

theme: introduction to payroll accounting

subject: economics

school: Gewerbliche Schule Schwäbisch Hall Germany

goals: The pupils are able to

- define specific terms of payroll accounting
- calculate the payroll in Germany using given information

phase	content	method	material
Introduction	- Check Anton's billing. Is his girlfriend right? - Social insurance contributions seems too high - presumably his boss has retained employer and employee shares	conversation in class	transparency
preparation	Blackboard: four terms - gross salary, net wage, payroll deductions, payroll salary - Are these terms related to one another? - What do you know about it? blackboard: Principles of Payroll - Wage Deductions <i>Gross salary:</i> Basic wage + allowances, supplements, financial benefits <i>Net salary</i> = gross salary MINUS statutory salary deductions: - Income tax - solidarity surcharge - church tax - Social security contributions <i>Payout wage</i> = net wage MINUS other payroll deductions: => are usually contractually agreed e.g. - Rental payment for company flat - capital accumulation benefits	conversation in class	blackboard

	- Retention of advances - legally ordered (wage garnishment)		
saving the results	Pupils copy from the blackboard		
transfer	Pupils work on the work sheet and calculate the payroll given in the example exercise.	group work	work sheet

Introduction for the lesson

Principles of payroll accounting

Anton Vogel receives his first pays lip as a skilled worker. Anton is not married, does not have kids and he has a capital-saving savings contract for 35 € per month. He is very disappointed as he realized what is going to end up on his bank account in the end. He meets up with his friend Karin:

Anton: "Actually I wanted to invite you out for dinner using my first paycheck after graduating vocational school, but in the end only 594,99€ are left from my gross salary. I used to earn almost the same amount when I was an apprentice. After paying for my car payments there is almost nothing left."

Karin: "Well that sounds a bit low indeed. You are not only employed as a skilled worker, your company does have a labor agreement so it should be higher right? Did you check if your boss calculates your pay check correctly?"

Anton:" No actually, I did not. So far I've been too tired to check, but that's what I'm going to do."

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Stunden	Lohnsatz	Prozentsatz	Steuerpflichtig	Sozialvers.-pflichtig	Betrag	Lohnarten-Bezeichnung	L.-Art	Monat
salary:					1.620€			
other earnings:					15€			
gross wage:					1,635€			
payroll tax:					163,41€			
solidarity surcharge:					8,98€			
church tax:					13,07€			
solidarity tax contribution:					669,55€			
net salary:					779,99€			
capital contributions:					35€			
advance:					150€			
payout wage:					594,99€			

pension insur- ance	Health insurance	Unemployment insurance	Care insurance
325,37€	243,62€	68,67€	31,89€

Worksheet

Calculate your payroll

A 24-year-old, childless saleswoman earns a basic wage of 1776.00€. She also has a monthly cash allowance of 30.00€.

a) Calculate the gross wage.

b) Calculate the net wage using the values in the table below and the following information: payroll tax 174.91€, church tax 8% of payroll tax, solidarity surcharge 5.5% of payroll tax.

c) What is the amount to be paid out if additional capital contributions of 35.00€ are to be taken into account?

Table social security contributions 2018 Germany

Social Security contribution rate	contribution rate total	Total employee	Contribution employer
health insurance	general: 15,5% reduced: 14,9%	general: 8,2% reduced: 7,9%	general: 7,3% reduced: 7%
care insurance	2,05%	1,025%	1,025%
childless from 24.Lj.	2,3%	1,275%	1,025%
pension insurance	18,9%	9,45 %	9,45%
unemployment insurance	3%	1,5%	1,5%

Solution:

Basic salary	1776,00€
+ cash supplementation	30,00€
Gross wage	1806,00€

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- social insurance (20,425 %)	368,87€
- payroll tax	174,91€
- church tax	13,99€
- Solidarity surcharge	9,62€
Net wage	1238,61€

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- capital-forming benefits	35,00€
Payment wage	1203,61€

Social Security contribution rate	contribution rate total	Total employee	Contribution employer
Health insurance	general: 15,5% reduced: 14,9%	general: 8,2% (148,09€) reduced: 7,9%	general: 7,3% reduced: 7%
care insurance Childless from 24.Lj.	2,05% 2,3%	1,025% 1,275% (23,03€) 1,525%	1,025% 1,025%
pension Insurance	18,9%	9,45 % (170,67€)	9,45%
Unemployment insurance	3%	1,5% (27,18€)	1,5%