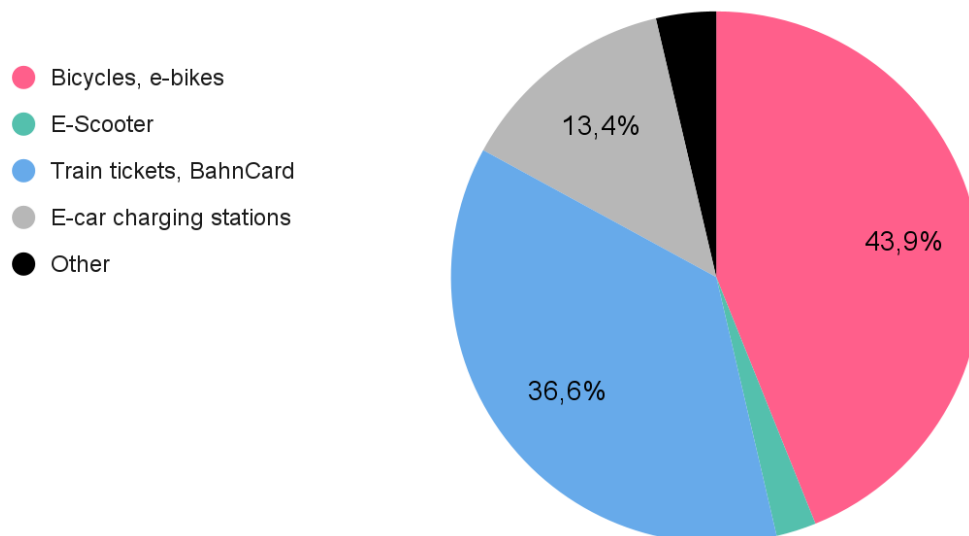
4. Mobility

Sustainable mobility solutions

Do you offer sustainable mobility management solutions?



What kind of sustainable mobility benefits do you offer your employees?



In times of climate change, new emerging mobility alternatives, and a stronger mindset to protect the environment, **sustainable mobility solutions become a public demand**. Among our survey participants, Large Companies (59%) and Grown Ups (54%) already establish alternatives to classical mobility benefits.

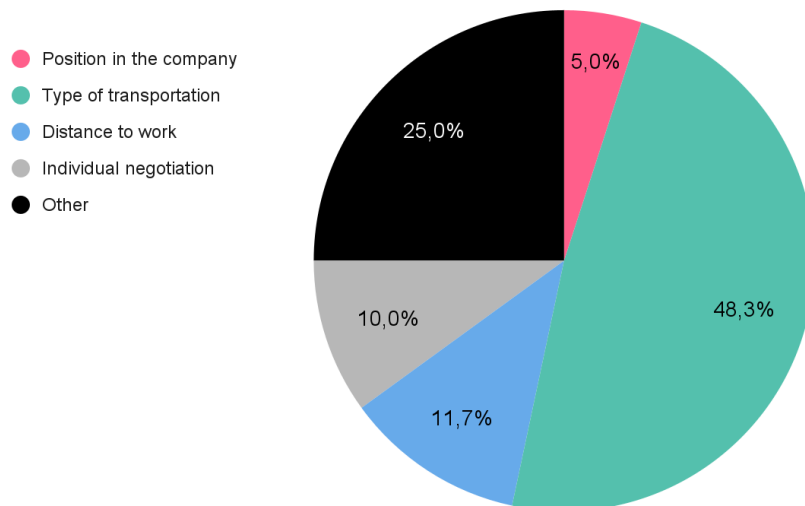
First and foremost, bicycles and e-bikes are mentioned by 44%, which are already provided by companies and on employees' wishlists.

Public transportation tickets and subsidized monthly train passes (37%) are also pretty common, especially in urban areas.

While E-Cars are more and more reliable means of transportation for the mass, charging stations (13%) are in need to "fuel" batteries during working hours.

Whether employees use public transportation or mobility solutions offered by the company, **mobility benefits have always been among the hottest employee offerings in Germany**. However, our survey results show that **this benefit is a less prominent offering**. It seems obvious that fully remote companies do not offer any mobility solutions (88%). While large companies provide mobility benefits by 53% or find this benefit offering interesting (11%). The offering might also depend on its companies financing stage; self-financed start up cover expenses (42%) or are interested in it (31%), companies in various financing stages (A-C+) are less engaged in such offering (26%).

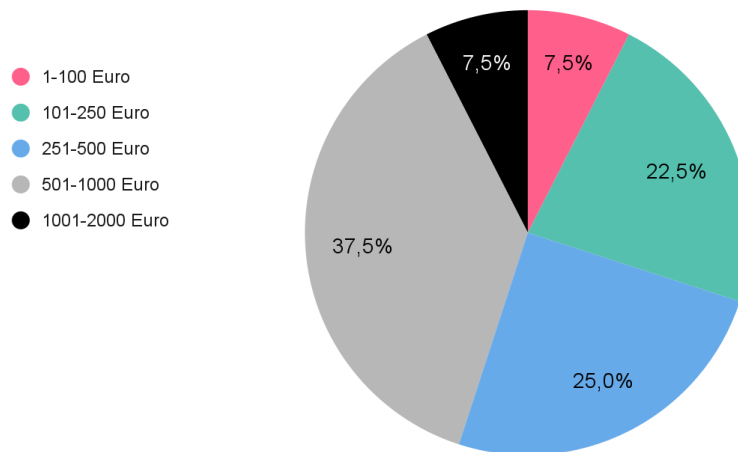
What are the eligibility criteria to receive transport cost subsidies?



Mobility benefits used to be tied to hierarchy levels or linked to the requirements of one's job. However, the survey results show that costs connected to mobility are mainly covered based on the type of transportation (48%).

As most survey participants are located in bigger cities, **train tickets for public transportation is the most common offering**. Public transportation is either covered partly or fully by employers. Other cost subsidies, that account for 25% of the answers, refer to bike rental services, travel allowance ("Fahrtkostenzuschuss") as well as mobility flat-rates for everyone. In general, mobility benefits are considered taxable for both employees and employers, however within certain limits (4.500 EUR per employee per year) they will be tax-friendly (flat-rate tax).

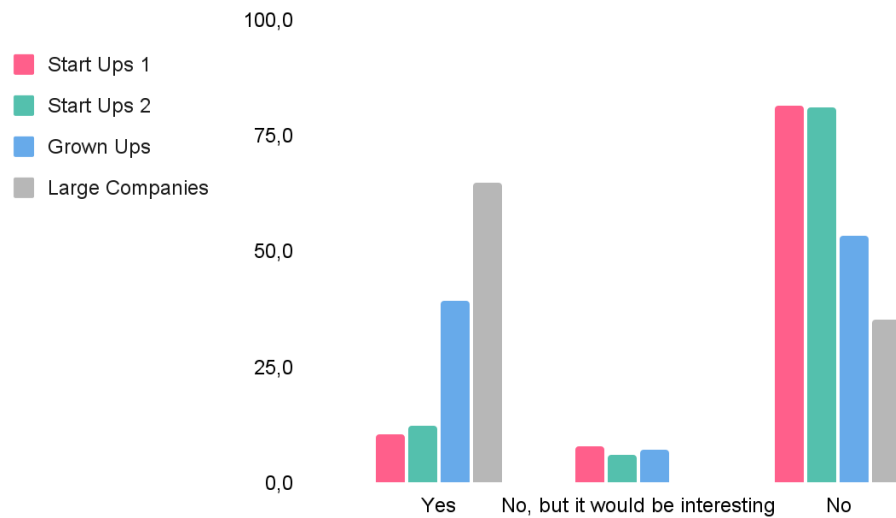
How much on average per employee per year in (€)?



Travel allowances and mobility subsidies per employee per year are usually in the range between 250 - 500 EUR (25%) and between 500 - 1,000 EUR (37,5%). If you do the math, within this range, employees will be able to cover part of their monthly train ticket for cities such as Berlin (90 EUR) or Munich (100 EUR). Smaller mobility budget might rather be spent on longer term bike leasing (from 35 - 100 EUR/mth.), via Swapfiets or JobRad. or short-term rentals for E-scooters.

Company Car

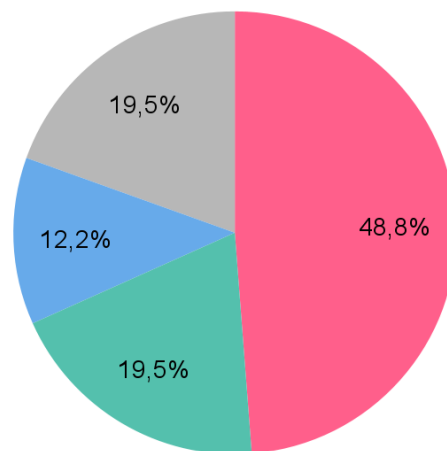
Do you offer car leasing or car pools to your employees?



Mobility | What are the eligibility criteria for car leasing or car pool?

Pie chart 5

- Position in the company
- Level in the company
- Individual negotiation
- Other



Company car's are not a common benefit among our survey participants. However, we acknowledge differences between our participant clusters. Overall, company cars or access to car pools are only offered by 27%. This result is heavily influenced by two participant clusters, *Large Companies* (69%) as well as *Grown ups* (39%).

As mentioned earlier, the majority of participants in this survey consist of smaller companies that are either located in bigger cities or operate fully remotely. For this group, company cars do not seem an attractive benefit.

Company cars are **among the most expensive benefit offerings**, forcing both employee and employer to make rather longer term commitments. The ongoing public demand towards more sustainable alternatives should be mentioned as a possible reason.

Contrary to other mobility solutions, access and eligibility to company cars is limited and usually not for every employee. Participants reserve eligibility to individual positions, which might require such type of mobility in the job.

In this context, means of mobility can also be seen as a necessity rather than an individual benefit. However, for almost 1/3 of participants, company cars might be more than a necessity but instead be an actual benefit for individuals on a certain job level (20%) or as part of the compensation package (individual negotiation 12%).

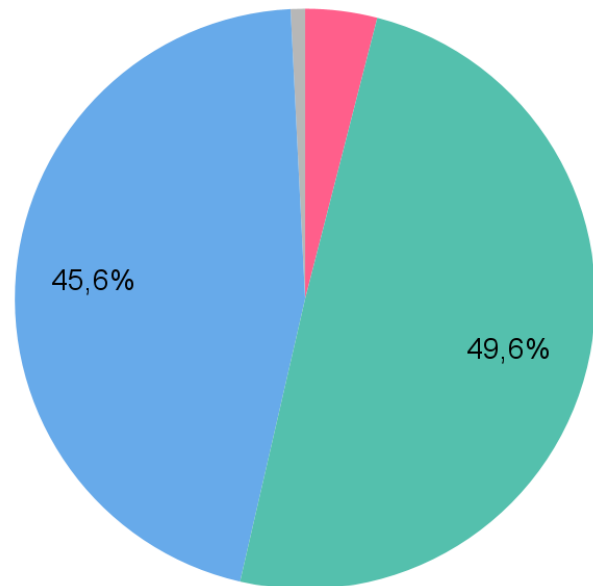
5. Working time

Full time in hours per week

In most companies **40 hours a week is considered standard**. However, there is quite some flexibility to the actual working time. Almost 50% have defined core working hours, where everyone shall be available for work, while on the other hand **45% of participants give full flexibility when to conduct their work**.

flexible is the work schedule for employees?

- Working hours are fixed for all employees (full-time)
- There are core working hours for certain hours (e.g. 9-15, flexible before and after)
- There are no fixed working hours
- No entry



Food for thought

As of September 2022, a new decision by Germany's highest Labor Court (BAG) includes an obligation for employers to record work hours of their employees - regardless of the size of the company and the existence of a works council. A flexible work schedule in which employees can freely choose how to structure their work week might be rather challenging, as on-and-off work - especially remotely - is more difficult to track than presence in the office/store or on site.

4-days week model

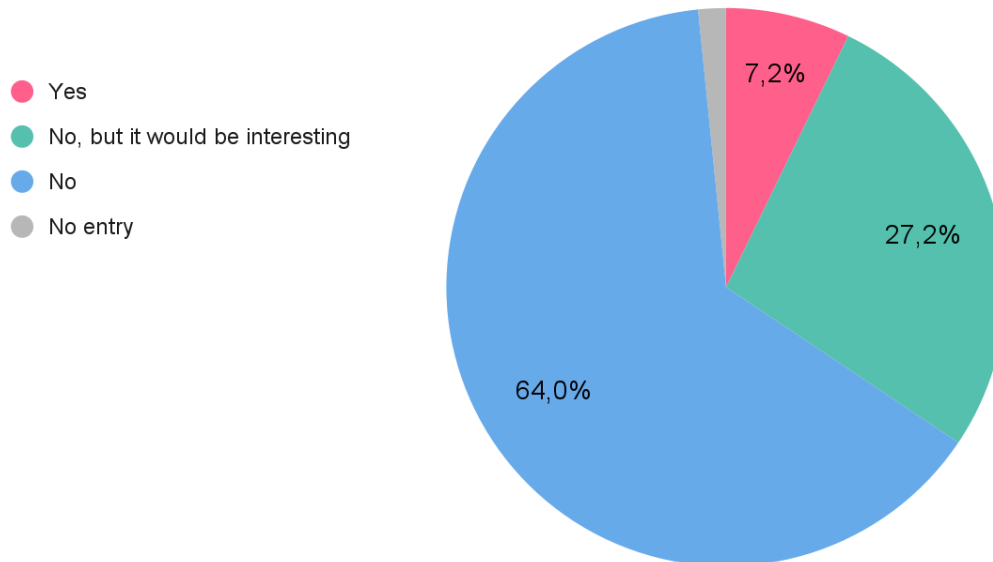
The 4-days week model is still a rather uncommon practice on the German job market. **Only 7,2%** of the companies have so far adapted to this new working scheme, with no major differences seen in the companies' sizes. In the companies that established the 4-days week model already, the scheme is typically available to all employees.

As a trending benefit, the 4-days week model is **promoted as a way to increase productivity and improve the level of well-being and work life balance**. It is likely that this model is therefore still in modes of experimentation by the few survey participants who adopted it already.

In general, pro's and con's seem to be split equally. Among our survey participants, opinions vary whether this reduced work model is considered a useful tool. Mostly self-

financed start ups see rather positive effects (58%), however all other survey participants find the 4-days-work week rather useless in their context (60-70%).

Have you already implemented the 4-day-week scheme?



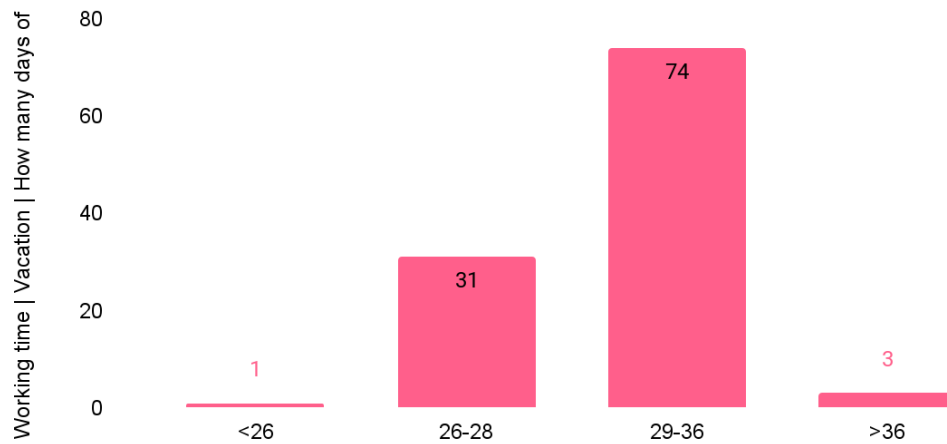
Vacation days

Vacation days in Germany have a defined minimum of 20 days for 5-day work weeks, however, **most companies offer vacation days in the range of 28-30 days**. These numbers have become the norm and are as much of a stable practice as the well-established 40 hour week.

More flexibility has only been observed with survey participants of startups that work mainly with a remote set up. While most survey participants (78,4%) noted that vacation days are equally arranged for all employees, 13,6% indicated that vacation days vary among employees based on individual criteria. Most prominent criteria seem to be tenure of employees (20%) as well as agreements /negotiations (29%) with individuals (vacation as part of their total compensation package). Other much less common criteria comprise limitless vacation or reduced-contact vacation benefits, in which case extra vacation days are provided as an anti-covid measurement. Especially the later practice might already prove unfeasible with the major improvements seen in the Covid-situation in Germany.

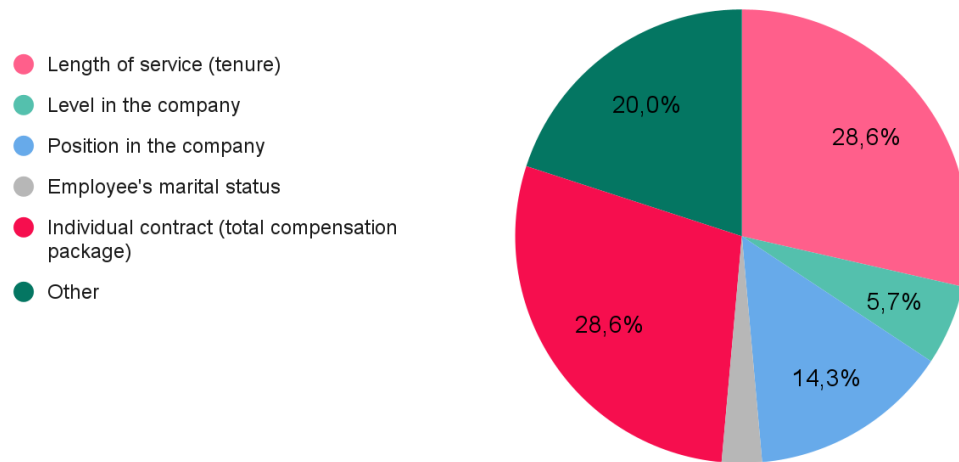
In the question, how flexibly vacation days can be taken throughout a year, **80,8% of the companies noted full flexibility**, giving employees either the ability to carry over their remaining vacation days into the next year (78,4%) if they haven't claimed them till march of the following year already, or receiving a payout (2,4%).

How many days of vacation do you offer your employees per year?



Pie chart 7

Which criteria define the number of vacation days per employee?



Time saving accounts

Time saving accounts are not a very common practice among the survey participants to date. With time saving accounts, employees can save up work- and overtime in its accumulation phase for it to be paid out at a later time when the employee for example takes a sabbatical or plans an early retirement before the official retirement age.

With **only 16,8%** of all survey participants and in particular **42,2% of the larger companies** providing such benefits, it is so far only an attractive benefit to companies that are expected to provide economic stability to their employees over longer periods of time and that accommodate a larger work force. 85,7% of the participants that offer time saving account benefits have their own administrative system in place.

Additional paid time off

Alternative to typical vacation policies, **38,4% of the companies in this survey also offer their employees sabbaticals.**

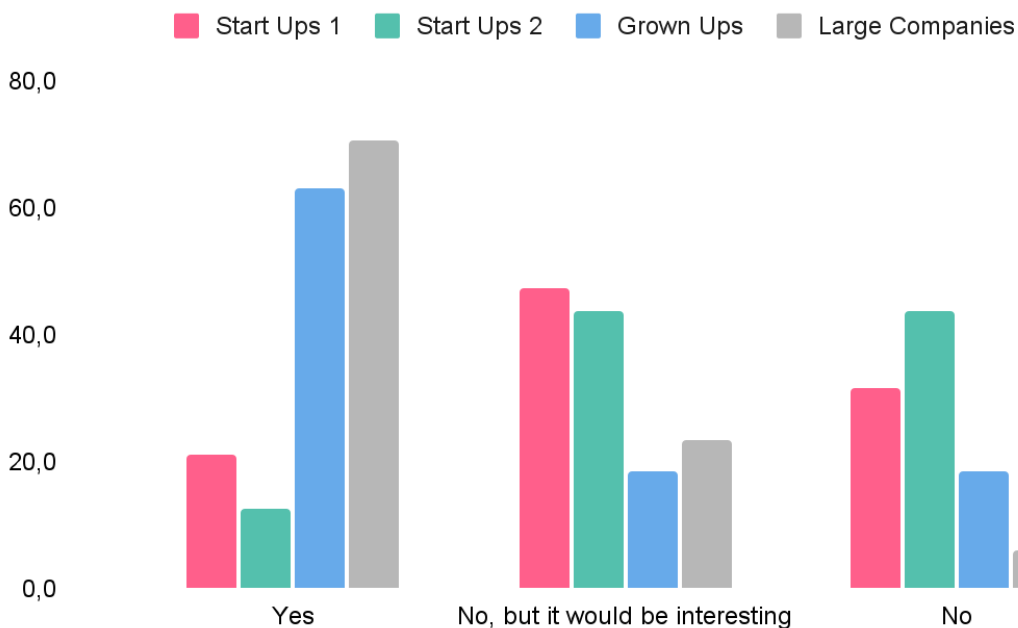
There are two distinct clusters for the duration of sabbaticals recognizable, either limiting the period to 1-3 months or 10-12 months. Sabbaticals are also much more established in larger companies (70,6%) than in startups (18,2%), since this benefit accounts for appropriate compensation of the leftover workload.

On a first note, it may be seen as a fairly impracticable measure for start ups, especially since individual employees are much less expendable and are much deeper integrated into the workflow within their companies.

Additionally, longer periods of absence may disconnect the employee further from their expected expertise, since a start up's growth and development demands more flexibility and adaptation of its employees in contrast to similar positions in larger companies.

Identifying the extent of this demand and offering maybe more moderate paid time off options on a case by case basis as seen with start up 1 companies in the 1-3 month range may potentially provide a benefits advantage over other companies on the job market.

Do you offer Sabbaticals?



6. Family Life

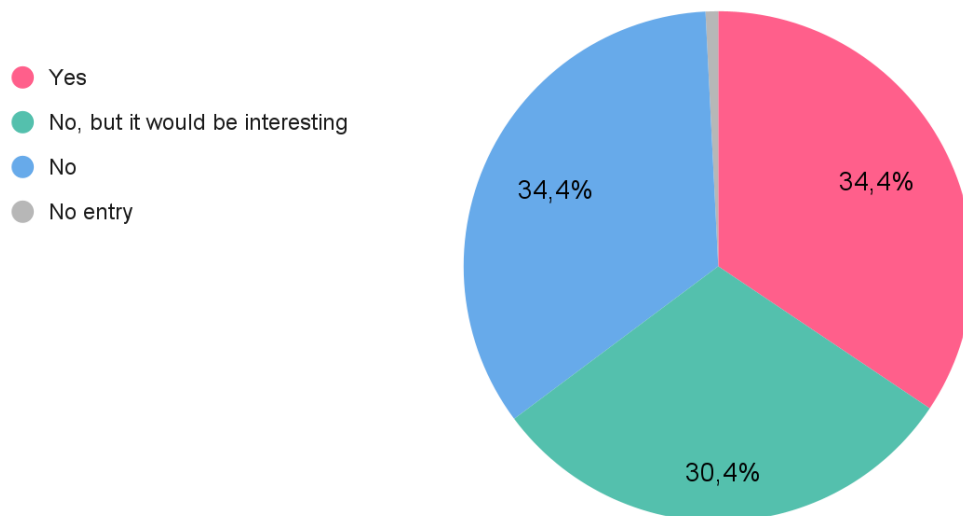
Parental Leave

Parental leave in Germany is an unpaid break that can be taken by both parents after the birth of their child and may be taken up to three years in total. It is being regulated by law and during the leave period, the employer cannot terminate said employee while the employee is free to choose when to resume their work. Paid absence for the second parent however is a benefit, which may typically be given upon birth by some employers.

The exception here are the remote work companies, which show less benefit offers at around 18,8%. The reason for this is most likely the flexibility associated with most remote jobs, that allow easier combination of parental supervision with job duties, hence less necessities for paid vacation days.

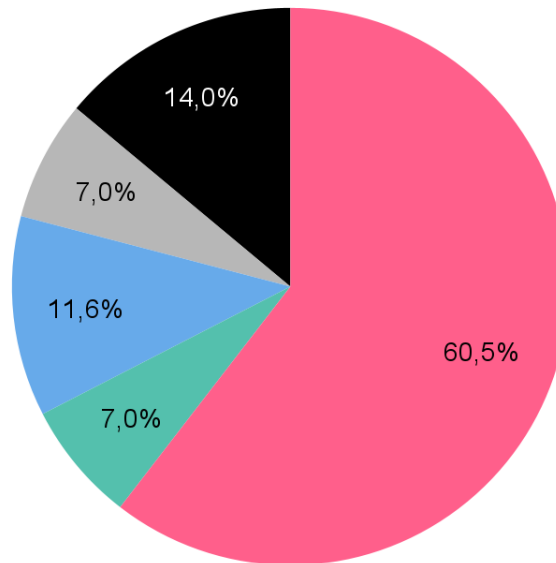
The amount of vacation days being given most commonly amounts to 1-3 days in 60,5% of all paid vacation benefits. More paid vacation days are less common at 25,6% with no general trends being seen between company clusters and amount of vacation days being provided. And when looking at adoption events equally to childbirth, 65,1% of the companies provide additional vacation days.

Do you offer the second parent additional vacation days when a child is born?



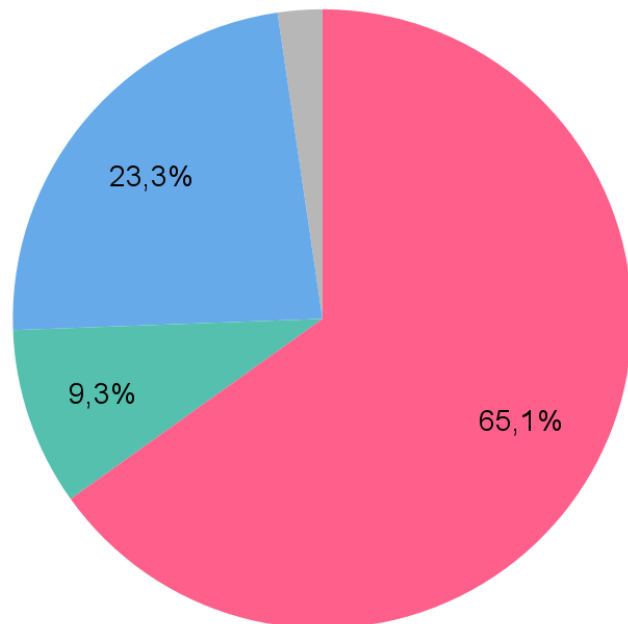
How many additional days are you giving?

- 1-3
- 4-6
- 7-10
- >10
- No entry



Does this also apply for adoption cases?

- Yes
- No, but it would be interesting
- No
- No entry



Daycare

Child daycare benefits in Germany still remain a difficult topic, with most parents having high demands of daycare establishments providing pedagogical concepts, various outdoor activities and constant supervision. What further complicates this is the lack of qualified daycare workers in these institutions, making it **overall a costly service for a company benefit**. Therefore, it is unsurprising that **92,8% of all survey participants don't provide such benefits** and the large companies that do (29,4%), have the essential infrastructure available for this.

Most companies don't provide a lot of benefits around family life, as there are already heavily restricted regulations set by the German government concerning e.g. parental leave etc. The 21,6% of the companies that mentioned having additional parental benefits however stated subsidies for external daycare services as the most common benefit, followed by presents provided at birth (either as bonus payments or as baby equipment), extra vacation days and parental coaching.

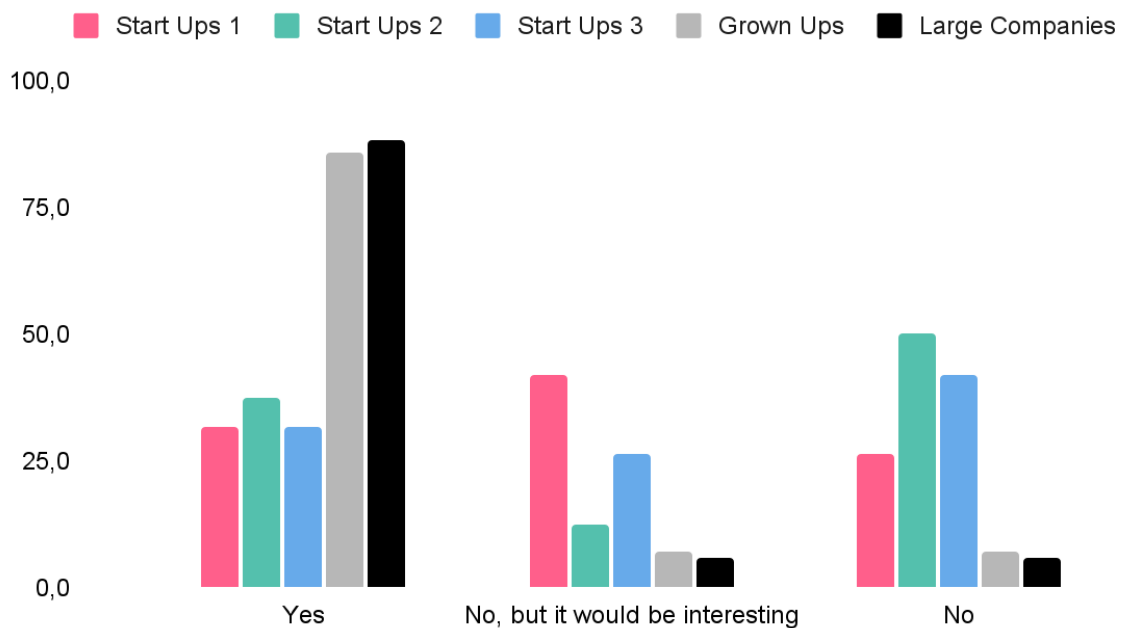
7. Pension & Insurances

Pension

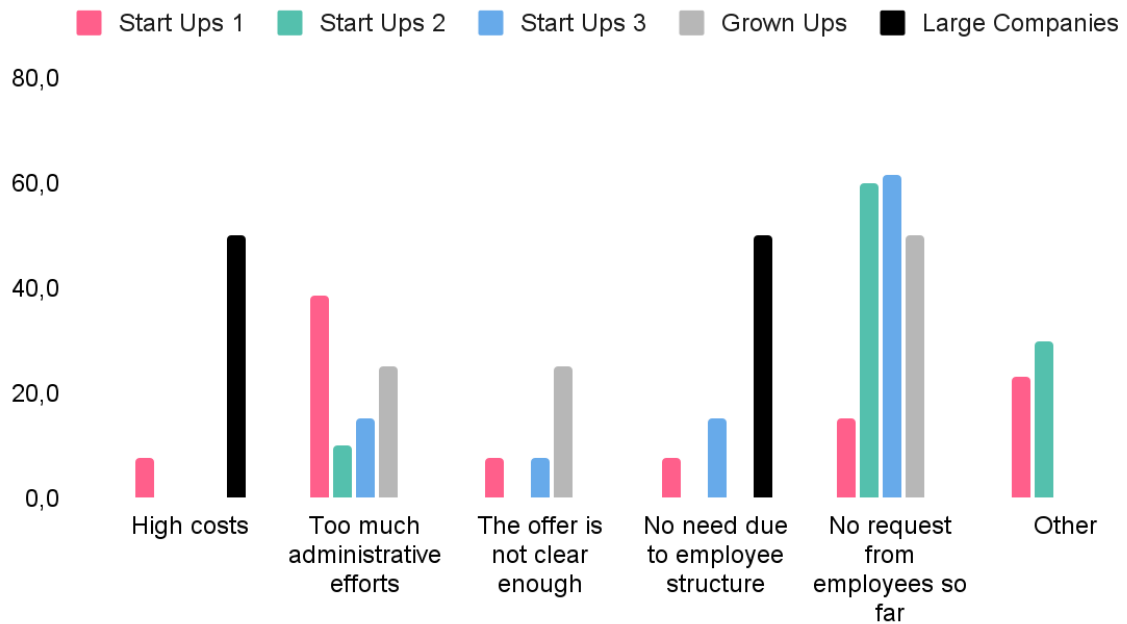
In many ways, pension contributions are considered a significant component of the total compensation package. However, in Germany, pension might be highly relevant for employees, but is **not the most important benefit, compared with other EU countries**.

Germany has established a three-pillar system: (1) mandatory state pension, (2) voluntary occupational pension ("Betriebsrente") and (3) private pension. Even though occupational pension is called "voluntary", companies are obliged to contribute to employee's pension insurance, upon employee's request.

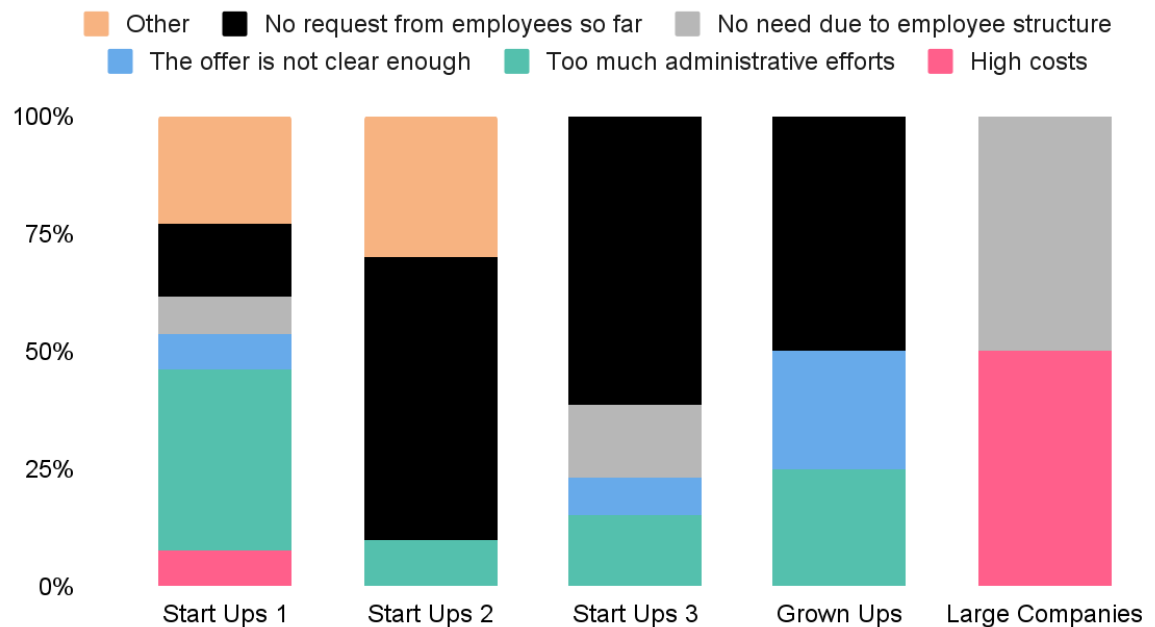
Do you offer pension to your employees?



What are the reasons you do not offer company pension?



What are the reasons you do not offer company pension?



It does not come as a surprise that **mostly bigger organizations offer pension plans** to their employees (*Large companies* - 88%, *Grown Ups* - 86%). On average, only 35% of companies with less than 100 employees located in Germany offer pension plans as a benefit. However they acknowledge the **need to catch up with the market and show interest in this benefit**; survey cluster *Start ups 1* by 42%.

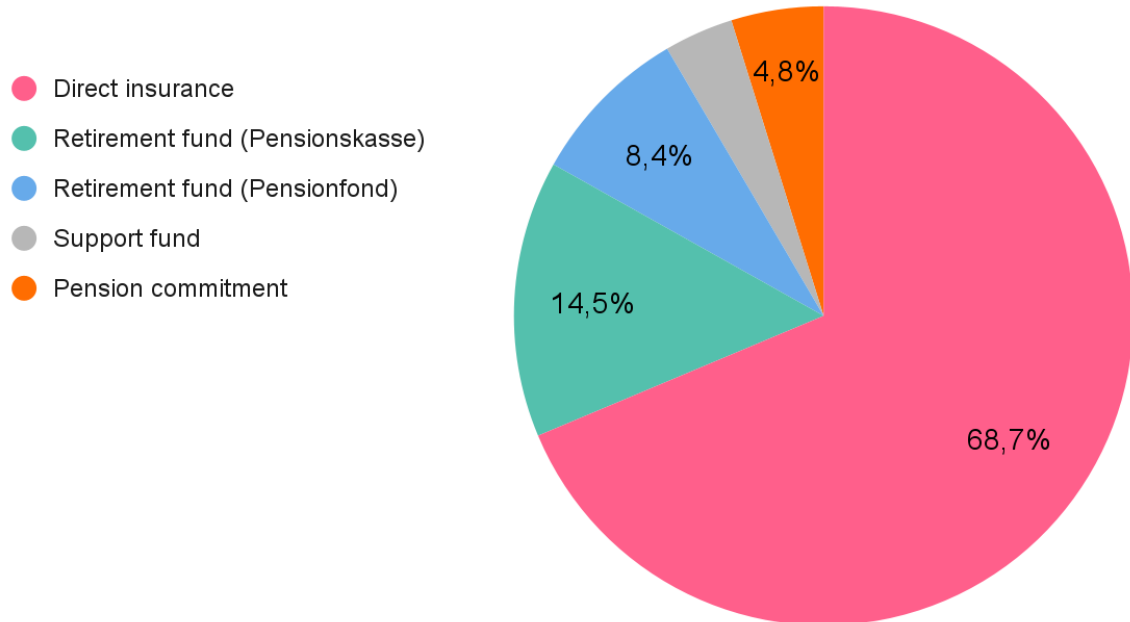
So why do 65% of smaller companies not offer this benefit, even though it is a significant component of the total package? 44% of participants in this cluster said that **employees do not show any interest** and/or request this benefit; and 22% of participants argue with **high administration efforts**. Benefit costs or lack of knowledge/clarity does not seem to be an obstacle to this group.

Larger companies on the other hand argue against pension as a benefit with high costs (50%) and their workforce structure (50%) (assuming: jobs covered under collective agreement; blue collar; minimum wage, etc.).

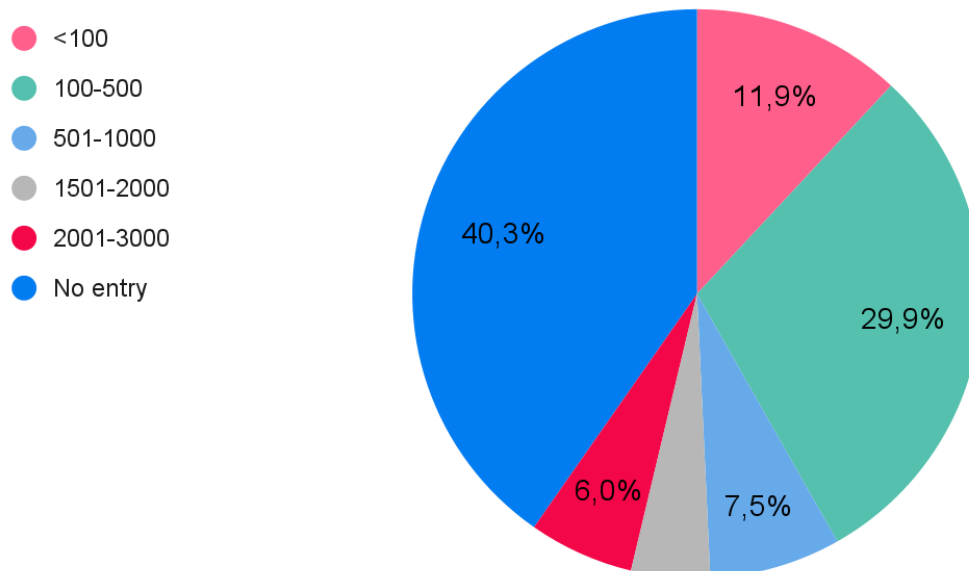
Direct insurance is the preferred way (69%) when installing pension savings for employees. With this model employees can even choose their insurance provider themselves. If companies offer group insurance to all employees, administration seems rather low.

Pension contribution is linked to employee's salary and is largely exempt from income tax and social security contributions. In many forms, employers can choose (voluntarily) to match those contributions or offer additional contributions to employee's pension savings (deferred compensation). Employers eventually save social security costs on their employees' pension savings; in this case companies are obliged to share their savings (e.g. 15% of monthly pension saving) and contribute to the employee's pension plan. 93% of survey participants pay fixed contributions, however their investment is rather low (19% pay up to 100 EUR; 30% pay up to between 100 - 500 EUR per employee per year).

What kind of pension plan do you offer?

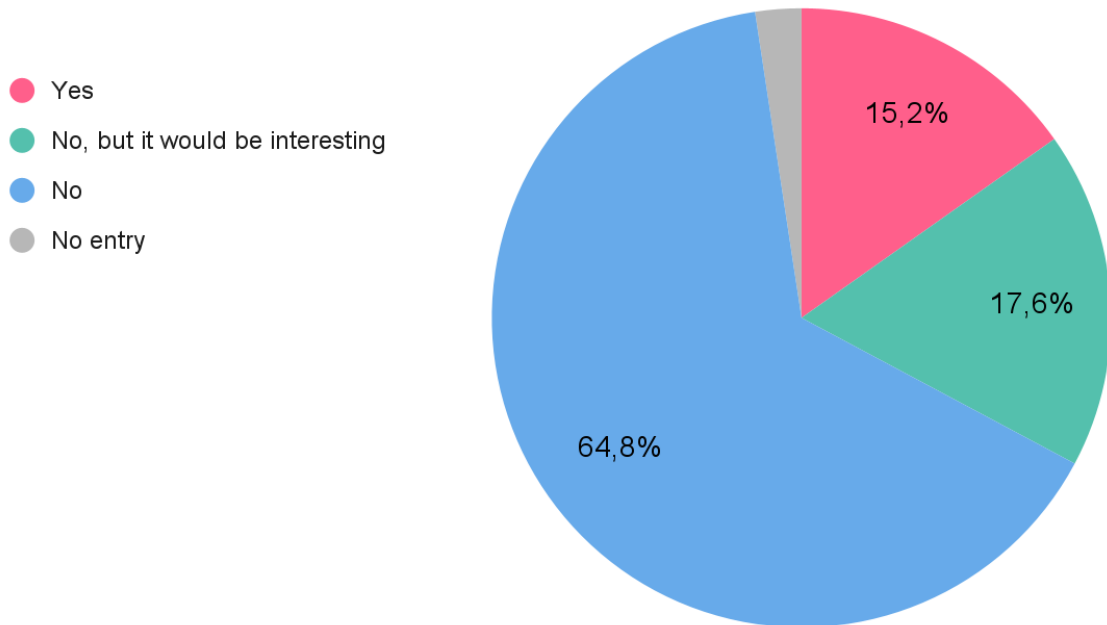


On average, how much is the annual employer contribution per employee in (€)?



Insurance

Do you offer your employees company insurances?

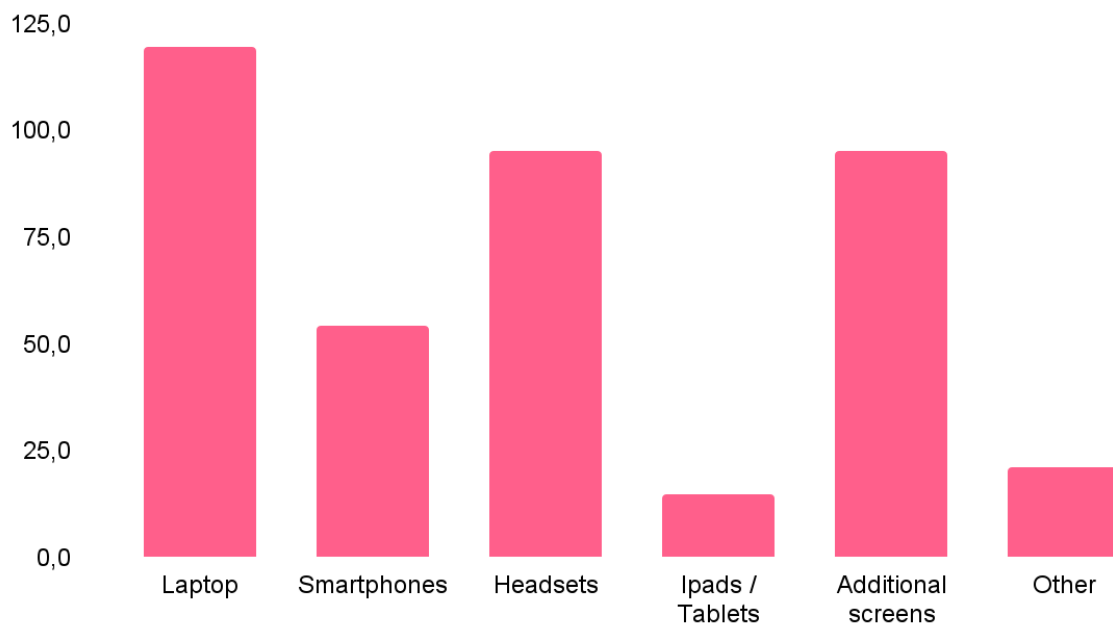


German culture is widely known as risk averse, which is why Germans care deeply about their own protection and plan for future events. Private insurances are common and individuals take their own responsibility to prevent themselves from costly cases of emergencies and tough situations. In addition, Germany provides a safety net and has a widely recognized social security system for its citizens. This foundation might be one of the reasons **65% of companies do not offer any other form of insurance to protect employees**. 15% of survey participants that do offer insurances mostly mention health and accident insurances.

8. IT Equipment

The allocation of new IT equipment to employees is a costly benefit and among different clusters, **the average budget lies at around 1,451 Euro per employee per year** (excluding outliers in the hundreds of thousands) with companies providing mainly laptops (29,4%), screens (24,9%) and headsets (23,1%). Surprisingly, there are **no major differences seen between companies providing remote work and companies that provide on-site work**. However, remote work companies are more likely to have a fixed budget defined at exactly 50%. Smartphones are most provided by larger companies compared to other clusters. The renewal period of equipment most commonly ranges in the timeframe of 1 ½ to 3 years for 49,6% of all companies.

What kind of basic equipment do offer employees in general?



9. Financial Incentives

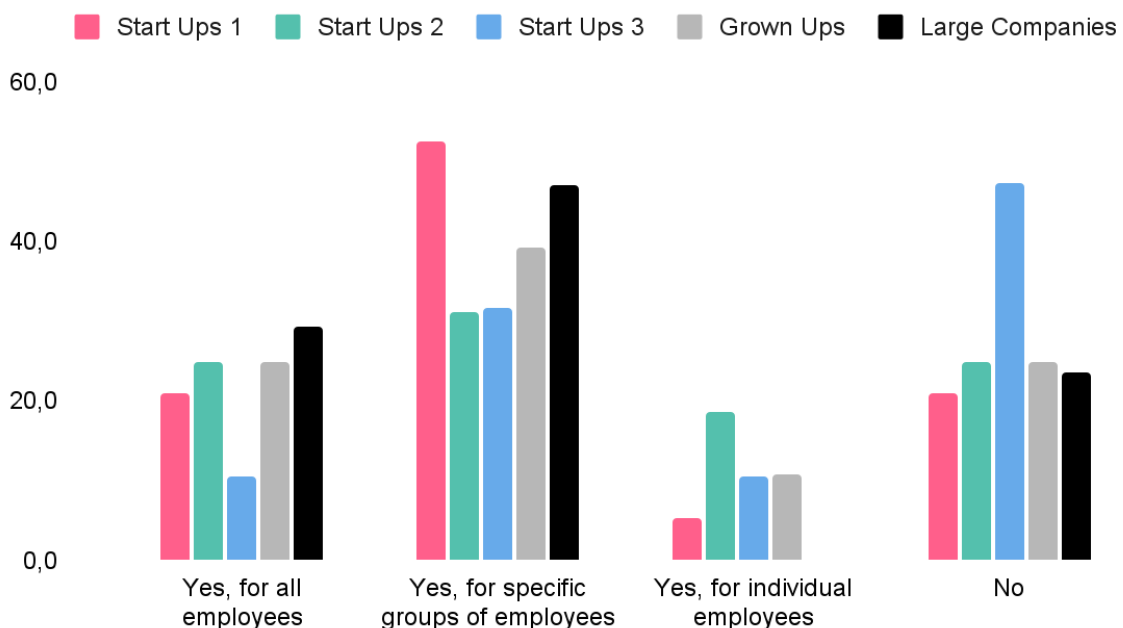
Incentive Scheme

Incentive schemes are a widely common tool to drive a certain behavior for those eligible. The variable pay component that is linked to certain targets is usually applicable in those business areas that can define targets well enough and have the ability to measure achievements.

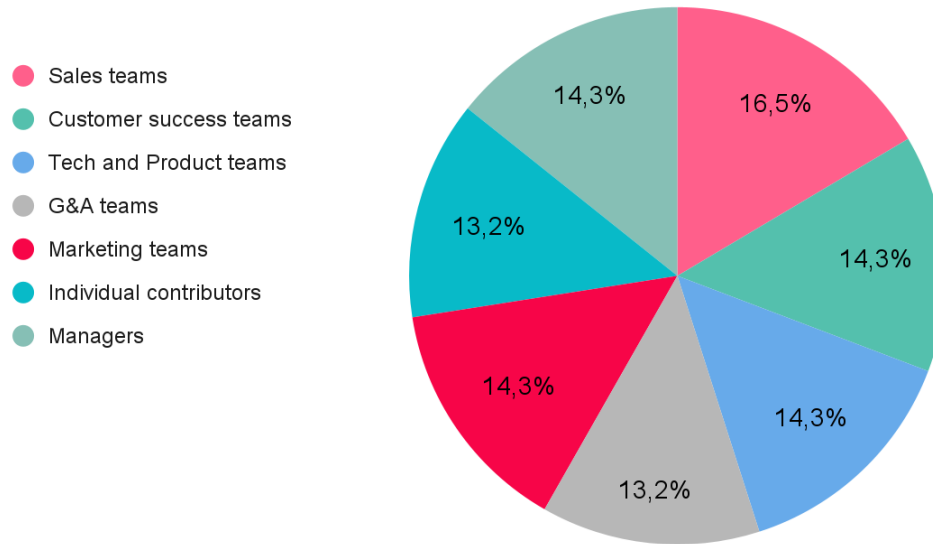
While in total **21% of the survey participants have incentive schemes in place for every employee**, most companies **(40%) focus on certain employee groups**, such as Sales teams (16,5%) and Customer Success teams (14,3%) or Product and Teach teams (14,3%). The fairly equal distribution seen in this question (eligibility employee groups) indicates that companies define those business areas where certain targets can be defined and measured and where performance to achieve those targets is highly relevant for its business success.

The proportion of the variable pay to employee's total reward package is rather moderate; 20% of participants state incentives account for up to 20% of total compensation. Start Ups however tend to mix the reward package often also with even higher bonus proportions (up to 60%) than larger companies.

Do you have an incentive scheme in place?

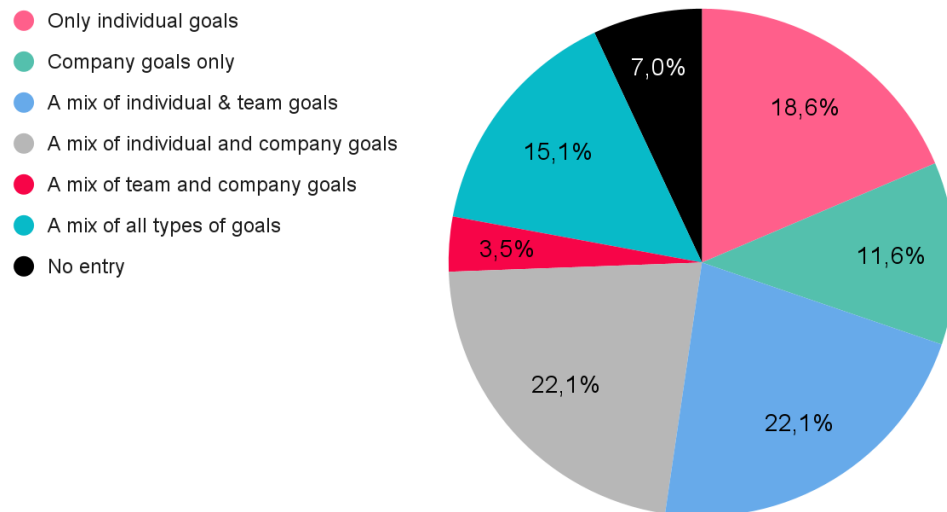


Which employees are eligible for the incentive bonuses?



Target Categories / Goals

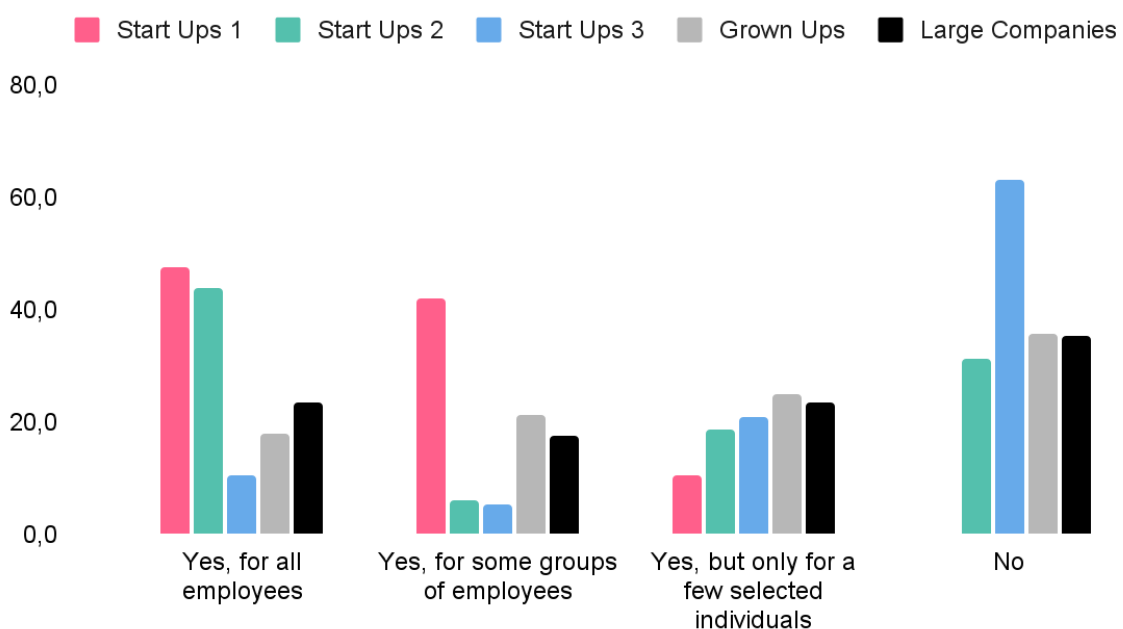
Which kind of goals / targets are used for the incentive bonuses?



Over the past years, a public discussion has been going on whether individual goals set annually will drive company performance and motivate employees to go the extra mile, especially as media and business concepts promote teamwork and the need for short term adaptability of goals to meet current changes in business. Among those survey participants with incentive schemes, variable pay is foremost linked to individual targets (63%), whether being the only target or being combined with either company or team targets. Team targets are less favorable and account for only 26%.

Equit

Do you offer employee equity compensation?



Employee equity programs are **on the rise especially among tech start ups**. However, local tax regulations, financing stages of companies, small equity pools, knowledge and confidence offering this benefit, legal and administrative burdens - all those factors might impact the decision to integrate equity compensation in companies' benefit portfolio.

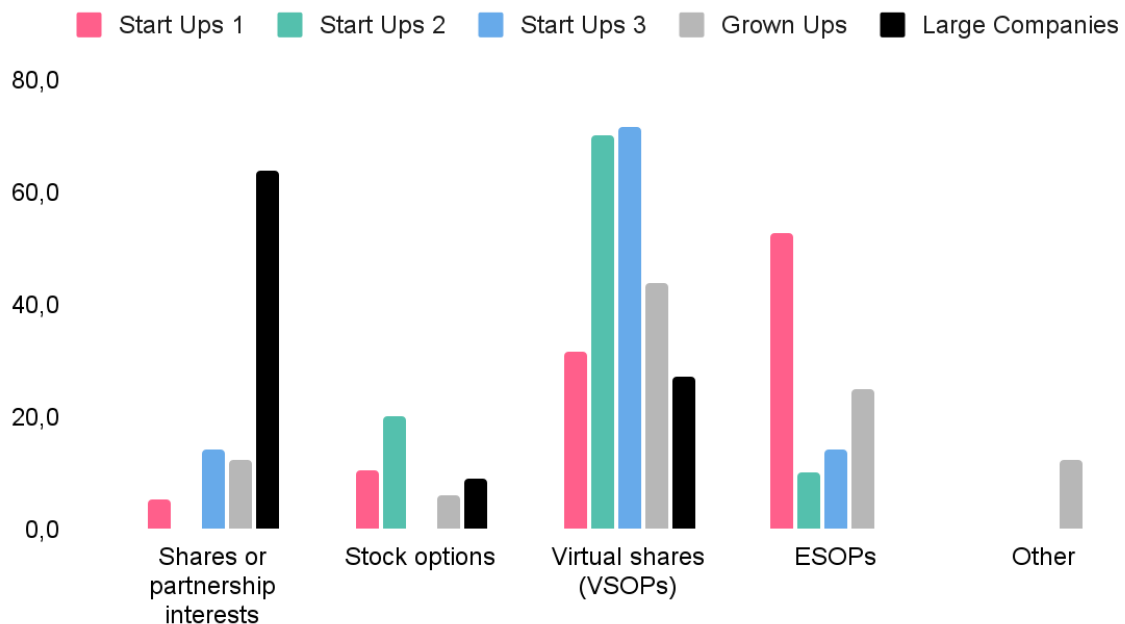
36% of survey participants do not offer any kind of employee equity to their employees, which is predominately mentioned by self-financed start-ups (63% - Start up 3).

At the forefront, Start-Ups in financing stages A-C+ take advantage and make all employees eligible (47%) or at least certain groups (42%).

In the public eye, this might still be a fairly new incentive and companies shy away from distributing equity to a wider population of their workforce, instead reserve this benefit to few individuals.

Among the most popular forms of equity compensation are virtual shares (VSOPs - 37%) as well as Employee Share Option Plans (ESOPs - 24%). VSOPs allow for much more flexibility in personnel costs and financial planning and seem attractive for both employee and employer (mostly limited liable entities, such as GmbH), promising a share of profit only in a successful exit of the company.

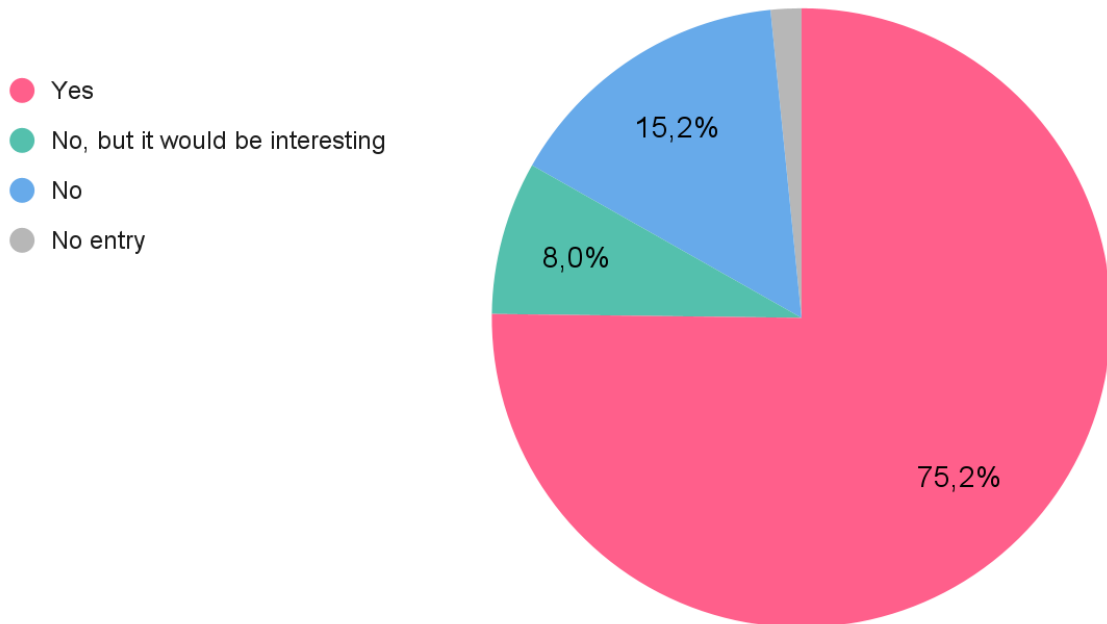
What options do you offer?



Referral

There is only so much a recruiter can do - especially if the pipeline for new talents is filling up. It's a necessity for companies to extend their efforts to get in contact with skilled and suitable candidates. Employee's referring friends and people in their network will be compensated for their referrals by 75% of survey participants. The amount might vary by the type of candidate that has successfully been hired. Large companies mostly compensate in the range of 500 - 1,000 EUR, however Series A-C+ Start ups pay even more often 1,000 - 3,000 EUR.

Do you have a referral program in place for new hires?



Start Up Cluster 1 - Average referral bonus: 1,890 EUR
 Start Up Cluster 2 - Average referral bonus: 1,900 EUR
 Start Up Cluster 3 - Average referral bonus: 1,600 EUR
 Scale-Up Cluster - Average referral bonus: 1,650 EUR
 Large Company - Average referral bonus: 1,350 EUR

Inflation

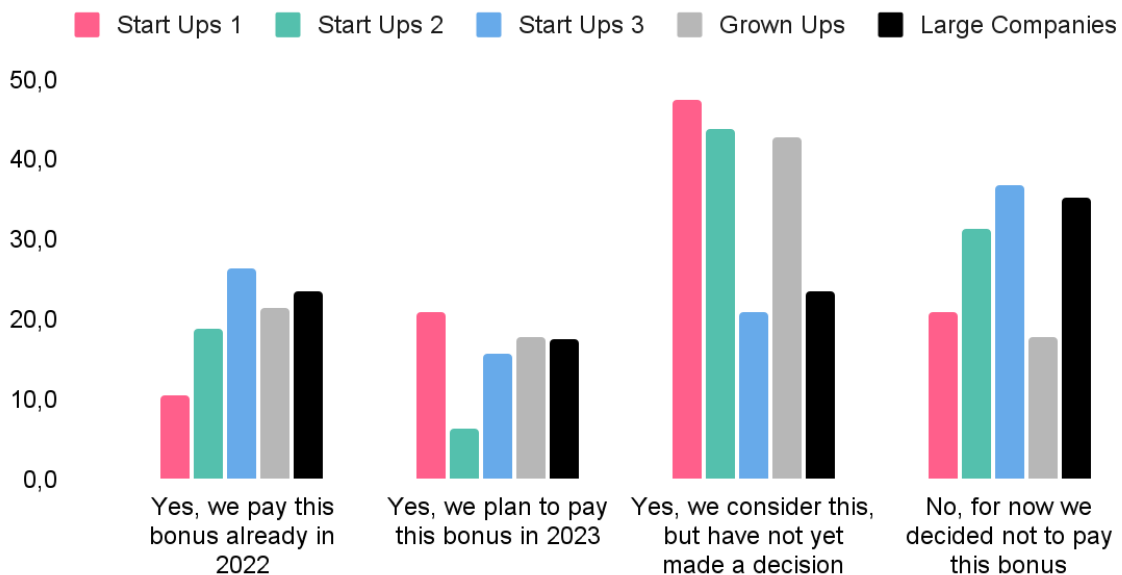
In Q4 2022, German parliament approved legislation to allow companies to pay an inflation relief bonus (Inflationsausgleichspärrmie) up to 3,000 EUR to their employees. This temporary, tax-free benefit is valid until the end of 2024 and can be paid fully or in different installments over this period. With such a new benefit on the map, many companies are still evaluating if the requirements and obligations connected to such payment are feasible for their situation. **33% of survey participants consider this benefit**, without a final decision at the launch of this survey in December 2022.

As rules might be quite restrictive for companies, it is expected to be rather utilized in companies with collective agreements. 30% of participants have decided against this

subsidized benefit, opposed to 35% of companies that either paid this bonus already in 2022 or plan payouts in 2023.

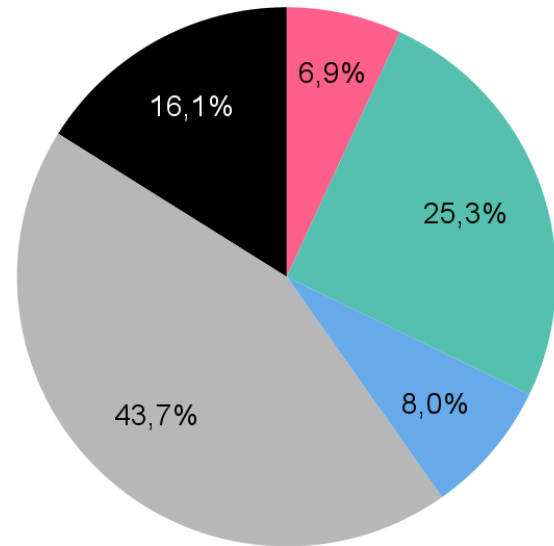
Interestingly, for most participants **this benefit will not replace the annual salary review process or budgets allocated for salary increases in 2023**. 25% consider the inflation relief bonus as an add-on to general salary raises while **44% recognize this offering as a one-off event without further impact on compensation processes or the benefit portfolio**. The amounts mentioned by participants might vary between 500 EUR and 3,000 EUR per year. However, we need to acknowledge the early stage of this benefit. Companies might offer another installments at a later point of time - observing the market and inflation rates in the upcoming months.

Have you thought / decided to pay your employees the tax-free inflation compensation bonus of 3.000 EUR?



How does the payment impact your general practice in the upcoming salary bargaining round?

- With the payment of the inflation bonus, individual salary increase will be obsolete
- The payment of the inflation bonus is an add on to the individual salary review. Both will be paid at the same time
- The inflation bonus will be paid instead of the annual 13th salary ("Vacation or Christmas Bonus")
- The payment of the inflation bonus has no effect on our salary reviews or benefit offerings.
- No entry



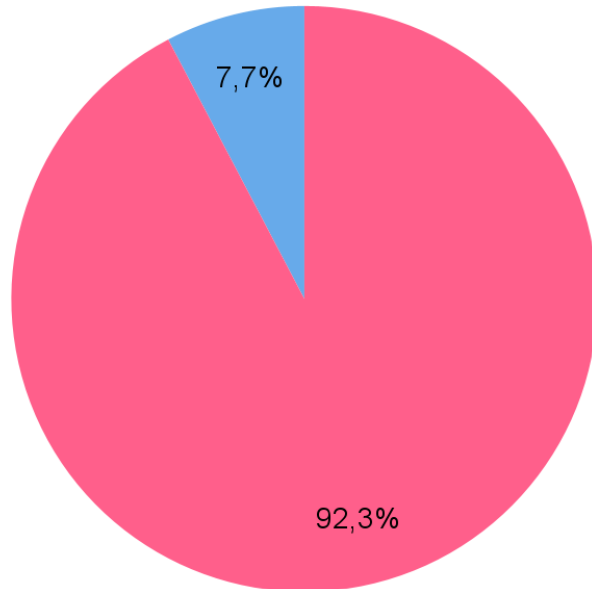
10. Team Life

Work Council

Very few companies (10%) who took part in our survey, report to have employee representation - Work Council - in their organization. While the election of a work council is possible in companies with minimum 5 regular employees, none of the Start Ups in our survey have this kind of employee representation. As a rule of thumb, **nearly every organization with more than 1,000 employees in Germany has a work council elected.** Work councils have several rights and duties; which is why elected members of the work council dedicate their time partly (54%) or fully (31%) as representatives, according to our survey participants. Training and budget is usually provided by companies to support work councils upon demand; and is usually not limited and restricted.

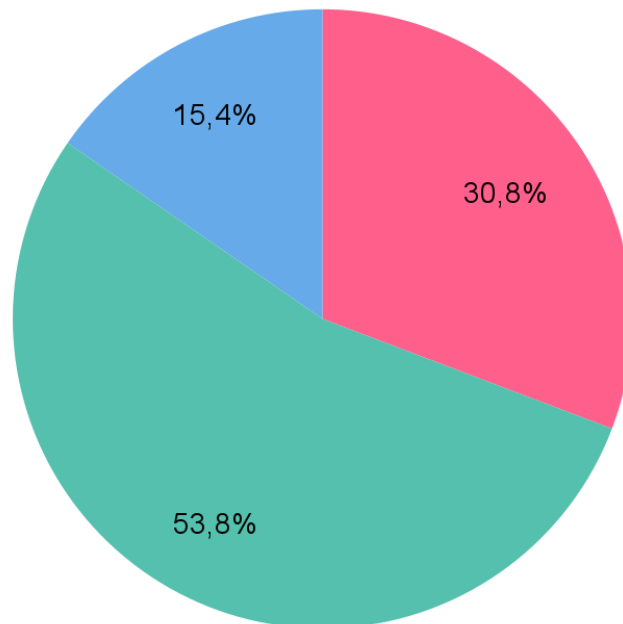
Does your work council receive training on its rights and duties when new members are voted in?

- Yes
- No



How do you exempt members of the work council from work?

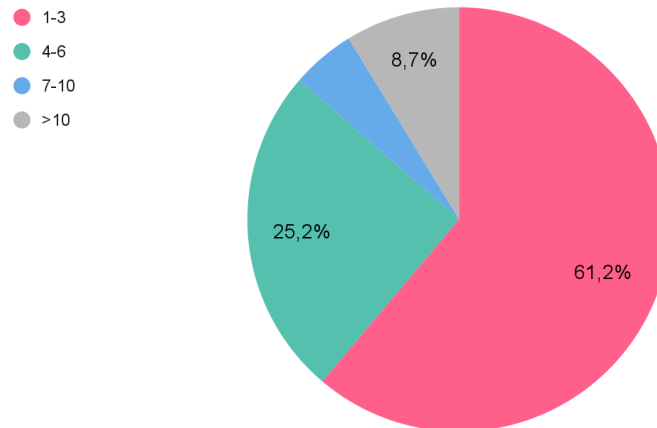
- Full exemption
- Partial exemption
- No entry



Offsite / Company wide seminars

88% offer company wide seminars and offsites and 57% reserve 1-3 days for these gatherings. Start-Ups especially tend to have more regular seminars up to 6 days per year, assuming 1-2 events that last several days.

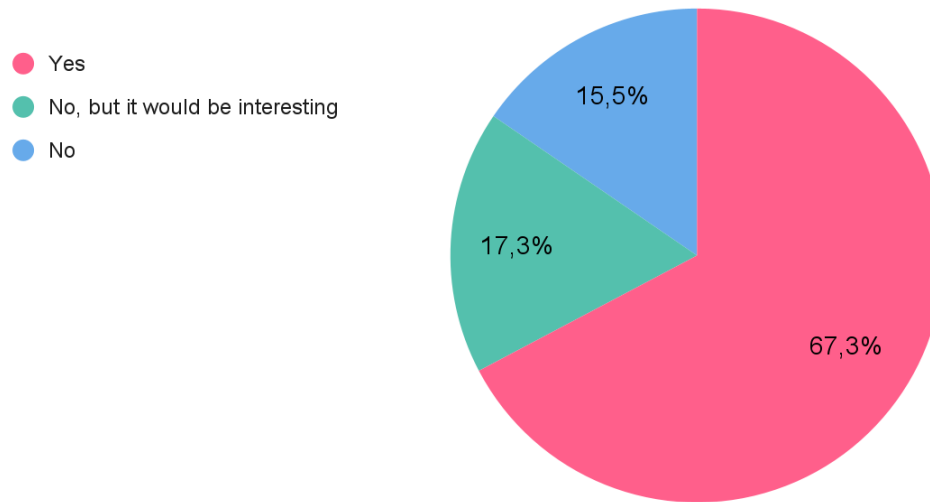
How many of these meetings are you setting up per year?



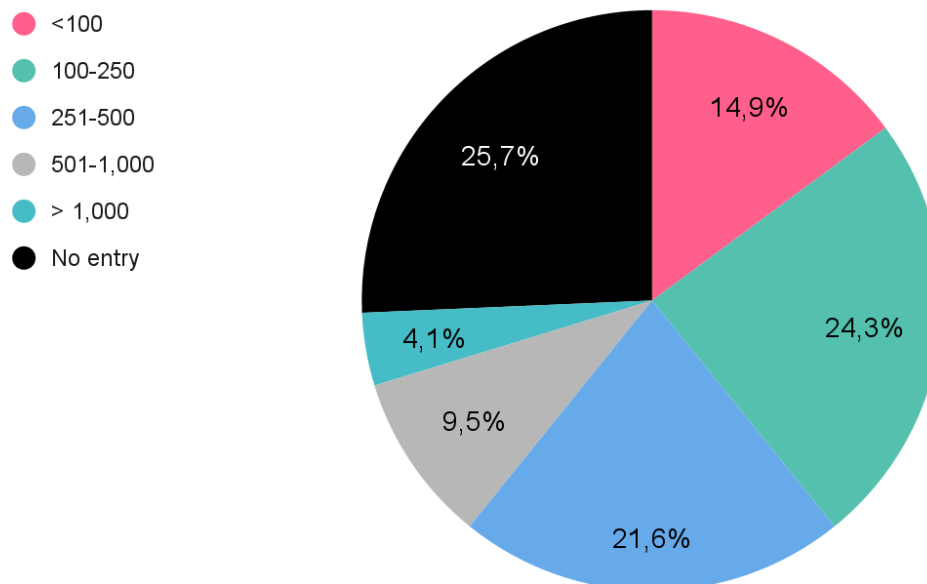
Teambuilding

Strengthening team spirit and time off from regular tasks and duties, teams received their own budgets for work- or leisure activities in 67% of companies. Budgets vary substantially, from covering costs for team dinners to team offsites and training camps. Remote companies spent most money on team building, given the need to meet in physical spaces and connect face-to-face.

In addition to corporate seminars, do you give your teams a team building budget?



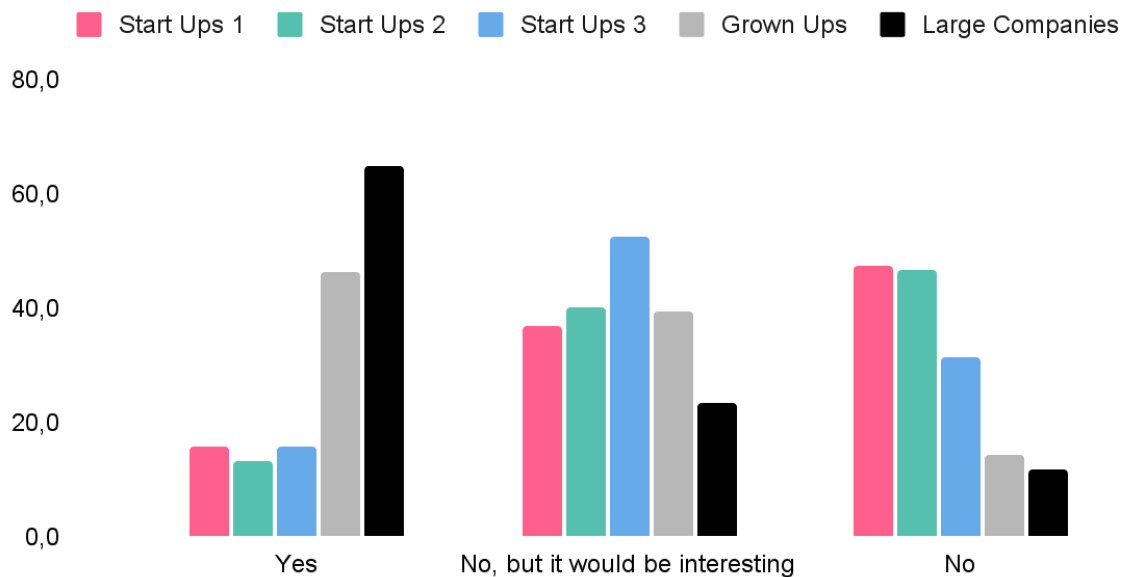
How much per employee per year in (€)?



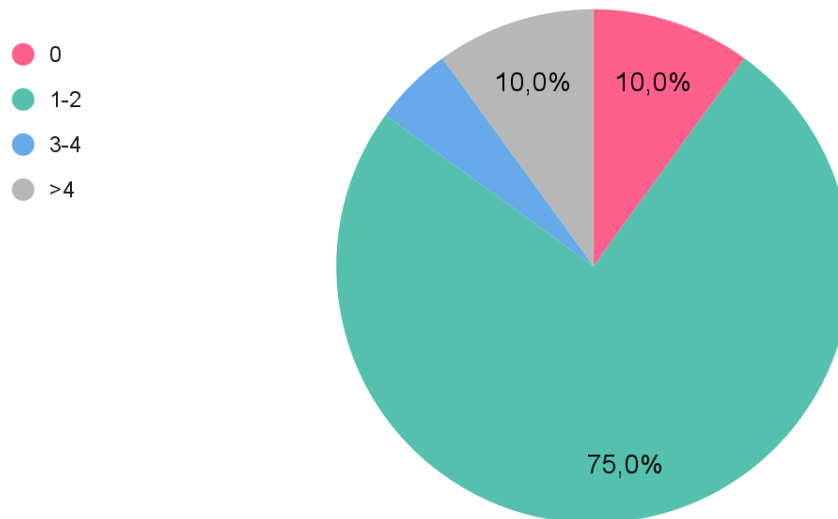
11. CSR

The public debate about companies' corporate social responsibility is loud and very present in Germany. However, company initiatives are still in an early stage, eventually not even on the priority list of many organizations. **66% of survey participants have no program or policy in place** that give employees the opportunity to engage in projects and initiatives with a CSR impact. Start-Ups especially seem to be behind this trending benefit. 75% of those who establish CSR initiatives will allows employees to take up to 1-2 days per employee and year to be activists for their CSR cause.

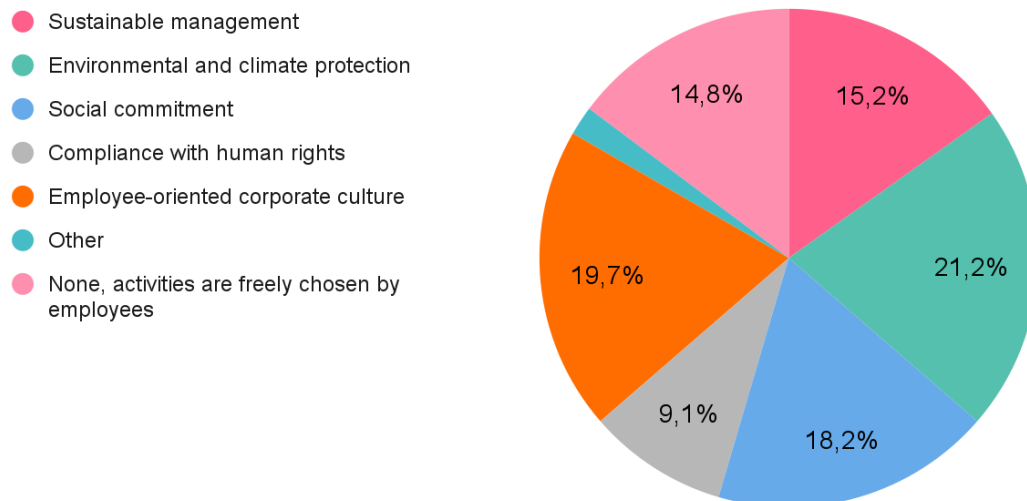
Do you give your employees the opportunity to have a CSR impact?



How many days on average per year per employee are provided?



Which focus area related to CSR activities do you foster in your company?



As sustainability and social responsibility comes with a wide range of possibilities, **20% focus on an employee-centric culture and 21% on initiatives to protect the environment and climate**. Interestingly, employees are given access to defined causes, but are rarely given free-of-choice options.

About us

Who is Figures?

Figures is an all-in-one compensation platform updated in real-time, powering improved pay equity. With a trusted & secure European/UK dataset, Figures enables organisations to stay competitive & efficient, identify pay gaps, budget, and create a robust compensation policy that scales. Present in over 6 countries, Figures easily integrates with your HRIS for instant and up-to-date data to take action.

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Who is New Pay Collective?

The New Pay Collective is a new type of network of New Pay researchers, practitioners and facilitators with the aim to rethink rewards in the broadest sense while at the same time encourage organizations to develop and redesign compensation frameworks and processes independently. We are pioneering in the research, training, and designing of New Pay models in the German market based on the core belief that pay needs to fit to the organizational culture and organizational design in order to strengthen both business purpose and talent structure.

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Introducing become.1: to help you show employees the appreciation they deserve. Tax expertise, payroll, and managing partners are just some of the complexities that get in the way of making employee benefits a reality. Eliminating these pain points, become.1 enables employers to fully focus on their employees! In addition to their easy to use digital platform, become.1 also presents a concrete offer for each individual tax benefit, so that employees receive more net from their gross salary and attractive opportunities to use this net for their well-being.

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