

Child Allowance Leaflet

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KiZ – the supplement to child benefits

The child allowance is a benefit for low-income families.

The child allowance is granted to parents who earn enough to provide for themselves, but who do not, or barely, earn enough to cover the entire family. If living expenses are especially high, or if several children inhabit the household, a reduced child allowance may even extend into the medium income bracket.

Since 1 July 2022, the child allowance has amounted to up to 229 euros per child. This maximum amount includes the immediate supplement for children of 20 euros a month. Your income and assets, including those of your child, are partly offset against the child allowance, thus reducing the level of the latter.

The child allowance is granted for six months. If your income or living costs change during this six-month period, this does not affect your child allowance.

Information

If you receive a child allowance, you are also eligible for education and participation benefits such as free day-care centre or school lunches, or the school needs package of 156 euros per school year. You may also be exempted from payment of day-care centre fees.

About this leaflet

The aim of this leaflet is to provide an overview of the legal regulations concerning the **Child Allowance**. Please read it carefully.

Further information can be found on the Internet at:

www.familienkasse.de or www.kinderzuschlag.de

There, you will also find the “KiZ Guide”, with which you can determine whether you are entitled to a child allowance.

Should you have any queries you cannot find an answer to, the Family Benefits Office will gladly assist you.

The service hotline of the Family Benefits Office of the Federal Employment Agency is available Monday to Friday from 8 am until 6 pm at the following number:

0800 4 5555 30 (toll-free)

Announcements on the date of payment of child benefits and child allowance are available around the clock by phoning:

0800 4 5555 33 (toll-free)

During telephone queries, please make sure you always have your child benefits number at hand!

1. Who is entitled to a child allowance?

1.1 General remarks

You can claim a child allowance for your children under 25 if:

- these children are members of your household and are neither married nor civil partners,
- you receive child benefits or equivalent benefits for these children, for example from abroad,
- as a couple, you have a gross monthly income of at least 900 euros, or 600 euros as a single parent (minimum income level; for details cf. 1.2),
- you earn enough for yourself, and can cover the needs of your family along with the supplementary child allowance (for details, cf. 1.3), and
- your income, when offset against the child allowance, is not so high that the child allowance is reduced to zero (for a calculation of income cf. 2.).

Information

If you receive benefits according to the *Asylbewerberleistungsgesetz* [Asylum Seekers Benefits Act], are studying or doing an apprenticeship which is eligible for support pursuant to the *BAföG* [Education Promotion Act], you may receive a child allowance only if you meet specific requirements. The same applies to pensioners. For further information, please consult your Family Benefits Office.

Please note:

If you receive benefits exclusively according to the Second Book of the German Social Security Code (SGB II), or social welfare benefits according to the Twelfth Book of the German Social Security Code (SGB XII), and have no further income, you are not eligible for the child allowance.

1.2 Minimum income level has been reached

You can usually receive the child allowance if your monthly gross income (e.g. the gross income from gainful employment, unemployment benefit or sickness benefit) reaches the minimum income level. This amounts to 900 euros for married couples, and 600 euros for single parents. This does not take into account the housing allowance, child benefits and child allowance.

1.3 The family requirements can be covered with the child allowance

You can usually receive the child allowance if, along with your income, the child benefits, the housing allowance you are possibly eligible for, and the child allowance, you can cover the requirements of the entire family in accordance with the Second Book of the German Social Security Code (SGB II).

If, along with these benefits, you cannot cover all of your family requirements, you can in certain cases nevertheless receive the child allowance via extended access (for details, cf. 1.4). You can otherwise apply to the Jobcenter for benefits in accordance with the Second Book of the German Social Security Code (SGB II).

Information

Even if you already have an income substantial enough to cover the needs of your family, you may in certain cases be eligible for a reduced child allowance. You may then also be granted education and participation benefits, and be exempted from day-care centre fees. For further information, please consult your Family Benefits Office.

The **sum of family requirements** consists of:

- ➔ the standard requirements of parents and children,
- ➔ possible additional requirements, and
- ➔ the family living costs.

Since 1 January 2022, the **standard requirements** recognised by the Second Book of the German Social Security Code (SGB II) have amounted to:

Beneficiaries	Amount
Single parents	449 euros
Married couples	808 euros (2 x 404 euros)
Children under six	285 euros
Children between 6 and 13 inclusively	311 euros
Children or adolescents between 14 and 17 inclusively	376 euros
Children of full age between 18 and 24 inclusively	360 euros

Additional benefit according to the Second Book of the German Social Security Code (SGB II) is approved in cases of:

- ➔ pregnancy,
- ➔ single parenthood,
- ➔ disability (if special personal circumstances apply),
- ➔ costly nutrition on medical grounds,
- ➔ decentralised hot water production (e.g. using an instantaneous water heater) or
- ➔ unavoidable, regular additional needs in hardship cases.

What cannot be taken into account when assessing whether the family's overall needs can be covered are **one-off needs**, such as:

- ➔ initial furnishing of a flat,
- ➔ initial clothing,
- ➔ initial pregnancy and birth equipment,
- ➔ the purchase, rental or repair of therapeutic equipment or
- ➔ one-off accommodation and heating allowances to the amount required for the purchase of fuel.

Information

On application, benefits for these special needs may be granted by the Jobcenter in addition to the child allowance and housing allowance.

Example 1: The family needs can be covered with the child allowance

A married couple with two children aged 11 and 16 have **needs of 2,395 euros** a month according to SGB II:

standard needs of parents according to SGB II	child benefits beneficiary	404 euros
	spouse	404 euros
+ standard needs of children according to SGB II	16-year-old child	376 euros
	11-year-old child	311 euros
+ living expenses		900 euros
= overall needs		2,395 euros

The parents have a gross income of 2,200 euros a month. Of this, a total of 1,407 euros monthly is taken into consideration in case of the child allowance due to the fact that various items are deducted (e.g. income tax, health insurance contributions, allowances for employed persons; cf. 3.1.2). They also receive 438 euros a month in child benefits for both children, and a housing allowance of 249 euros.

Consequently, the family has **2,094 euros at its disposal** monthly (1,407 euros plus 438 euros in child benefits and a 249 euros housing allowance).

Together with a child allowance of 458 euros, the family has a total income of 2,552 euros (2,094 euros + 458 euros), and is able to cover its needs of 2,395 euros. It is therefore not dependent on benefits according to SGB II, which means that there is no need for assistance pursuant to SGB II. The family can assert a claim for a child allowance.

Example 2: The family needs cannot be covered with the child allowance

Similar to Example 1, except that the parents have a gross monthly income of 1,800 euros. Of this, a total of 1,116 euros monthly is taken into consideration in case of the child allowance after deduction of the items listed in 3.1.2.

Together with child benefits (438 euros), and the housing allowance (256 euros), the family thus has a monthly income of merely **1,810 euros** at its disposal.

Even with payment of the child allowance, the total income (1,810 euros + 458 euros = 2,268 euros) would not be enough to cover the monthly needs of 2,395 euros. Instead of a child allowance and housing allowance, this family can apply at the Jobcenter for benefits in accordance with SGB II.

1.4 Extended access to the child allowance

If you don't receive benefits according to the Second Book of the German Social Security Code (SGB II), and have not currently applied for any, you may instead be eligible for a child allowance. The prerequisite for extended access to the child allowance is that you are a maximum of 100 euros short of being able to cover the family needs in spite of earned income, child allowance, and, possibly, a housing allowance.

Example: Extended access to the child allowance

Similar to Example 1 under 1.3, except that the parents have a gross monthly income of 1,900 euros. Of this, a total of 1,200 euros monthly is taken into consideration in case of the child allowance after deduction of the items listed in 3.1.2.

*Together with child benefits (438 euros), and the housing allowance (252 euros), the family thus has a monthly income of **1,890 euros**.*

Along with the child allowance, the total income (1,890 euros + 458 euros = 2,348 euros) would be just short of being able to cover the monthly needs of 2,395 euros. However, since a mere 47 euros are required to cover the needs and avoid the need for assistance according to SGB II, the family may apply for a child allowance per extended access.

Please note:

If you do not wish to receive any benefits in accordance with the Second Book of the German Social Security Code (SGB II), and have applied for a child allowance per extended access, you are no longer eligible for individual benefits or exemptions such as exemption from payment of the Broadcasting Licence Fee. Your Family Benefits Office can inform you about extended access.

2. How do your income and assets affect the child allowance?

Your income and assets, including those of your child, are offset against the child allowance to different degrees, thus reducing the level of the latter.

2.1 Child income and assets

If your child's own **income** is taken into consideration (cf. 3.1), the highest possible child allowance of 229 euros is reduced. Not all of it, but a mere 45 percent, is offset against the child allowance.

Example 1: Offsetting maintenance against the child allowance

The child receives a monthly maintenance allowance of 300 euros. Of this, 45 percent, i.e. 135 euros, is offset against the child allowance of 229 euros. Consequently, a maximum child allowance of 94 euros is paid out.

Apart from income from gainful employment and the other parent's maintenance payments, the child's income includes benefits according to the *Unterhaltsvorschussgesetz* [Advance Maintenance Payments Act]. Because the child allowance is subordinate to other possible earnings of the child, you are obliged to focus on the primary benefits such as maintenance or advance maintenance payments.

Insofar as it is to be taken into account (cf. 3.2.), and it is in excess of the tax allowance, your child's own **income** is fully offset against the child allowance.

If, for example, a minor child has assets of his or her own of more than 3,850 euros, the excess amount is fully offset against the child allowance.

Information

Where applicable, when considering child or parental assets when calculating the child allowance, some regulations may vary on account of the Covid-19 crisis. For further information, please consult your Family Benefits Office.

If the assets in excess of the tax allowance are lower than the monthly claim to the child allowance, the latter will be lowered in the first month of the approval period by the corresponding amount. From the following month, the assets will be considered consumed, so that the child allowance will be paid out without a deduction of assets.

Example 2: Reduction of child allowance due to assets

The child's assets exceed the tax allowance by 100 euros, therefore 100 euros will be offset against the child allowance. The child has no income.

The child allowance of 229 euros will be reduced in the first month of the approval period by 100 euros, hence a maximum child allowance of 129 euros will be paid out. From the following month, the child allowance for the remaining five months will amount to a maximum of 229 euros.

If the assets in excess of the tax allowance are higher than the monthly claim to the child allowance, the claim to a child allowance will expire. As soon as the assets are consumed, a new application for child allowance can be submitted.

Example 3: No entitlement to child allowance due to assets

The child's assets exceed the tax allowance by 500 euros, therefore 500 euros will be offset against the child allowance. The child has no income.

The child allowance of 229 euros will be reduced fully due to the assets of 500 euros, so that there is no entitlement to a child allowance.

Information

A child's income and assets result only in a reduction of the corresponding child's allowance. They do not apply to further children in the family, and are not calculated together with the parental income and assets.

2.2 Parental income and assets

If the income you have to take into account is above that of your own total needs (for details cf. 1.3), your child allowance would be lower.

When determining the parents' own needs, the following proportions of the actual living costs will be taken into account:

single parents with	parental share in %	parental couples with	parental share in %
1 child	77	1 child	83
2 children	63	2 children	71
3 children	53	3 children	62
4 children	46	4 children	55
5 children	40	5 children	50

Parents in this sense include

- ➔ mothers or fathers who are single parents or who live together,
- ➔ mutual spouses or civil partners who are not permanently separated from them, and
- ➔ partners who live with him or her in a consensual union.

If the **income** which exceeds the needs of the parents consists of income from gainful employment (including a self-employed activity), only 45 percent of the same is offset against the child allowance.

Information

Other income, such as sickness benefit, unemployment benefit or assets, is, however, fully offset.

Example 1: Reduction of child allowance due to parental income

A married couple with their three eight-, ten- and twelve-year-old children live in a common household. The monthly rent is 900 euros. The father has a monthly gross income of 2,250 euros. In his case, the income to be taken into consideration amounts to 1,273 euros. The mother has a monthly gross income of 750 euros. In her case, the amount to be taken into account is 293 euros.

The parental income to be taken into account of 1,566 euros (father 1,273 euros, mother 293 euros), is higher than their own needs of 1,366 euros.

<i>standard requirement of parents according to SGB II</i>	<i>mother</i>	<i>404 euros</i>
	<i>father</i>	<i>404 euros</i>
<i>+ parental proportions of living costs</i>	<i>62 % of 900 euros rent</i>	<i>558 euros</i>
= total parental needs		1,366 euros

The surplus amount of 200 euros will therefore be offset against the child allowance for the three children. However, only 45 percent goes into the calculation, because it is income from gainful employment. This means that 90 euros (45% of 200 euros) are offset against the child allowance of 687 euros (3 x 229 euros), and a child allowance rounded up to 597 euros is paid out to the family.

Example 2: Reduction of child allowance due to parental income

A married couple and their eight-year-old child live in a common household. The monthly rent is 800 euros. The father has a monthly gross income of 2,700 euros. In her case, the amount to be taken into account is 1,712 euros. The mother has no income of her own.

The parental income to be taken into account of 1,712 euros is higher than their own needs of 1,472 euros.

standard needs of parents according to SGB II	mother	404 Euro
	father	404 Euro
+ parental proportions of living costs	83 % of 800 euros rent	664 Euro
= total parental needs		1,472 Euro

The surplus amount of 240 euros will therefore be offset against the child allowance. However, only 45 percent goes into the calculation, because it is income from gainful employment. This means that 108 euros (45% of 240 euros) are offset against the child allowance of 229 euros, and a child allowance rounded up to 121 euros is paid out to the family.

Assets taken into consideration are offset in full.

If the assets taken into consideration are lower than the monthly claim to the child allowance, the latter will be lowered in the first month of the approval period by the corresponding amount. From the following month, the assets will be considered consumed, so that the child allowance will be paid out without a deduction of assets.

If the assets taken into consideration are higher than the monthly claim to the child allowance, the claim to a child allowance will expire. As soon as the assets are consumed, a new application for child allowance can be submitted.

3. What must be taken into account concerning income and assets?

The income and asset amounts to be taken into account when calculating the child allowance are stipulated according to the Second Book of the German Social Security Code (SGB II). During determination, various tax-free allowances are deducted. The “income and assets to be taken into account” when calculating the child allowance always denotes the income and assets after deduction of all items and tax allowances in accordance with the Second Book of the German Social Security Code (SGB II). Child benefits, housing allowance, child allowance and benefits according to the Second Book of the German Social Security Code (SGB II) are not taken into account.

3.1 Income

“Income” generally means all monetary earnings. The type and origin of these earnings, whether they are required to cover living expenses or are taxable, or whether they accrue once-off or repeatedly, is irrelevant.

Income includes, for example,

- income from dependent employment or self-employment,
- maintenance benefits (spousal and child maintenance) or benefits according to the *Unterhaltsvorschussgesetz* [Advance Maintenance Payments Act],
- wage compensation such as unemployment benefit or sickness benefit,
- parental allowance or state education benefit,
- pensions from social insurance,
- capital and interest earnings,
- and income from renting and leasing.

3.1.1 Lack of income

Because of their special intended purpose, the following earnings are **not** considered to be income in connection with the child allowance:

- nursing care insurance benefits,
- and basic pensions in accordance with the *Bundesversorgungsgesetz* [Federal Veterans’ Act] or pursuant to equivalent legal regulations.

3.1.2 Deductible amounts

Deductibles from gross income are as follows:

- income tax, solidarity surcharge, church tax and capital gains tax,
- contributions to statutory health, nursing care, and pension insurance as well as unemployment insurance,
- other insurance contributions, providing these contributions are required by law or deemed appropriate (e.g. voluntary or private health and nursing care insurance, pension schemes for persons not subject to statutory pension insurance, motor vehicle liability insurance contributions),
- pension contributions subsidised according to the *Einkommensteuergesetz* [Income Tax Act] (for “Riester” pensions),
- advertising costs (e.g. travel expenses to a place of work and contributions to professional associations and trade unions),
- a tax allowance for the gainfully employed of at least 100 euros and a maximum of 330 euros, subject to the level of income,
- expenses to comply with legal maintenance obligations, as far as they are legally enforceable or notarised,
- the amounts of income taken into account for the promotion of training of at least one child,
- and an exempt amount on a parental allowance of up to 300 euros monthly when receiving a basic parental allowance or up to 150 euros when getting *ElterngeldPlus* [Parental Allowance Plus], payable to people eligible for parental benefits who were employed before the birth of a child.

3.2 Assets

Generally speaking, all exploitable items of property can be taken into account as assets. These include in particular cash, (savings) deposits such as securities, a credit balance on a building society account, and residential property and land. The assets are exploitable when used as living expenses, or when their monetary value can be exploited for sale, rental or lease.

3.2.1 Lack of assets

Not to be taken into account as assets in connection with child allowances are, for example:

- appropriate household goods (all items required or commonplace in housekeeping),
- to a reasonable degree, the property intended for retirement purposes of persons not subject to statutory pension insurance,
- or a domicile one lives in personally of a reasonable size.

3.2.2 Tax allowances

Various **tax allowances** are deducted from the determined assets; only surplus assets are offset against the child allowance.

Information

You only have to submit particulars of assets if the assets of at least one person in the household exceed the sum of 3,850 euros (or in case of couples, more than 7,700 euros collectively).

Information

Where applicable, when considering child or parental assets when calculating the child allowance, some regulations may vary on account of the Covid-19 crisis. For further information, please consult your Family Benefits Office.

4. Approval period and assessment period

Approval period

The child allowance is granted for six months (approval period). The approval period starts the month in which you submit an application for child allowance.

Example: Approval period

If the application for child allowance was made on 15 January 2022, the child allowance is granted for the period from January 2022 to June 2022.

Assessment period

The decision whether a child allowance is granted depends on the income situation of the six months prior to the application.

To determine the living costs, the situation in the month of application is decisive if you rent the flat.

In the case of ownership of a dwelling, an average value is determined of the monthly expenses in the calendar year before approval. If corresponding values are not available for all months, because the person only moved into the owned property during the calendar year, an average value from the most recently available months (to a maximum of 12) is determined.

Notice of changes within the approval period

If there are changes to your income or living costs during the approval period, you need not notify the Family Benefits Office, because this does not affect your child allowance.

However, if someone moves into or out of your household, or if a child is born in the family, this has consequences for your approval. Changes of this kind must therefore be reported immediately to the Family Benefits Office (see also Point 7).

Tip

If your financial situation deteriorates to the extent that the child allowance does not suffice to cover all of the family's needs, it is possible to apply for additional benefits in accordance with the Second Book of the German Social Security Code (SGB II).

5. Who is the child allowance paid out to?

Only one person may receive a child allowance for one and the same child. Customarily, the child allowance is paid out to the parent who also receives the child benefits. The child allowance is paid out together with the child benefits.

6. What must I do to receive the child allowance?

The child allowance must be applied for in writing; application forms are available at all Family Benefits Offices of the Federal Employment Agency (BA), or can be downloaded on the **Internet** at

www.familienkasse.de or www.kinderzuschlag.de.

The child allowance can also be applied for online, making the procedure easier and more convenient.

The application is handed in or delivered to the responsible Family Benefits Office. The Family Benefits Office of the BA is also responsible if a parent is a civil servant.

You can find the Family Benefits Office responsible for you on the aforementioned websites >> on the bottom right under "*Dienststelle finden*" ["Find Service Centre"].

Please note:

Please make the application as quickly as possible, because you are usually unable to receive a child allowance for months prior to the application.

A new application must be made for each new approval period.

When renewing a full application, you have the option of making a short application, providing no significant changes have taken place since your last application. In the short application, the child allowance is determined according to the existing particulars, meaning that you are not obliged to submit any documentary evidence.

As a rule, documentary evidence of all particulars must be provided. The application for child allowance specifies which particular documentation you require.

Information

The Family Benefits Offices of the Federal Employment Agency maintain your files in electronic form. Please note that the paper documents you submit are destroyed soon after they are transferred electronically. If possible, you should therefore submit **copies** of the required evidence **rather than original documents**.

7. What do you have to disclose to the Family Benefits Office?

If you have applied for, or have been granted a child allowance, you are obliged to immediately inform the Family Benefits Office of the Federal Employment Agency of any changes which may affect your allowance. It is not enough to merely inform another authority or institution of the changes.

It is crucial to notify your Family Benefits Office if

- a further child is born to the family,
- a further child under 25 moves into the household,
- a child, for whom you receive a child allowance, moves out of your household,
- you move out of the joint household,
- the other parent or his or her partner moves out of the joint household, or if a new partner moves in with you.

Furthermore, please inform your Family Benefits Office, if something has changed in your personal circumstances, such as your address or bank account.

Please note:

If you are late in indicating changes or provide no notification of them, you may not only have to pay back the unduly granted child allowance, but must also expect a fine or legal consequences. If you are not exactly sure how changes affect the child allowance, please consult your Family Benefits Office.

8. Free-of-charge day-care centre and education and participation benefits

If you receive the child allowance, you can apply to be exempted from day-care centre fees. Information on exemption is available at the responsible Youth Welfare Office.

You may also apply for education and participation benefits for your children. The following individual benefits are possible:

- full cost of one-day school, day-care centre or day-care trips,
- full cost of class trips lasting several days as well as day-care centre or day-care trips lasting several days,
- a cash allowance for personal school equipment of 156 euros per school year,
- full cost of school transport,
- full cost of reasonable educational training if school performance is inadequate, independent of the risk of transfer,
- participation in joint school (including after-school cooperation), day-care centre or day-care lunches (full cost) as well as
- allowances for social and cultural community participation (monthly lump sum of 15 euros).

You can apply for these benefits at the responsible municipal authority. The website of the Federal Ministry of Labour and Social Affairs provides details of the authorities responsible for benefit applications:

www.bmas.de/bildungspaket

The responsible authorities provide further information on education and participation benefits.

For information on the "**Education Package**", the **service hotline 030 221 911 009** can be reached from Monday to Thursday between 8 am and 8 pm.

Current information concerning

Family Benefits Office services and benefits can also be found on the **Internet** at:

www.familienkasse.de or

www.kinderzuschlag.de

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