

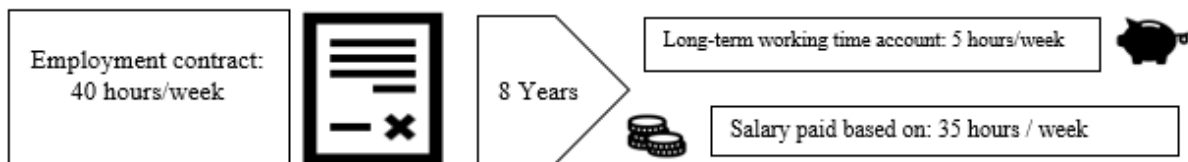
Long-Term and Lifetime Working Time Accounts

What are long-term working time accounts?











Long-term working time accounts, also referred to as **long-term or lifetime working time accounts** (German: *Langzeitkonten* or *Lebensarbeitszeitkonten*) are an instrument used in the public sector that allows employees to accumulate working time or salary components over an extended period in order to later benefit from these accrued “accounts” in the form of leave or financial compensation. Long-term working time accounts are primarily time-based accounts that enable employees to accumulate time credits for a variety of purposes. Administration of these accounts is handled exclusively by the Central Payroll Office in Cottbus. The State of Brandenburg covers the costs associated with establishing, administering, and managing the accounts.

Example:



The legal framework governing the introduction and use of these accounts is established in various statutory provisions and collective bargaining agreements, including: German Social Code IV (SGB IV), Collective Agreement for the Public Sector (TVöD), Collective Agreement for the Public Service of the Federal States (TV-L).

What can long-term working time accounts be used for?

1.  Extended leave before retirement
2.  Early retirement
3.  Improved work-life balance
4.  Temporary reduction of working hours
5.  Sabbaticals
6.  Early transition to part-time employment
7.  Additional vacation days
8.  Continuing education and professional development measures

However, these models must be carefully planned and managed to avoid long-term financial burdens or staffing shortages. The Division of Human Resources and Legal Affairs and the Staff Council are available to provide support.

The option of maintaining a long-term working time account is available to all employees covered by collective bargaining agreements at the University of Potsdam who hold a permanent employment contract.

How do long-term working time accounts work?

A major advantage of long-term working time accounts is that salary increases are reflected proportionally during the savings phase. As a result, the value of the accumulated time credits increases continuously. The accrued balance is generally paid out in the form of leave. Secondary employment is also permitted during periods of leave.

During the savings phase, employees continue working as usual and may contribute overtime hours, unused vacation days, portions of their salary, or a specified number of working hours to their long-term working time account. These accrued hours or amounts can later be used as additional leave or as a financial benefit.

Credits may be accumulated through contributions of:

- a portion of regular weekly working hours
- shift and rotating-shift allowances
- annual special payments, pay-grade allowances, hardship allowances, skilled-worker allowances, and allowances resulting from advance step assignments
- collectively agreed additional vacation days per leave year (upon request), compensatory leave days, foreperson allowances and supplements, and the difference between special regular working hours and the general weekly working hours
- allowances resulting from the temporary assignment of higher-level duties

Important considerations

- maximum savings phase: 8 years
- maximum leave phase: 2 years
- Employees should avoid financial overextension during both the savings and leave phases
- In the event of financial difficulties, employees should contact Human Resources promptly
- The model should be reviewed regularly in light of personal life circumstances

- Social security contributions continue during the leave phase, ensuring uninterrupted social insurance coverage

Employees who begin permanent employment at the University of Potsdam at a younger age may accumulate time credits and take leave multiple times over the course of their employment. However, for example, a savings phase of 32 years followed by 16 years of leave would not be feasible.

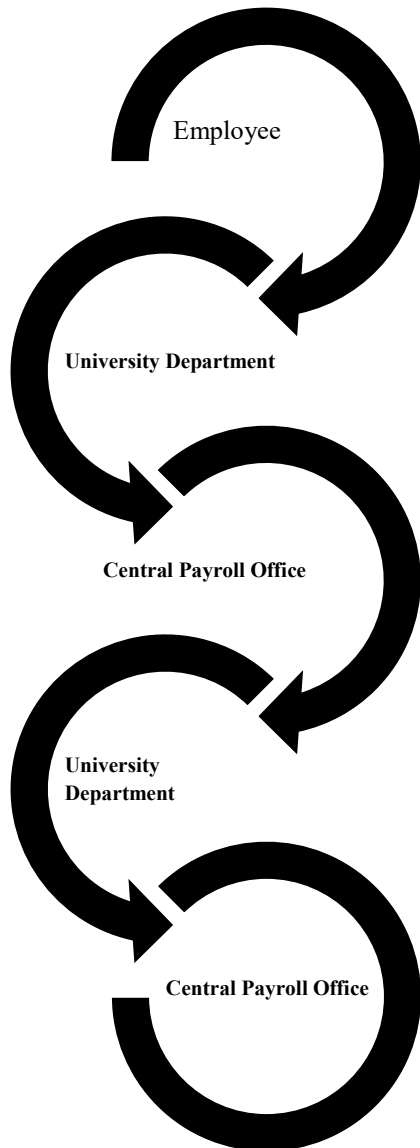
Calculation basis: Social security contributions are generally calculated and paid based on the salary accumulated during the savings phase. This means that the accrued time credits are treated as salary from which social security contributions are deducted.

Employer and employee contributions: Both the employer and the employee continue to pay their respective shares of social security contributions. The employer deducts the employee's share directly from the "salary" paid during the leave phase (i.e., the value of the released time credits).

The earlier employees begin participating, the lower the monthly financial commitment during the savings phase will generally be. Employees should already consider during the application process whether they will require a full-time salary during the leave phase. The lower the amount withdrawn during the leave phase, the longer the leave period can be extended. It is generally recommended to take leave in full-month increments, since compensation is calculated based on calendar days rather than working days.

How to set up a long-term working time account: → Review information on the intranet → Observe the applicable legal regulations → Read the information sheet and complete and submit the application form

Employees must submit the application in writing to the Division of Human Resources no later than three months before the start of the savings phase. The application must specify the start and duration of the savings phase, the duration of the leave phase, and the type and scope of the time contributions or salary components to be converted into credits.



... clarifies the basic framework: When? For how long? For what purpose?
 What is to be saved? To what extent? If applicable, obtains pension information

... reviews the proposal for legal compliance, financial feasibility, and approvability.

... prepares a sample calculation in up to two variants.

... makes any necessary adjustments, reviews approvability, prepares the agreement, and issues amendment documentation if required.

... implements the salary adjustment at the start of the savings phase.

Employee representatives are happy to provide advice on this matter.