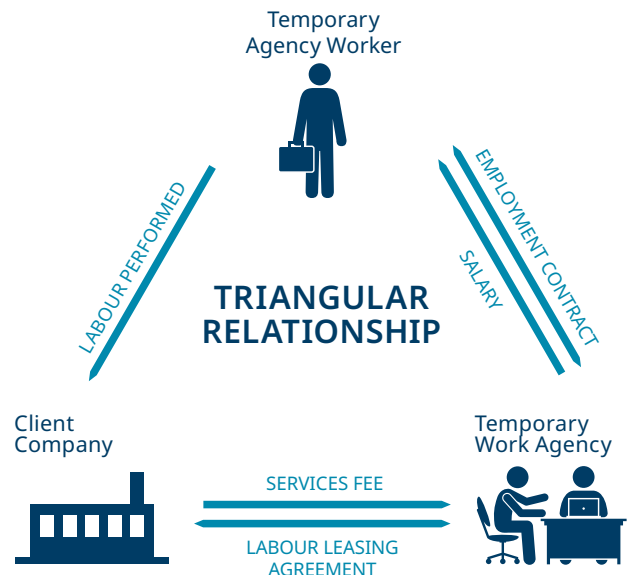


## Key Facts and Guidelines

### Triangular Employment Relationship

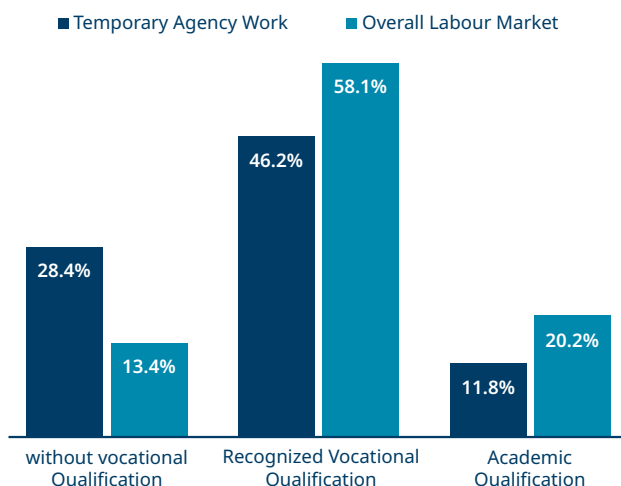
Temporary agency work in Germany is characterized by a triangular relationship between a **temporary work agency (the lender)**, a **temporary agency worker**, and a **client company (the hirer)**. The temporary agency worker has an employment contract with the temporary work agency but no contractual relationship with the client company. Instead, the temporary work agency and the client company conclude a labour leasing agreement (Arbeitnehmerüberlassungsvertrag).



### Employment Structure of Temporary Agency Workers

Temporary agency workers account for only about two percent of total employment in the economy. In structural terms, temporary agency workers differ significantly from the workforce as a whole. Three examples illustrate these differences:

#### QUALIFICATIONS IN TEMPORARY AGENCY WORK and the Overall Labour Market



Source: Bundesagentur für Arbeit, GVP | 31.12.2024

### Regulations for Temporary Employment

Temporary employment is governed by clear rules, including **legal**, **collective bargaining** and **industry guidelines**. The General Association of Personnel Service Providers (GVP) develops these rules together with its member companies.

#### Legal Framework

The **Act on Temporary Employment (Arbeitnehmerüberlassungsgesetz, AÜG)** provides the legal basis for temporary agency work. It establishes the employer principle, meaning that temporary work agencies function as regular employers: temporary agency workers have an employment contract with the agency and enjoy the same rights as all employees. They are entitled to continued payment of wages during vacation, illness, or periods without assignment, and all provisions of employment protection legislation also apply to them.

The AÜG comprises 20 detailed sections that define the framework conditions for temporary agency work. Key regulations include:

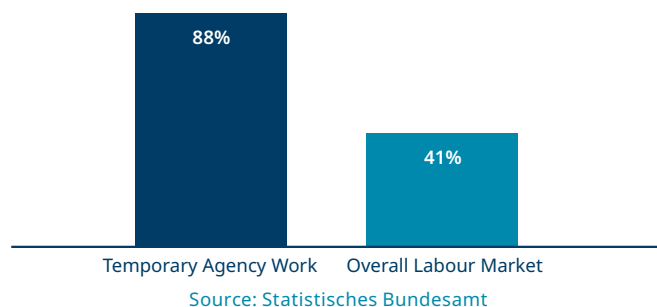
- Licence requirement and supervision:** Temporary work may only be conducted with a valid licence, which is issued by the Federal Employment Agency (BA) and can be revoked in case of violations. Temporary work agencies are monitored by the BA and the Customs Authority to ensure compliance with all legal requirements.
- Equal Treatment and Equal Pay:** The AÜG guarantees equal treatment for temporary agency workers with respect to all essential employment conditions ('Equal Treatment'). The EU Temporary Agency Work Directive specifies this to include remuneration ("Equal Pay"), holiday and rest days, overtime, working hours, breaks and rest periods, and night work. Deviations from this legal principle of equal treatment are possible through collective agreements.
- Maximum assignment duration:** Assignments of a temporary agency worker to the same client company are generally limited to 18 months. Deviations from this limit are possible through company- or sector-level collective agreements in the client's industry.

## Collective Bargaining Framework

As a social partner of the **Collective Agreement for Temporary Agency Work under the German Trade Union Confederation (DGB)**, the GVP advocates for fair working conditions. All eight individual unions of the DGB are members of this collective agreement.

- The **comprehensive collective agreement** governs not only pay grades but also industry-specific allowances, holiday and Christmas bonuses, overtime premiums, inflation adjustment payments, and more.
- As of 1 March 2025, the **nationwide minimum wage** for temporary agency work is €14.53 per hour — significantly above the statutory minimum wage of €12.82.
- Between 2018 and 2023, **collective wage increases** in temporary agency work amounted to 29.6%, compared with 10.7% in the overall economy.

## TEMPORARY AGENCY WORK vs. Overall Labour Market



## Association Framework


The ethical guidelines of the GVP and its member companies are embedded in the **Association's Code of Conduct and Ethics**. Fairness, transparency, reliability, respect, and integrity are the core principles promoted by the GVP together with its members, with a clear focus on the individual. The GVP's Code of Conduct and Ethics ensures sustainable quality assurance of personnel services beyond existing legal requirements. An **independent contact and mediation office** monitors compliance with these ethical principles and addresses violations. Not only GVP member companies, but also temporary agency workers and client companies, can approach this office.

In addition, the GVP sets industry standards. Currently, there are **quality standards** for temporary agency work in healthcare, international mobility, vocational training, education, and recruitment services, which define fundamental criteria in these areas. These **standards** serve as guidelines of the Association. GVP members may use digital badges to indicate their application of these standards, provided they meet the respective quality criteria and formally guarantee compliance.



### LEGAL NOTICE

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