**WHAT IS THE TRUE COST OF HIRING A NEW EMPLOYEE IN GERMANY?**

**The procedure of recruiting staff is vital to an organization's success in Germany. Company Managers and job recruiters need to consider this as a key feature for the betterment of a company. They need to be sure about choosing the right employees for the right work. Germany has one of the most solid economies in the world and its chief spot in the middle of the Western part of Europe makes it a great place to start your business. Here you will find so many skills job seekers from all over the world. But before choosing an employee for your company you have to observe the true hiring cost of an employee in Germany.**

**There are so many issues you will need to check to calculate the true cost of hiring your new employee in Germany. So, business companies have to keep in mind that hiring a new employee in Germany costs more than just their salary.**

**Some wiles you have to follow the employee recruitment process in Germany. The structure of hiring costs is convex in Germany, as an increase in the number of hires by 1% increases hiring costs by 1.3%. That means if you hire an employee with 1000 euros per month in Germany, the end of the month it will cost a company 1300 euros.**

**Let’s see the true hiring cost of an employee in Germany.**

**1. Hiring Cost: Before hiring an employee in Germany, you have to advert on newspaper, job portal or any social media site. The average cost for advertising in Germany for per day is 19.3 euros. So, if you advertise for 1 month it will cost you around 600 euros.**

**2. Salary: Salary is the most important for a business company and the employee. Companies want to pay enough to get the best possible talent. On the other hand, they don't want to overpay. So, you have to smart enough to set the salary for the employee. One thing must Remember at the end of the day, a salary is like any business expense--it's an investment, and you should get a return of it. So, you can begin by deciding the top amount you'd be willing to pay. Salary in Germany is differing from one profession to another. The minimum wage in Germany per year is 18000 euros.**

**3. Social insurance in Germany: The Social Insurance Contributions in Germany are generally paid half by the employee and half by the company. These contributions are compulsory, partial to a maximum fee, comprehending the following contributions:**

# - **Pension Insurance: 19.6 % of the Gross Wage, will be paid by the employee and by the company composed.**

# - **Unemployment Insurance: 3.0% of the Gross Wage, half will be paid by the employee and half by the company.**

# - **Health insurance: 15.5% of the Gross Salary, 7,3% will be paid by the employer and 8,22% have to paid by the employee in Germany.**

**If a company gives 18000 euros per year to an employee, then they have to pay approbatively 4005.96 euros in social contributions per year.**

**4. Bonus: Every company must have to pay a bonus of at least a year in Germany. Because your employees in Germany are on a local payroll, it is expected to offer the 13th month of salary as a bonus each year, which should be included when scheming annual reward packages.**

**5.Training: For the improvement of their employees’ companies need to arrange some training programs. Most of all, small business owners in Germany spend around 40% of their working hours on tasks that do not generate income, such as training. Sometimes they also need to hire expert people to train up their employees.**

**6.Total: After calculating all these costs, you have to pay approximately 1.3-1.4 times the employee's salary or wages.**