

A GUIDE FOR

Freelance Language Teachers in Germany

melta 

Munich English Language Teachers Association



Publisher

Munich English Language Teachers Association e.V.
Oberaudorferstr. 1
81549 München

Author

Patrick Mustu

Layout

Saskia Kölliker Grafik
www.koelliker-grafik.de

Cover photo

[Rawpixel.com/shutterstock.com](https://www.rawpixel.com/shutterstock.com)

Published

2026

© Copyright MELTA e.V. 2026. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher.

Disclaimer

While every effort has been made to ensure the accuracy of this publication, it is not intended to provide legal advice as individual situations will differ and should be discussed with an expert. MELTA does not assume any liability for the content of this publication. For specific advice on the information provided and related topics, please contact the author or another professional qualified for legal and/or tax advice.

Foreword and acknowledgements

Freelance language teachers in Germany are confronted with laws, regulations and conventions which are not only different from those in other countries, but are also subject to change. As a result, it's not surprising that newcomers to the profession – and many old-timers too – are often uncertain as to what their legal and professional rights and obligations are.

To help all of us navigate these often choppy waters, the Munich English Language Teachers Association e.V. (MELTA) has commissioned this guide as part of its ongoing efforts to foster and support foreign language teaching in Germany and abroad.

MELTA has been the first port of call for teachers of English in greater Munich since its inception in 1989. For its over 250 members – individuals, schools and institutions – MELTA offers professional development workshops and webinars, provides a forum for discussing teaching and business topics and is a platform for teachers to list their services and enjoy networking opportunities.

This guide aims to provide a concise, up-to-date, easy-to-use and easy-to-understand overview of topics that freelance teachers in Germany need to know about. We've tried to anticipate and answer questions based on our own experiences and group discussions and hope you'll find the information useful.

We would like to thank our author, Patrick Mustu, who has given us the benefit of his expert legal knowledge and advice.

With best wishes for inspiring classes and for your continued professional success,

The MELTA Committee, July 2026



Getting started

Registration, billing, taxes, web

[page 7](#)



Getting a contract

Valid and void provisions,
pitfalls and misconceptions

[page 19](#)



Getting insured

What you need to know

[page 23](#)



Getting it right

The pension issue

[page 26](#)



Getting around

Networking, finding information and help

[page 29](#)



In a nutshell

[page 33](#)



Appendix

[page 35](#)

If I had known then what I know now...

...is what many people say when they look back at their decision to go freelance.

Whether you are an oldie or a newbie, this brochure will provide useful insights into many aspects of freelance teaching in Germany. It covers various red-tape issues, including remuneration, tax, insurance and contract matters.

Germany is one of the largest ELT markets in Europe, and attracts many teachers from around the world. It hosts major international language school chains, as well as numerous small and medium-sized private language institutes. Since most of the jobs in this market are for freelancers, people tend to teach for several schools.

The types of provider include:

- private language schools
- public non-profit institutions, such as universities and centres for adult education (*Volkshochschulen*)
- dedicated adult education and training institutions (*Bildungsträger*). These offer job and business-related training (not just languages, but also computing, business administration and job coaching), which is often sponsored by the German Federal Employment Office (*Agentur für Arbeit*) and other government agencies.

While most language schools cater for both private and corporate clients, some focus on firms and offer in-company training (Business English) exclusively. All of them advertise a wide range of quality features, such as special teaching methods, dedicated course and quality management systems. Getting a teaching job is relatively straightforward.

In addition to the frequently stated requirement of being a native speaker, the other qualifications most often requested are:

- a university degree
- a teaching qualification, e.g. CELTA, TEFL, CertTESOL
- experience in teaching (and sometimes in business as well).

Approximately 60% of freelance teachers work part-time. On average, schools pay around €25 per 45-minute teaching unit in Germany, depending on the location and contract negotiated with their client. If this does not sound that bad to you at the outset, you should consider that freelance status comes with substantial expenses for health and pension insurance, plus business expenses and unpaid leave when you are sick or on holiday. It can be difficult to generate the number of hours you need to achieve a comfortable standard of living when you depend entirely on schools. Consequently, after gaining some experience and paying their dues, many freelance teachers aim to get their own clients and/or create USPs, such as offering specific skills, English for special purposes (ESP) or intercultural training.

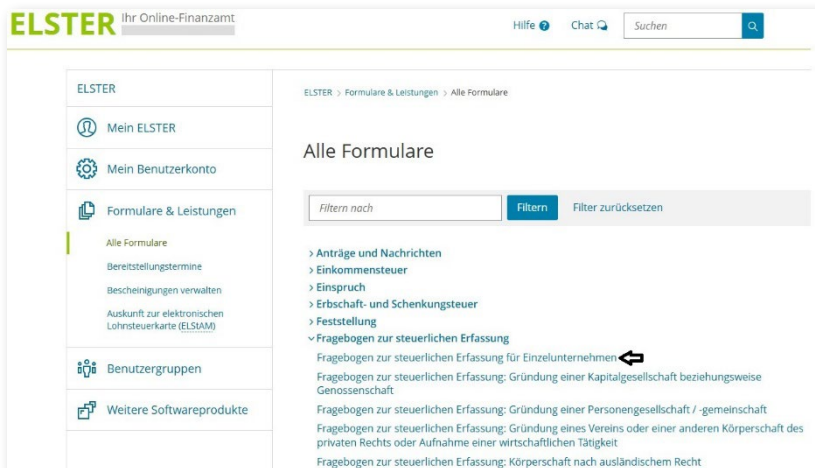
The following pages do not contain an answer key to all issues you might face. They provide a general overview and highlight a few items. They will not solve individual problems. It is recommended that you do the necessary research, talk to your peers or seek professional advice as needed. Free internet forums are popular and may be a point of departure, but should things get complicated with clients or authorities and you have to draft an important letter or enforce claims, it might be worth seeking professional help.

 Internet links sometimes expire. Should any of the links in this booklet not work anymore, please google the corresponding keyword.



Getting started

The first thing you have to do, after securing a residence permit with permission to work freelance (non-EU citizens), is to inform the tax authorities about your work plans. You do this by filling in a form called *“Fragebogen zur steuerlichen Erfassung”*. As you have to handle everything regarding taxes online, you will be using either the official internet portal “ELSTER” (*elster.de*) or a software program. When using ELSTER, you will find the form here:



The form is quite long and complex. If you want to handle it yourself, pay particular attention to sections *“Angaben zur Festsetzung der Vorauszahlungen”* and *“Angaben zur Anmeldung und Abführung der Umsatzsteuer”*. Be conservative about your income as the estimates you make will trigger advance payments and VAT liability. Your turnover can be up to €25,000 a year without being subject to VAT. Choose *“Kleinunternehmer”* if this is your calculation.

You have one month to submit the form, but since you need to include your tax number on your invoices, it is wise to get your tax number as soon as possible, even before you start working.



TIP On the form you will be asked to estimate your revenue for the current and the following year. Be pessimistic. The tax office will calculate advance income tax payments on your estimated earnings. In addition, as soon as you indicate expected earnings of more than €25,000 for the first year, you will immediately have to charge VAT on your invoices and submit this on a separate form to the tax authorities. You can also opt to charge VAT from the beginning and independently of your revenue, but when you do this, there is no going back for at least five years.

Fortunately, you do not have any further registration requirements as a freelance teacher. You do not have to call at the Town Hall, sign up with a Chamber of Trade, Industry or Commerce, or join any professional body.

Billing

There is no official format or template for invoices. Here's what they need to include:

your name + name of your business where applicable + address	your bank account details																								
Jane Public Hauptstr. 1 10000 Berlin	Bankverbindung Deutsche Bank AG DE24 3007 00 00 4520 6800 10																								
your client's name + address	Steuernummer your tax number 160/2742/6071																								
ABC GmbH Dstr. 100 00000 Estadt	Rechnungsnummer invoice number 17503																								
	Rechnungsdatum invoice date 31.07.2026																								
service rendered	invoice Rechnung																								
Sprachtraining Business English	define the length of a teaching unit/ lesson (45/60 mins) to avoid confusion																								
Berechnungsbasis: 1 Unterrichtseinheit (UE) = 45 Minuten																									
<table border="1"> <thead> <tr> <th>date</th> <th>no of lessons</th> <th>fee per lesson</th> <th>amount</th> </tr> </thead> <tbody> <tr> <td>Datum</td> <td>UE</td> <td>Honorar/UE</td> <td>Betrag</td> </tr> <tr> <td>05.07.2026</td> <td>2</td> <td>50,00</td> <td>100,00</td> </tr> <tr> <td>12.07.2026</td> <td>2</td> <td>50,00</td> <td>100,00</td> </tr> <tr> <td>19.07.2026</td> <td>2</td> <td>50,00</td> <td>100,00</td> </tr> <tr> <td>26.07.2026</td> <td>2</td> <td>50,00</td> <td>100,00</td> </tr> </tbody> </table>	date	no of lessons	fee per lesson	amount	Datum	UE	Honorar/UE	Betrag	05.07.2026	2	50,00	100,00	12.07.2026	2	50,00	100,00	19.07.2026	2	50,00	100,00	26.07.2026	2	50,00	100,00	
date	no of lessons	fee per lesson	amount																						
Datum	UE	Honorar/UE	Betrag																						
05.07.2026	2	50,00	100,00																						
12.07.2026	2	50,00	100,00																						
19.07.2026	2	50,00	100,00																						
26.07.2026	2	50,00	100,00																						
Summe	400,00 subtotal																								
19% MwSt.	76,00 VAT (if applicable)																								
Gesamtbetrag	476,00 total																								
Bitte zahlen Sie den Gesamtbetrag bis zum 28.08.2026. your payment terms																									

- You do not need to sign your invoice.
- If your school or client agrees, you can send your invoice by e-mail (e.g. as a pdf attachment). Some schools, such as the adult education centres (*Volks-hochschulen*), have standard forms you must use and terms and conditions which you must agree to.
- Unless you have agreed otherwise, you can bill monthly, quarterly or whenever you deem appropriate.
- In some cases, you can say by when your bill must be paid, but you do not have to. There is no rule that a bill must be paid within four weeks or one month. You decide when it is payable (anything between 10 and 30 days is common, but it is better to indicate a precise date rather than a number of days or weeks). The only rule by law is that your corporate clients (and your private ones if you write it on their bills) will be in default if they do not pay within 30 days upon receiving your bill. You can then charge default interest and even instruct a lawyer or collection agency at your client's expense (but then your client might not be your client for very much longer). On top, you can charge your corporate clients a flat €40. This is a type of liquidated damages provided by law.
- You must disclose your tax number. Do not get confused as you can have up to four: a personal tax ID (**Steueridentifikationsnummer**) that relates to you as an individual and never changes; a tax number (**Steuernummer**) that relates to your local tax office and thus your place of residence; a VAT number (**Umsatzsteuer-Identifikationsnummer**) for VAT purposes; and a business tax ID (**Wirtschafts-Identifikationsnummer**) for identifying you as a business person. For billing purposes, use your **Umsatzsteuer-Identifikationsnummer** if you have one. Otherwise, use your **Steuernummer**.
- You must assign invoice numbers. These must be progressive (chronologically sequential) and one-off (unique).
- You must date your invoice, and indicate what, when and for how long you taught.
- Charging VAT requires extra bookkeeping and tax accounting. It also means preparing and filing extra returns. Moreover, it makes your services more expensive for private clients. You can get around VAT in two cases:

→ You operate as a small business (*Kleinunternehmer*) with an annual revenue of less than €25,000. In this case, put the following sentence before the payment terms: *Die Leistung ist umsatzsteuerfrei (§ 19 UStG)*.

→ You work for a non-profit teaching institution, such as a university, adult education centre or other recognized entity. These are exempt from VAT, thus you do not charge them VAT. In this case, put the following sentence before the payment terms: *Die Leistung ist umsatzsteuerfrei (§ 4 Nr. 21 UStG)*.

Once your revenue exceeds €25,000 in any one year, you have to start charging VAT on your invoices as of 1 January of the following year. You can also opt to charge VAT from the very beginning and regardless of your revenue figures. This is only an advantage when you incur significant business expenses, as you can deduct the VAT you pay for goods and services from your own VAT burden. As teachers usually do not buy expensive machines and equipment, this may not be the sensible choice.

NOTA BENE You might come across the terms **Mehrwertsteuer (MwSt.)** and **Umsatzsteuer (USt.)**. They are the same (or, to be precise, they are used to refer to the same thing).

Collecting receipts

You should collect receipts for anything that could be tax-deductible, as any expenses linked to your work usually are, such as:

- books, CDs and other teaching materials
- photocopies
- travel costs: tickets for public transport, or 30 cents per kilometre travelled if you use your private car (plus parking costs)
- marketing your business: websites, brochures, business cards, advertising.

Some deductibles are less obvious, such as:

- client care: gifts (up to €50 net per person per year), entertainment (e.g. taking your clients out to dinner – 70% of the bill is deductible), refreshments you provide for your class. Some companies have a gift policy; be sure to check.
- professional development: workshops, seminars, career coaching and teacher training, fees for membership of professional organizations such as your nearest English Language Teachers Association (ELTA) or the International Association of Teachers of English as a Foreign Language (IATEFL)
- administration: bank charges, bookkeeping, tax advice, legal advice, insurance.
- if working from home: rent, electricity, heating, furniture, telecom, internet, computer, toner, stationery, repairs.

Working from home

Rules for working from home (Denglish: “Home Office”) have changed dramatically. Under the new regime from 2023 onwards, you can only deduct related expenses if your home is at the centre of your work. For freelance teachers, this means that you must teach from (online) or at (students come to your place) home. If this is not the case, you cannot deduct anything (not even the €1,250 allowed in the past). By default, the centre of a teacher’s work is at school (or a company in case of in-house teaching), and any prep/admin work is only “on the side”. This is the view of the tax authorities, and it means no deduction of expenses when working from home. If you qualify because you actually do everything or most at/from home, you can either deduct the **actual expenses**, or a **flat €1,260 per year** (to be reduced by one twelfth for each month you did not work, if applicable).

There is a **pitfall** for **home owners** when you go for **actual expenses**: should your study room be more than 20% of your home’s total size, or more than **€20,500** in market value, it is considered to **belong to your business**. When you retire, give up working, or sell your home, you will be taxed on the “fictitious sales profit” (which can mean a five-digit amount). It could there-

fore make sense **not** to declare expenses for working from home even if you qualify to do so. **This situation, however, is special and should be discussed with a tax accountant** (if they do not know what you mean, throw these words at them: *Entnahmegewinn* | *Veräußerungsgewinn* | *Aufgabegewinn*; if they still don't know, change your accountant).

Gifts

It is a student's or client's birthday. Or it is the end of a teaching term. Maybe you have bought a bottle of wine, a box of chocolates or a book for a student. Can you deduct the costs?

You can, but beware:

- The gift may not cost more than **€50 net per person per year** (if it does, you cannot deduct anything, not even the portion of up to €50).
- You must record the gift, including the recipient's name, separately from your other expenses.
- For a **business client**, a gift is a taxable benefit. Thus, your client would be required to include it in his or her tax bill and pay taxes on it. What a gift this would be!

Escape: The tax authorities allow you to cover the tax, thus making it a "real" gift. You can do so by paying a 30% flat-rate tax (+ solidarity surcharge + church tax) on the gift. This applies only to corporate clients in Germany. When the gift is made to a private client, or to someone abroad, it is not subject to taxation. To account for business clients properly, you will probably have to do extra reading or ask an accountant for help. It might not be worth the hassle, and you might as well consider paying for gifts out of your own pocket, or not making them at all. Or you go for this relief:



TIP Buy gifts that do not cost more than **€10 gross**. They do not need to be taxed! Plus: When the present is intended for a special personal occasion (e.g. somebody's birthday or employment anniversary), it can even cost up to **€60 gross**.

Entertaining

You can invite clients, prospects or business contacts to a meal in a restaurant. And indeed, the government has nothing against lunch or dinner, or afternoon coffee and cake. However, the tax officer will reject the bill if it falls short of the following requirements:

- You need a special type of hospitality receipt (*Bewirtungsbeleg*) for your records. This is a normal bill with some fields at the bottom or on the back where you enter certain data. Ask immediately for one if the fields are not already on the bill you have been given. Every restaurant is able to issue it.
- It must be a **printed bill** issued by an electronic cashier.
- The bill must list the individual items ordered. It is **not** sufficient to have just "*Speisen und Getränke*" and the total amount on it.
- It must have fields where you enter the names of the people who were present (including yourself) and the reason (*Anlass der Bewirtung*).
- The **reason must be as precise as possible**. You cannot simply write *Geschäftsbesprechung*, *Informationsgespräch* or *Kundenpflege*.
- You must date and sign the bill.
- You can also deduct tips if they are recorded on the bill.
- Bills exceeding **€250** must be issued **in your name**.
- Finally, the costs must be **reasonable**. A standard restaurant is fine. A place where a bottle of champagne costs €3,000 is not.

If everything is in order, you can deduct 70% of the net amount and 100% of the VAT if you are subject to VAT. If you are not, you can deduct 70% of the gross amount.

Immediate savings

Usually you cannot deduct high-cost items all at once. You have to include them in a dedicated list and depreciate them over a number of years (their so-called useful working life). There are tables provided by the government that tell you how long the depreciation period and the percentage per year for a specific item is. Laptop computers, for instance, must be depreciated over a period of three years, cars six years, and office furniture 13 years. To access the tables, simply google **AfA-Tabellen**. Two things are important:

- Depreciation follows the straight line method. This means you deduct the same amount every year.
- You must prorate the amount in the year you buy the item. If you buy it in July, you can only deduct 6/12 of the amount for that year.

Example: In July, you buy a photocopier for €1,000. The depreciation period according to the official table is seven years. Thus, the amount per year is €142.86. In the year of purchase, you can only deduct €71.43 (for the six months from July to December).

- For goods bought until the end of 2027, you can also use a declining balance method, which allows you to depreciate three times more than the straight line amount in the first year.



TIP Imagine you buy a desk for €1,000. The money is spent, but you can only deduct €76.92 per year over the next 13 years.

Relief: You can deduct an item all in one go provided that:

- it costs no more than €800 + VAT
- it can be used on its own.

On the last point: a chair, lamp, laptop computer, tablet or mobile phone can be used on its own. A printer, monitor or keyboard cannot. If you have a choice between buying a big bookshelf for €1,200 or three smaller ones for €400 each, the smarter option is to go for the smaller ones and deduct the entire costs in that calendar year. The only thing you need to do is to enter these goods in a list if they cost €250 or more. No list required for cheaper ones.

Travel tips

When you are away from home for more than eight hours a day, you can claim a special allowance called **Verpflegungsmehraufwand** of €14 (regardless of whether you have actually incurred expenses). This allowance is supposed to cover the additional costs of catering for yourself when you are away from home. It works as an additional deduction and is on top of any travel costs.

When you are away for several days (e.g. delivering a seminar or attending a conference), you can charge €28 per full day. You can also deduct accommodation costs (unless you stay with family or friends).

Example A

You deliver a two-day seminar called “English on the Phone” somewhere in Germany. You arrive the night before the seminar and go back home on the day after the seminar. On day 1, you travel to the location. On days 2 and 3, you do the training. On day 4, you head home. You can claim:

- €14 for day 1
- €28 for day 2
- €28 for day 3
- €14 for day 4

Total: €84 (on top of your actual accommodation and travel costs, e.g. train ticket / mileage / flight, etc.).

Other amounts apply when you travel abroad. They can be much higher.

Example B

You attend the annual IATEFL conference in the UK (a five-day event, including pre-conference events). You stay with family members. You arrive the night before it starts and go back the day after. On day 1, you travel to the location. On days 2, 3, 4, 5 and 6, you attend the conference. On day 7, you head home. You can claim:

- €35 for day 1
- €52 for day 2
- €52 for day 3

- €52 for day 4
- €52 for day 5
- €52 for day 6
- €35 for day 7

Total: €330 (on top of your actual travel costs). A higher allowance applies to London.

It does not matter when exactly your journey started or ended. **On the days of arrival and departure**, you can charge the allowance for being away for more than eight hours (i.e. €14 or €35 in the case of the UK).

These figures change regularly. Check the internet if the need arises.

To access the tables with all the countries and the amounts you can claim, simply google: *Verpflegungsmehraufwand Ausland*.

Your website

There are many ways of marketing and selling yourself. One is the internet. If you have a website, you are required by law to provide certain information in a dedicated section called **Impressum** (imprint or legal information).

This section must include:

- your name and address
- in case of incorporation: the legal form of the company and the names of its representatives
- a phone number and an e-mail address
- your VAT number (*Umsatzsteueridentifikationsnummer*) if you have one
- your general terms and conditions where applicable
- if you have professional indemnity insurance, provide the name and address of the insurer and the countries covered.

The *Impressum* section must be easy to find. This means that there must be a link to it from your homepage.

NOTA BENE *Beware. The law provides for a heavy fine, and you also risk a costly letter from a competitor's lawyer. Failure to comply with these regulations is an offence that carries a fine of up to €50,000 under the German Digital Services Act. It also gives competitors claims for damages and forbearance under the German Act against Unfair Competition.*

Another must-have is a **Datenschutzerklärung** (privacy statement). You need to have one, explaining data processing and listing all the rights a user has under the EU GDPR. Plus, there is a lot to consider individually (cookies, server log files, analytics, etc.). It is a hassle to do this yourself, so it is fair game to use one of the free online tools that help you producing the text you need (the same applies to the *Impressum* text).

Please note that both duties (*Impressum* + *Datenschutzerklärung*) also apply to other online activities (social media profiles, directory entries, YouTube channels, etc.). Xing and Facebook have created dedicated sections for this; with others (e.g. LinkedIn or X), you have to be creative and identify space to place it.

Cookies (and how to handle them) have caused a lot of trouble in recent years. Most website owners have implemented an opt-in process, which means users need to allow non-essential cookies. This is the safest way to be compliant.



Getting a contract

There are two scenarios when it comes to contracts. At the beginning, you will probably work for a number of schools, and many (not necessarily all) will present a contract to you. Later, you might start to build your own client portfolio, independent of schools. You would then use your own contracts to stipulate conditions and safeguard what is important to you. Thus, we will look at these scenarios: contracts you are asked to sign (usually by schools), and contracts you ask others to sign (your **own clients**).

At the outset, it is important to note that contracts do not always need to be made in writing. There are quite a few providers who will only tell you what they pay and ask you to hand in your bill. The advantage is less red tape, the downside is lack of proof of what you have actually agreed to. Should you be in a situation where you are worried about an oral agreement, you can summarize the main points in an e-mail and ask the school to confirm it. Otherwise, it is only when your first bill has been paid that you have a confirmation of the payment rate. It is prudent to agree a contract at the outset.

Common clauses in freelance teaching contracts refer to:

- how long the engagement is for (the **contract term**)
- when it **terminates** and with what **notice period** it can be terminated prematurely
- how much will be paid (often per 45 minutes as this is the standard teaching unit in Germany)
- how **cancellations** of lessons are handled
- disclosure of information (**confidentiality**)
- taking clients away (**non-solicitation**).

The latter often comes along with a four-digit penalty if breached. Occasionally, there is also a clause about not working for other schools (**non-competition**), which is unenforceable. It is the nature of a freelancer to be independent and work for a number of schools. Thus, it does not make any sense to “bind” an independent contractor to a single school. The same applies to a clause that prevents you from working for another school that has the same clients. Such a restriction could only apply to cases where you take away a client and shift it to another school despite being banned from soliciting. You are not prevented from working for a school that has a client that happens to be a client of another school you are working for.

The most contentious provision in a teaching contract is the one that prohibits you from taking over the school’s clients, and threatens a heavy penalty if you breach it. A non-solicitation clause will be valid if it meets the following criteria:

- It must refer to **clients you have taught on behalf of the school**.
In other words: clients you got in touch with through the school.
They cannot ban you from working for any of the school’s clients.
- It must not apply to a period of more than **two years** after you stopped working for the school.
- If it includes a **penalty**, it must be **reasonable**, i.e. a fair estimate of the school’s loss (which can be very difficult to assess). Moreover, the value of your contract can also be an aspect. If you are contracted to work for €800, but they put in a penalty of €8,000, this could be a point you can contest.

You can sign contracts that include void provisions as they will simply be unenforceable. Depending on how keen you are to get the job, you can also gamble and say that such a penalty clause is unacceptable to you. It all depends on how strong your position is.

You might also be asked to assure that you work for more than one institution. Schools do not want to be in a situation where their freelancers are in fact employees. This would have vast consequences for them, most notably having to pay social security contributions. In the past, such misclassification

(***Scheinselbständigkeit***) occurred when you derived most of your income from one school. This remains a criterion, but nowadays, a complex case-to-case assessment is made. It focuses on the extent somebody is **integrated into a business structure**, including the scope and amount of instructions.

Payment can be negotiated, although schools usually offer “their” pay with little or no chance to bargain. Travel expenses are sometimes paid on top, sometimes not, or considered to be included in the payment for teaching. Time spent travelling is usually not paid, although it can make up a substantial part of your working day. You might find yourself in situations where you spend as much time on travelling as on teaching.

Notice periods should not exceed one month (and rarely do – for both parties). You are independent, and while you cannot count on getting work and staying on, you can count on being able to leave at short notice. Some institutions seek assurance that you do not apply the methods of L. Ron Hubbard, the founder of Scientology. Such a clause (***Scientology-Erklärung***) is sometimes presented as a separate declaration and is often a condition for getting a contract. In Germany, this is a legal request.

Your own clients and contracts

Theoretically, you can enter into an oral agreement without negotiating and drafting a contract. However, when several points are important to you, or when your client asks for one, you should have your template ready. In the appendix you will find a brief and simple one, which you can adapt.

Many of the clauses you find in contracts with schools (restrictive covenants on non-competition, non-solicitation and non-disclosure, including any penalty clauses) will not be relevant. A cancellation clause, making sure you get paid for hours booked but not taken, is of particular interest, especially for workshops, seminars and one-on-one training. It is common to have a 24 or 48-hour notice period, which means you can charge your fees in the event that lessons are cancelled at short notice. Workshops and seminars have a longer notice period. For many freelancers this has become the main reason

Getting a contract

for having a written agreement and making it clear in their proposals – it cannot be disputed when it is clearly recorded in writing.

When it comes to the duration of your engagement, you can choose a certain period (such as six or 12 months) or a number of lessons (such as 50 or 100). The contract then ends, or is renewed. Open-ended contracts with a notice period of four weeks seem fair to most clients as they can dismiss you within a short time. In the end, it all depends on what you and your clients want. In-company training is ideally long-term.



Getting insured

Insurance is a broad subject. What is a must, and what is optional / good to have?

In Germany, mandatory insurance only applies to your health and your car. Certain professionals are required to have special insurance (e.g. indemnity for lawyers and doctors), and some self-employed people, among them teachers, must contribute to the German pension fund (*Deutsche Rentenversicherung / DRV*).

You must take out health insurance. There is a government-regulated public health insurance system (*Gesetzliche Krankenversicherung / GKV*) and a private one (*Private Krankenversicherung / PKV*). In the GKV, costs depend on your income, in the PKV on your age and health status. Family members without income, i.e. spouses and children, can be insured free of charge when you are in the GKV. In the PKV, everybody needs to be insured (and paid for) separately. Private cover often exceeds the statutory and gives you the option to take out plans that meet specific needs (e.g. a single room and a head physician in hospital, comprehensive dental care, alternative / homeopathic / osteopathic treatment).

In the GKV system, you pay about 16% of your taxable income (after expenses) as a monthly premium. There are more than 100 companies to choose from. 95% of the benefits they provide are the same. There are minor differences when it comes to service, bonuses and other incentives, such as programmes for a healthy lifestyle or preventive medical check-ups.

In the PKV system, many of the 40 health insurers also offer bonus programmes, such as a small cashback for check-ups and a healthy lifestyle. Most plans come with a certain amount you have to pay yourself (*Selbstbeteiligung* = excess or deductible). Choosing a plan with a higher excess often comes with a lower premium.

This is information in a nutshell. It is impossible to discuss the pros and cons of both systems and cover them in detail here. Please check online for a comparison, talk to colleagues or consult an independent insurance broker (one that is not bound to a particular company).

NOTA BENE *As a freelancer, you generally do not have access to the public health / GKV system. Only if you were an employee, family member, student or recipient of unemployment benefits with GKV membership in the past can you stay with them. And when you are older than 55, it is virtually impossible to get into or back into the GKV, even should you get employment that usually leads to compulsory insurance in the state system.*



TIP One issue to look into when taking out health insurance is sick pay (Krankengeld or Krankentagegeld). If you opt to receive sick pay, your premium will be higher.

Do I need other insurance?

It all depends on what is important to you. You can insure anything from your bike to your life, but most experts will say that people in Germany want (and take out) more insurance than they need. You have to decide for yourself what you consider important (and what you want to / can afford). Discussing your individual situation with a financial / insurance consultant or broker might make sense. Here are a few observations on three widely advertised types of insurance.

- **Privathaftpflichtversicherung**. Personal liability insurance. This is the only non-controversial one. Everybody should have it, and most do. It is inexpensive (about €60 per year) and saves you from financial ruin if you have caused damage to someone or something. Since you are considered liable for even the slightest amount of negligence, with no cap involved, it makes sense – just in case you drop someone's Rolex, cause an accident with your bike or your washing machine leaks and damages someone else's property.

- **Berufshaftpflicht-, Vermögensschadenhaftpflichtversicherung.** Professional liability / indemnity insurance. Covers liability during work (where the personal liability insurance does not kick in). There are obvious risks when you teach sports, go climbing or parachuting. What can you do wrong as a language teacher? Usually you are in a seminar room at your school or at the client's, so damaging a piece of equipment is what insurers make you afraid of. Or of copyright infringement because you have an image on your website that you are not allowed to use. Most language teachers do not have such insurance, but you can have it for about €100 a year.
- **Berufsunfähigkeitsversicherung.** Occupational disability insurance. This one pays you a pension when you can no longer work prior to retirement. It can give you peace of mind, but covers a risk that is hard to assess. It sometimes results in a fight when the insurer does not recognize the disability ("you can still teach with one hand or arm") or says you can do something else. When you look into this, make sure that you will get payments you can actually live on. A monthly premium of €50 looks attractive, but may not provide adequate cover.



TIP Stiftung Warentest ➔ **warentest.de** is an independent non-profit institution that regularly reviews products and services. They have published comprehensive reports on various insurance products, compared conditions and prices.



Getting it right

The pension issue

Freelance teachers are required by law to pay into the German Pension Fund. This what the law says:

Social Code VI – Statutory Pension Insurance –

Section 2: Self-employed

Self-employed teachers [...] who regularly do not employ anybody who is subject to compulsory insurance are subject to compulsory insurance.

Exceptions:

- You applied for an exemption before October 2001.
- You employ somebody and pay them more than €603 a month the (so-called mini-job threshold as of 2026).
- Your income (profit before tax) does not average more than €603 a month or €7,236 a year (mini-job threshold).
- You teach only occasionally and for a short period of time, i.e. for not more than three months or 70 days per year.



TIP If you teach only part-time, you can take advantage of an additional allowance of €3,300 a year when you work for public non-profit institutions (universities, adult education centres and other recognized schools). This is called **Übungsleiterfreibetrag** (used also for sports coaches), which is not subject to taxation or pension insurance.

Compulsory pension contributions are a controversial issue as only certain activities, among them teaching, are affected. Other freelancers can invest their money in whatever way they wish (or not at all). Having your own private insurance, or paying into your home country's pension fund, will not save you from the German authorities. Many teachers, especially those who intend to stay for only a while, dislike the idea of paying for something they might not need or benefit from. Some do not register and keep their heads down. Others are not even aware of the law. It is hard to assess the likelihood of being caught, but if you are (usually in the course of a client audit), they can demand back payments for up to four years plus default interest. This can mean a staggering €30,000 to be paid at once.

Here are some figures:

- Pension contributions depend on your taxable income: 18.7% of your profit must be paid into the DRV.
- The minimum amount is about €112 per month.
- The standard contribution is about €700 per month. This is what you pay when you do not hand in proof of your income (in order to pay more or less).
- In the first three years, you can opt to pay half of the standard contribution.

These figures change almost yearly, so check the current amounts online. You will find them when you google "V0091".

NOTA BENE *You are entitled to receive a pension after you have paid into the system for 60 months. If you stay for less than 60 months, you can claim a partial refund of your contributions. This is important for all those leaving Germany after a while.*



TIP Should you face problems, it might be time to get personal advice. Please exercise great caution when going to a tax advisor or lawyer. Many are not familiar with the special regulations for freelance teachers. Choose somebody who specializes in social security and the state pension fund (*Gesetzliche Rentenversicherung*). Check the tax advisor's website or call them in advance. Among the lawyers, it may be useful to look for a *Fachanwalt für Sozialrecht*. Another option is to get in touch with *Trainerversorgung e.V.*, a registered association catering for trainers and coaches. They are extremely knowledgeable, and membership includes tax and legal advice ➔ <https://trainerversorgung-ev.org>.



Getting around Networking, finding information and help

Online resources

➔ [**justlanded.com/english/Germany**](https://justlanded.com/english/Germany)

An expat guide, covering topics like visas, housing, jobs and finance.

➔ [**howtogermany.com**](https://howtogermany.com)

Another expat guide about living and working in Germany.

➔ [**existenzgruendungsportal.de/Navigation/EN/Home/home**](https://existenzgruendungsportal.de/Navigation/EN/Home/home)

A government website dedicated to start-ups.

➔ [**germantaxes.info**](https://germantaxes.info)

A government website dedicated to explaining German taxes.

➔ [**trainerversorgung-ev.org**](https://trainerversorgung-ev.org)

An association offering expert advice on legal, tax and insurance matters for trainers and coaches.

Professional bodies

The German union for teachers is called *Gewerkschaft Erziehung und Wissenschaft (GEW)*, which counts 280,000 (mostly employed) members from schools, universities and kindergartens. GEW also caters for freelance teachers and does substantial lobbying in favour of a minimum wage.

Membership fees are based on your income, i.e. 0.55% of the fees you earn. It includes liability and legal expense insurance in working-related matters.

➔ [**gew.de**](https://gew.de)

There is no single English Language Teachers Association (ELTA) but several regional ones. They provide networking opportunities, offer workshops, publish newsletters and/or maintain online discussion groups as well as teacher directories. Membership is €40 a year. For a list of ELTAs in Germany, go to

➔ melta.de/partners

The International Association of Teachers of English as a Foreign Language (IATEFL) runs conferences, workshops, seminars and webinars, and publishes magazines and online resources. Their annual conference in the UK attracts 2,000+ delegates. They also have an array of special interest groups (SIGs), which organize additional events. Among those groups, the one for Business English (BESIG) is particularly strong in Germany, with a fairly large annual conference at different locations. Membership is £79 per year. Ask your local ELTA for a discount code.

➔ iatefl.org

Professional advisors

There are 160,000 lawyers and 90,000 tax advisors in Germany. Theoretically, all of them are qualified to advise on any legal, tax and accounting issue. It does make sense, however, to do some research before choosing one.

A tax advisor should be experienced in serving freelancers (*Freiberufler*) and thus familiar with the special regulations applying to them. He or she should offer help with specific forms in your tax return, especially *Anlage S*, *Anlage EÜR* and *Anlageverzeichnis*. Some charge an hourly rate, some a flat rate, but most will charge statutory fees, which depend on your income. It is very difficult to give exact figures as there is a fee range, rather than a set amount. A return covering a freelance teacher's income on, for example, €50,000, can cost between €500 and €1,800. It is also possible to negotiate as tax advisors are allowed to charge less than the statutory minimum. However, they will only do so in very simple matters.

Lawyers usually charge hourly rates between €200 and €400, but you can try to negotiate a flat fee or a fee that is based on the value of the matter. Contingency fees are virtually non-existent.

For both tax and legal professionals, the best bet would be to ask colleagues and friends or your local ELTA for recommendations. Some rely on providers that help with tax and other red-tape matters. Ask your fellow ELTA members.

For tax advisors (**Steuerberater**), the Federal Association of Tax Advisors (**Bundessteuerberaterkammer**) maintains an **official directory** of all advisors ➔ <https://steuerberaterverzeichnis.berufs-org.de> where you can enter city and/or postcode. However, there are no filters available, so you cannot look for advisors who speak English or specialise in advising freelancers. There are other online directories with more search options. However, as these are commercial ones, they do not draw on the entire pool of professionals.

Regarding lawyers (**Rechtsanwälte**), the national directory ➔ <https://brav-search.bea-brak.de/bravsearch> includes all of them, and you can also choose from a number of Fachanwaltsbezeichnungen (certified specialists), which means they are proven experts in their fields. Regional law societies (**Rechtsanwaltskammern**) also maintain directories, which have more options, including areas of law and languages spoken. You can find them here: ➔ <https://www.brak.de/die-brak/rechtsanwaltskammern>.

In some cases, you will need a notary (**Notar**). German notaries are highly qualified legal professionals who must be involved when setting up a limited company or conveying real estate. Moreover, they help with family and inheritance matters (e.g. estate planning), and are a safe bet when it comes to all kinds of powers of attorney and wills. They charge statutory fees that depend on the value of the matter in accordance with the *Gerichts- und Notarkostengesetz*. You can find examples of several transactions on ➔ <https://www.notar.de/themen/notarkosten/beispiele>. The fees of a notary include advice (no matter how long the consultation lasts), so when you need documents notarized, you do not have to consult (and pay) a lawyer as well. You can search for notaries here ➔ <https://www.notar.de>.

NOTA BENE *When professionals quote their fees, they usually do so excluding expenses (€10-€20) and VAT (19%). So when a lawyer charges €200 per hour and charges you for three, their bill will not be for €600, but for €737.80 (€600 + €20 for expenses + €117.80 VAT).*

Discrimination in ELT

English teachers come from a wide range of countries and backgrounds and sometimes face hiring policies that exclude them for one particular reason: not being a native speaker. Whatever you may personally feel about this, such policies are illegal in the entire EU. In Germany, it is in contravention of the Equal Treatment Act as the term “native speaker” relates to somebody’s ethnic origin. The law provides for damages to be paid to an unsuccessful applicant suffering discrimination during the job application process. This might be using a discriminatory term in a job ad, during review or when declining a candidate. It can be the job ad itself, a letter or an email you received, or what you were told before, during or after an interview. Should this happen to you, you can refer to this article for steps you can take ➔ elgazette.com/eu-law-and-the-non-native-speaker-teacher. Your ELTA might also be interested in hearing from you as they banned this term in compliance with the law (and common sense) a long time ago.



In a nutshell

? Do you teach only part-time e.g. at a *Universität, Fachhochschule, Volkshochschule, allgemeinbildende Schule* or a recognized *Ergänzungsschule*?

✓ Consider cashing in €3,300 per year tax-free (*Übungsleiterfreibetrag*).

? Are you sometimes away from home for more than eight hours?

✓ Consider adding €14 per day to your expense account (*Verpflegungsmehraufwand*).

? Do you attend workshops or go to conferences?

✓ Fees, travel and accommodation are fully tax-deductible.

? Do you get accounting, tax or legal advice?

✓ Deduct the costs of all work-related services.

? Do you have insurance contracts?

✓ Certain insurance products are tax-deductible.

Go to © tinyurl.com/lpszxsy for an overview.

? Would you like to say “thank you” to your students and give them a treat?

✓ 70% of restaurant bills and gifts of up to €50 net are tax-deductible.

? Would you like to save on materials?

✓ Publishers grant a 20%-25% discount on most titles (*Prüfstück*).

Higher discounts and free copies are also offered occasionally when a new title is launched.

? Would you like to simplify your bookkeeping?

✓ Items that do not cost more than €800 net can be deducted in full at once.

? Are you subject to VAT?

- ✓ Extend the deadline for filing and paying by a month. Apply for a **Dauerfristverlängerung** once and then pay an advance called **Sondervorauszahlung** by 10 February every year.

? Have you paid for home repairs?

- ✓ Pay by bank transfer, save the receipt and include costs of up to **€6,000** (excluding materials) in your tax return. 20% (i.e. **€1,200** max.) will be deducted from your tax bill (**Handwerkerleistungen**).

? Have you moved for business reasons?

- ✓ Deduct the costs – and if you moved for personal reasons, treat them as **haushaltsnahe Dienstleistungen** and include costs of up to **€20,000** in your tax return, 20% of which (i.e. **€4,000** max.) will be deducted from your tax bill (also applies to cleaning, gardening and caretaking services).

? Would you like to network?

- ✓ Join a teachers' organization, e.g. a local ELTA or IATEFL, attend workshops and conferences, and perhaps attend a training event organized by *Trainertreffen Deutschland* (trainertreffen.de) which also serves non-language trainers and coaches.



Appendix

Freelance teaching contract template and fee agreement

These are short but contain the essentials. The contract template is for an indefinite period with four weeks' notice and a 48-hour late cancellation clause.

Should you need it for a fixed term, change clause 5 as appropriate.

The notice period should still be short in this case, i.e. not exceed one month.

You can, of course, also adapt the definition of a late cancellation (clause 4) and include travel in clause 3 if your client pays it separately.

The text contained in clause 6 should be the last clause of any contract.

Honorarvertrag

Zwischen

Frau Jane Public, Hauptstr. 1, 10000 Berlin

- Auftragnehmerin -

und

Herrn Hans Manager, Bahnhofstr. 2, 10001 Berlin

- Auftraggeber -

wird folgende Vereinbarung getroffen:

1. Der Auftraggeber beauftragt die Auftragnehmerin mit der Durchführung eines Englisch-Sprachkurses.
2. Der Kurs findet ab dem 01.07.20xx einmal wöchentlich in der Zeit von 10:00 – 11:30 Uhr in 10001 Berlin, Bahnhofstr. 2, statt.
3. Die Auftragnehmerin erhält für ihre Tätigkeit eine Vergütung von €50,00 netto pro Unterrichtseinheit von 45 Minuten.
4. Sitzungen, die vom Auftraggeber weniger als 48 Stunden vor dem vorgesehenen Termin abgesagt werden, dürfen von der Auftragnehmerin in Rechnung gestellt werden.
5. Der Vertrag wird unbefristet geschlossen, kann aber jederzeit mit einer Frist von vier Wochen zum Monatsende gekündigt werden.
6. Die Unwirksamkeit einzelner Bestimmungen berührt die Wirksamkeit der übrigen nicht.

Berlin, 01.07.20xx

Berlin, 01.07.20xx

Auftragnehmerin

Auftraggeber

Fee Agreement

Ms Jane Public, Hauptstr. 1, 10000 Berlin

- Contractor -

and

Mr Hans Manager, Bahnhofstr. 2, 10001 Berlin

- Client -

agree as follows:

1. Client instructs Contractor to conduct an English language course.
2. The course will take place in 10001 Berlin, Bahnhofstr. 2, once a week from 10.00 – 11.30 am, starting on 1 July 20xx.
3. Contractor will receive a remuneration of €50 net per teaching unit of 45 minutes.
4. Contractor may invoice lessons that Client has cancelled with less than 48 hours' notice before the lessons are scheduled to take place.
5. This contract is entered into for an indefinite period of time. It can be terminated with four weeks' notice, effective from the end of the month.
6. The invalidity of individual provisions will not affect the validity of the rest of the contract.

Berlin, 1 July 20xx

Berlin, 1 July 20xx

Contractor

Client

About the author

Patrick Mustu is a lawyer, language trainer, translator, author and conference speaker based in Düsseldorf. He studied law in Germany and South Africa, and has worked for Amnesty International in London and the United Nations in New York. Patrick runs his own legal practice specializing in business law.

Patrick has been advising freelancers for many years, providing both consulting and litigation services, as well as full-service case handling in English. He has extensive experience in providing targeted language training to law and accounting firms.

Patrick is the author of *English for Tax Professionals* (Cornelsen) and *Kanzleienglisch* (Anwaltverlag), as well as numerous articles.

He may be contacted at [➔ info@mustu.de](mailto:info@mustu.de).

