

Explanations and comments regarding the payment of PhD students in Germany

The PhD students enrolled in HBRIS PhD programs are financially supported in two different ways. Either a stipend is awarded or a regular position as research assistant is paid. Both types of funding have characteristics one should consider before starting the PhD work. For detailed information see the links at the end of this note.

Types of support

Scholarships are awarded to doctoral student to allow full concentration on the PhD thesis. According to the German Einkommenssteuergesetz (Income tax Law) the stipend is not a reward for scientific work, but a financial aid to support the scientific education of the PhD student. Therefore in Germany a stipend is considered as donation and tax-exempt as well as not liable to social insurance contribution. Stipend holder work without HR department supervision, without recording of time at work and do not have to apply for leave.

In contrast to the stipend a **position** as research assistant is a reward for scientific work, meaning that the institute employs the student. The student is integrated into the work of the institute and will have to work under instruction for the institute. As normal employee the student receives a salary and will pay taxes and will contribute to the German social insurances. Working time will be recorded and the student has to apply for leave.

Tab. 1: Facts

position as research assistant (contract)	Doctoral studies scholarships (stipend)
Employment relationship	No employment relationship
Employment relationship liable for tax and national insurance (including health insurances)	Not liable for tax or national insurance Health insurances have to be paid by the student (up to 230 Euro/month depending on company)
Remuneration: EC 13/2 of the Collective Wage Agreement for Government Service Workers (graduation based on individual periods of experience and employment)	Basic scholarship € 1,500 Child allowance: 400 € for the 1st child, 100 € for each subsequent child
Holiday entitlement in accordance with the Bundesurlaubsgesetz (German Federal Holiday Act): 30 days	No holiday claim (<i>however, usually institutes follow rules of employee status</i>)

Tab. 2: Consequences

position as research assistant (contract)	Doctoral studies scholarships (stipend)
<ul style="list-style-type: none"> Salary between € 1600 and € 2000 Net income between € 1200 and € 1500 Gradual increase of the salary over time insurances are paid (pension scheme, long term care insurance, unemployment insurance and health insurance), "Renten-, Pflege-, Arbeitslosen- und Krankenversicherung" in addition to your statutory pension scheme you can get a company pension 	<ul style="list-style-type: none"> Basic scholarship € 1,500 Height of the stipend is not fixed, can be negotiated with the supervisor Child allowance: 400 € for the 1st child, 100 € for each subsequent child health insurance is paid by yourself (up to € 230 in public health insurance) In the case of unemployment you will receive "Arbeitslosengeld 2 (Hartz IV) Parent's money is paid at 300 Euro/month

<p>“Betriebsrente” and capital-forming payments “vermögenswirksame Leistungen“</p> <ul style="list-style-type: none"> • Parent’s money is paid according to the salary • In the case of unemployment you will receive “Arbeitslosengeld 1” for one year • Record of time at work • Leave has to be allowed by your supervisor • You have to work under supervision • You may have to do work that is not related to your PhD project 	<ul style="list-style-type: none"> • You work without record of time • You do not have to apply for leave • You can fully concentrate on your Project, because you do not have to work for the Institute
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Links:

http://www.mpg.de/914170/Doctoral_student_funding

<http://www.phdnet.mpg.de/cms/information-desk/stipend-vs-contract/>

<http://jrresearchersgermany.wordpress.com/2009/05/22/contracts-vs-stipends-the-facts/>

http://www.gew.de/Stipendiatinnen_und_Stipendiaten_koennen_Sozialversicherungs_pflicht_pruefen_lassen.html

<http://dipbt.bundestag.de/dip21/btd/17/094/1709429.pdf>

<http://dip21.bundestag.de/dip21/btd/17/096/1709639.pdf>