

## Germany

# Definition of collective dismissal

<b>Phase</b>	Employment Protection Act
<b>Native name</b>	Kündigungsschutzgesetz
<b>Type</b>	Definition of collective dismissal
<b>Added to database</b>	08 May 2015
<b>Access online</b>	<a href="#">Click here to access online</a>

## Article

Article 17 - Obligation to report

## Description

The definition of collective dismissals is provided in the Employment Protection Act in the article stipulating that the employer has to announce the dismissal to the public authorities (federal employment agency) and to the company's works council.

To fall within the scope of national legislation, an employer (company or establishment) with more than 20 workers (includes trainees in vocational training; excludes contracted home workers and the self-employed) must plan to make redundant more than 5 people within 30 days. Certain employees are not considered as members of staff when calculating the size of the workforce, such as senior executives or managers, heads of businesses and CEOs.

The minimum number of redundancies is 6 in establishments with 21 to 59 employees, 10% of employees (or 26 employees) in companies with 60 to 499 employees, and 30 if there are 500 or more employees. By definition, the act applies to any economically independent or dependent establishment. At least, the employer has to inform the works council and the federal employment agency about the reasons for the planned layoffs, the number and professional groups of employees to be laid off, the number and professional groups of employees usually employed, the period in which the layoffs are to take place, the criteria envisaged for the selection of employees to be dismissed, the criteria provided for calculating any severance payments. The law foresees the opportunity for employers

and the works council to advise on ways to avoid or limit layoffs and mitigate their consequences.

The law does not specify eligible reasons for redundancies and operational difficulties are considered as a sufficient condition to justify collective redundancies, provided the works council has been informed and consulted.

## Commentary

It has proven successful in avoiding collective dismissals to have the economic reasons for planned dismissals audited by experts. In turn, the results of this are in many cases the basis for economically grounded suggestions to avoid dismissals. Workers in companies with works councils are in better position compared to those without one.

[https://www.boeckler.de/pdf/impuls\\_2009\\_04\\_4-5.pdf](https://www.boeckler.de/pdf/impuls_2009_04_4-5.pdf)

## Additional metadata

<b>Cost covered by</b>	Companies
<b>Involved actors other than national government</b>	Works council Public employment service
<b>Involvement (others)</b>	None
<b>Thresholds</b>	Affected employees: 6 Company size: 21 Additional information: No, applicable in all circumstances

## Sources

- [Kündigungsschutzgesetz \(Employment Protection Act\)](#)~~~ [Ullmann, K. and Bothfeldt, S. \(2008\), The German Employment Protection Act - How does it work in practice? WSI Discussion Paper, Duesseldorf](#)~~~ [Ius Laboris \(2009\), Collective Redundancies Guide, Brussels](#)~~~ [Alpha Consulting \(2003\), Anticipating and Managing Change - A dynamic approach to the social aspects of corporate restructuring, European Commission, Brussels](#)~~~ [Bundesministerium für Arbeit und Soziales \(BMAS\) \(2015\), Kündigungsschutz - Was Sie wissen sollten, Berlin](#)~~~ [Watson Wyatt \(2006\), Employment Terms and Conditions Report Europe, Volume I, Brussels, Belgium](#)~~~

[Kündigungsschutzgesetz](#)~~~~

## Citation

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