Financing adult learning database

Name of the instrument - Local language	Rückzahlungsverpflichtung
Name of the instrument - English translation	Payback commitment
Scheme ID	57
Country	Germany
Reporting year	2020
Type of instrument	Payback clause
Sub-type of instrument	Payback clauses are possible within set limits
Type of entry	Single instrument

Short description	Employers and employees can agree on a payback clause, with the civil law setting the framework for the agreement. In compensation for employer-provided/financed training, employees commit themselves to stay in the company for an agreed period or (partially) pay back the costs of training. The retention period has to be in proportion to the benefits of training (duration and the level of qualification). The amount to be repaid is reduced on a monthly base. Payback clauses are possible for any type of education. No preferential treatment is applied.

Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Key instrument
Legal basis	Bürgerliches Gesetzbuch (BGB) (Civil law) + jurisdication by Federal Labour Court
Objective(s) and target(s)	Not available

Operation/management	A payback clause is agreed by the employer and the employee. In case the employee leaves the company within the retention period, a certain amount needs to be repaid. In case of legal issues, the Federal Labour Court is responsible for the jurisdiction.
Eligible group(s)	All employers
Group(s) with preferential treatment	No preferential treatment
Education and training eligible	Professionally relevant
Source of financing and collection mechanism	Employer funds training, employee provides (partial) repayment of eligible training costs in case of premature depature from the company
Financing formula and allocation mechanisms	It is a prerequisite for the effectiveness of a payback clause that the employee has earned a "cash benefit" by the training measure. The retention period has to be in proportion to the benefits of training (duration and the level of qualification). Training duration up to 1 month: Binding period up to 6 months; Training duration up to 2 months: binding period up to 1 year; Training duration 3 to 4 months: Binding period up to 2 years; Training duration of 6 to 12 months: Binding period up to 3 years; Training duration of over 2 years: Binding period up to 5 years. The amount to be repaid is reduced on a monthly basis.
Eligible costs	All costs paid by the employer related to the training taken by the employee (e.g. wage costs, travel costs, costs for materials (books)).
Volumes of funding	Not applicable
Beneficiaries/take up	Not applicable
Organisation responsible for monitoring/evaluation	Not applicable
Most relevant webpage - in English	Not available
Recent changes	No recent amendment Recent changes in response to COVID-19 No changes
Sources	https://www.verdi-bub.de/index.php?id=920
	Bundesrepublik Deutschland (2002) Bürgerliches Gesetzbuch , Buch 2 - Recht der Schuldverhältnisse (§§ 241 - 853), Abschnitt 2 - Gestaltung rechtsgeschäftlicher Schuldverhältnisse durch Allgemeine Geschäftsbedingungen (§§ 305 - 310). Berlin. Online: http://dejure.org/gesetze/BGB