

Entrepreneurship in Focus

FGF-Forschungsnetzwerk Entrepreneurship, Innovation and Mittelstand e.V. und IfM Bonn

Issue 7/24

Pay-as-you-go maternity benefits for self-employed women?

Rosemarie Kay

Summary

Self-employed women in Germany can voluntarily insure themselves against loss of earnings during the maternity protection period through health insurance. As many women do not utilise this option, a pay-as-you-go solution is currently being discussed. Calculations show that – if all self-employed were included – this would entail low monthly contributions which should increase its acceptance among the self-employed.

Around 27,000 self-employed women in Germany have a child every year (Kay 2024, p. 3). Unlike employed women, they are not entitled to maternity benefits per se because the Maternity Protection Act (MuSchG) does not apply to them. However, EU Directive 2010/41/EU requires member states to make maternity benefits available to self-employed women, allowing them to take a break from work for at least 14 weeks due to pregnancy or maternity. Germany has opted for a voluntary solution within the health insurance system. A recent survey by the Institut für Demoskopie (IfD) Allensbach (2024, p. 15) shows that many self-employed women are not satisfied with this and do not take up the offer. Against this backdrop, alternatives are currently being discussed, including – based on the pay-as-you-go system for employed women – pay-as-you-go maternity benefits. This is an opportunity to take a look at the current situation and the possible design of a pay-as-you-go solution.

Current protection

Women who are self-employed as their main occupation, who are voluntarily insured in the statutory health insurance scheme (GKV) and who have opted for the optional sickness benefit (§ 44 Para. 2 S. 1 No. 2 SGB V) or an optional sickness tariff (§ 53 Para. 6 S. 1 SGB V) are entitled to maternity benefit for the statutory protection periods before and after the birth in the amount of the sickness benefit (70 % of net income). Self-employed women with private health insurance (PKV) who have taken out daily sickness allowance insurance are entitled to compensation for the loss of earnings incurred during the statutory protection periods and on the day of delivery in the form of the agreed daily sickness allowance. The amount of the daily sickness allowance therefore depends on the amount agreed with the private health insurance company and the amount of the loss of earnings. Low-earning self-employed women insured through family insurance are not entitled to maternity benefits.

Data on how many self-employed women of childbearing age have health insurance and how they

are insured varies. According to analyses of the Socio-Economic Panel (SOEP) for 2020, around 270,800 are covered by statutory health insurance and around 61,300 by private health insurance (Kay 2024, p. 6). According to the GKV-Spitzenverband, 179,700 self-employed women of childbearing age are insured there; estimates based on information from the PKV association indicate that there are at least 65,000 (Kay 2024, p. 7).

Around 55,700 women in statutory health insurance and around 65,000 in private health insurance are entitled to (daily) sickness benefits. This means that just under half of self-employed women of childbearing age would be entitled to maternity benefits (Kay 2024, p. 7f.).

The U2-levy

Women who are employed and insured under the statutory health insurance scheme receive maternity pay of € 13 per day during the protection period in accordance with § 19 MuSchG; women insured under the private health insurance scheme receive a maximum total of € 210. In addition, they receive a maternity allowance supplement from their employer in accordance with § 20 MuSchG, amounting to the net salary minus the maternity allowance. If there is a ban on employment during the pregnancy, there is an entitlement to continued payment of wages in accordance with § 18 MuSchG. These financial burdens are reimbursed in full to the employers of women giving birth from the so-called U2 levy by the health insurance fund responsible for the woman giving birth.

All employers must participate in the U2 levy procedure. The monthly levy to be paid is calculated from the levy rate and the gross salary total of all employees in a company. The levy rate is set by the health insurance funds that administer the U2 levy and ranges from 0.15 % to 0.99 %.

Configuration of a maternity levy for self-employed

Scope of benefits: As the employment prohibitions of the MuSchG do not apply to pregnant self-employed women and they therefore do not have to be financially protected, it is assumed that only the loss of earnings during the maternity protection period is to be compensated. A distinction is made between two variants: Compensation for net earnings and compensation for gross earnings. The first variant is based on the regulation for employed women. However, it should be borne in mind that these women – unlike self-employed women – do not have to pay social security contributions during the maternity protection period. Self-employed women may also have to pay income tax, although this varies greatly. For this reason, the replacement of gross earnings is assumed as the second variant.

Total expenditure: An estimated 27,000 self-employed women give birth to a child every year (Kay 2024, p. 3). On average, these women earned around €2,600 per month before the birth of their child (Kay 2024, p. 10). This results in a gross earned income of around € 229 million over the 14-week maternity protection period. A flat-rate deduction of 35 % is assumed for the calculation of net earned income, so that the average net earned income is € 1,690 and the total net earned income to be compensated is € 149 million.

Levy: As with employers, the levy would have to be paid by all self-employed. The levy could be calculated in two ways. Firstly, each self-employed pays the same amount. Based on 3.6 million self-employed, the monthly contribution would then be € 5.30 (variant 2) or € 3.45 (variant 1). Secondly, the levy is set in relation to the respective gross earned income in the same way as the U2 levy. According to the SOEP 2020, the total earned income of the self-employed was € 15.2 billion. This results in a levy rate of 0.13 % (variant 2) or 0.08 % (variant 1).

The costs associated with the administration of the levy would also have to be taken into account. However, as not all self-employed women stop working during the entire maternity protection period (IfD Allensbach 2024, p. 9), the loss of earnings to be compensated is likely to be lower than reported. The calculated levy should therefore be sufficient to cover the administrative costs.

Solidarity-based versus individual solution

Self-employed women have children about as often as employed women (Kay 2024, p. 14). The issue of maternity protection is therefore equally relevant for

both groups. The vast majority of self-employed women, whose businesses cannot continue to operate for a certain period of time without them, would be particularly dependent on support because they also have to compensate for the running costs of the business.

But who bears the costs? The self-employed as a whole, who would have to pay rather small monthly amounts? In the IfD Allensbach survey (2024, p. 39), only half of self-employed women and just over a third of men were in favour of this. However, those in favour of pay-as-you-go maternity protection are predominantly willing to pay higher monthly amounts (median: € 53 (women) and € 76 (men)) (IfD Allensbach 2024, p. 40). In view of the significantly lower amounts to be expected, particularly the quarter of undecided respondents are likely to be in favour of pay-as-you-go maternity protection.

The levy based on earned income is a solidarity-based solution that does not overburden anyone and does not distort competition between self-employed women and men. The latter is its great advantage over individual insurance solutions, even if these were accompanied by an improved scope of benefits for self-employed women in the statutory health insurance scheme (possibly financed by an increased federal subsidy to the statutory health insurance scheme) or an extension of business interruption insurance to include maternity protection.

Dr. Rosemarie Kay is Deputy Managing Director at the IfM Bonn.

Further studies:

Kay, R. (2024): Mutterschaftsleistungen für Selbstständige, IfM Bonn, Daten und Fakten Nr. 35, Bonn.

Institut für Demoskopie (IfD) Allensbach (2024): Mutterschutz für Selbstständige. Repräsentative Befragung selbständig tätiger Frauen und Männer im Auftrag des BMFSFJ. Untersuchungsbericht.

Imprint

The authors of the individual articles are responsible for the content of their articles.

Editors: **Prof. Dr. Friederike Welter** (IfM Bonn, Universität Siegen)
Prof. Dr. Matthias Baum (FGF e.V., Universität Bayreuth)

V.i.S.d.P.: **Dr. Jutta Gröschl** (IfM Bonn).
Ulrich Knaup (FGF e.V.)

Websites: www.ifm-bonn.org

www.fgf-ev.de