

Germany: Digital Employment Contracts Update

Under draft legislation, the rules governing written contracts are changing. Employers will be able to provide employees with the key terms of their employment contracts and retirement age limit agreements in digital form and by email, rather than on paper.

The proposed changes represent significant simplifications for employers, without compromising employee protections.

There is no official effective date of commencement currently.

Digital Employment Contracts

Under the proposals, the required terms of the employment contract can be documented in digital form and sent to the employee electronically, including via email. A qualified electronic signature is not required. The digital employment contract must be accessible to the employee, allowing it to be saved and printed. The employer must request confirmation of receipt from the employee when sending the document.

If an employee specifically asks for written proof of their employment terms, employers are required to provide the information on paper.

Any changes to the terms of employment can also be made and communicated digitally.

These simplified formalities do not apply to employees working in sectors or industries particularly vulnerable to undeclared work and illegal employment. In such cases, paper documentation remains mandatory.

Retirement Age-limit Agreements

Another change relates to agreements on termination of employment upon an employee reaching the statutory retirement age. Previously, these types of agreements had to be in writing, but employers will now be allowed to make and communicate this agreement digitally.

For other forms of fixed-term contracts, the written form requirement remains in place.

Other changes

Further simplifications, among others, include:

- the issuing of an employer's reference in electronic form with the employee's consent; and
- the electronic information option with regard to the posting of working hours.

This is a high level general update only. Legal advice should be obtained on specific circumstances.