

# Mobility: Immigration alert

August 2021



## Germany

Social security exempt third-country nationals may now obtain German work authorization as local hire specialists and skilled workers

### Executive summary

The German Government recently announced a new policy that enables German companies to sponsor [third-country nationals](#) who are exempt from German social security contribution requirements to work in Germany as skilled workers and local hire specialists.

### Background

The Skilled Workers Act (*Fachkräfteeinwanderungsgesetz*), which went into effect on 1 March 2020, states that third-country nationals must enter into a “domestic employment relationship” (*Inländisches Beschäftigungsverhältnis*) with a German company to work as local hire specialists or skilled workers in Germany. Prior to the recent announcement, the German labor authorities interpreted the term “domestic employment relationship” to mean that third-country nationals and their home country employers must make all social security contributions to the German system (and not that of another country) as a condition for the third-country nationals to obtain German work authorization.

### Key issues

Third-country nationals may now obtain authorization to work in Germany as local hire specialists or skilled workers, even if they obtained Certificates of Coverage (CoC) pursuant to international social security treaty exemptions with Germany. Previously, third-country nationals who obtained CoC pursuant to treaty exemptions were ineligible to acquire German work authorization as local hire specialists or skilled workers, unless they obtained Standard Blue Cards.

The new policy applies primarily to third-country nationals who are seeking to work in Germany temporarily, such as (1) individuals who are transferred to work for a German company in the same corporate group as their home country employer and enter into a German employment contract that is valid for the entire duration of their temporary transfer, and (2) holders of German Intra-Company Transfer (ICT) permits who exhaust the three-year validity period of their ICT permit and are seeking to temporarily extend their authorization to work in Germany.

This policy provides companies in Germany with additional options for sponsoring third-country nationals to work in Germany temporarily, and it enables third-country nationals and their non-German employers to make social security contributions in their home countries in lieu of Germany. This change was enacted following extensive discussions between EY and the German Government, and it reflects EY’s recommendations to the German Government.

### Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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