

Employee Financial Participation in Germany

*Dr. Heinrich Beyer
AGP – Bundesverband Mitarbeiterbeteiligung*

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1

AGP - German Association for Employee Financial Participation

- is the **independent** national association engaged in promoting all forms of employee financial participation.
- is a **non-profit, membership based** organisation
- is the **centre of a network** of corporations, institutions, associations, entrepreneurs, employee representatives.
- is **partner** of several political institutions and associations.



2

AGP - German Association for Employee Financial Participation

What we do:

- Public Relation: publications, conferences, seminars
- Support our members
- Consulting activities
- Network for information, contacts and presentation
- Lobbying
- International cooperations



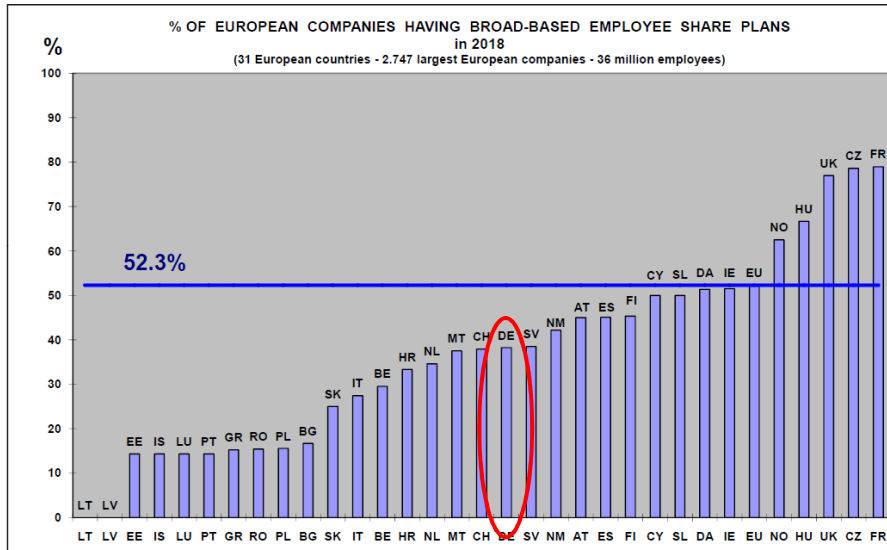
3

Legal Form / Companies / Employees

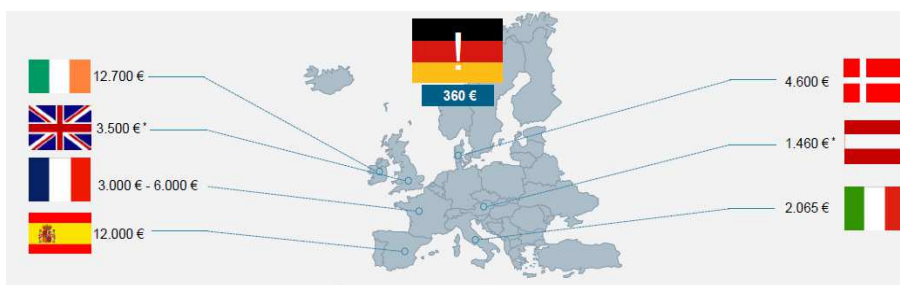
Employee Share Ownership	Large scale corporations / listed companies / stock-companies (SA/AG)	1.2 Mio. employees 700 companies
Non-Stock-Programs Silent Partnership Capital Dividend Certificates	SMEs / LLCs / family owned companies (FOCs)	1.0 Mio. employees 3.200 companies
TOTAL		2.2 Mio. employees 3.900 companies

4

EFES Study 2018 – EFP in Germany and Europe



Fiscal incentives in Germany and Europe



“Fiscal incentives are indispensable prerequisites for any policy truly aiming the development of employee share ownership”.

EFES Study 2014

EFP in Germany – two different worlds ...

large scale corporations / joint-stock (listed) companies	“Mittelstand”: family owned companies / SMEs / LLCs
company shares options	1. silent partnership / 2. dividend certificates / participation rights capital
with / without voting rights	without voting and decision rights
employees become owners equity	employees become creditors debt / equity
participation at company value dividend	savings plan (high) performance-based interest
fungible / sale at stock exchange	setting time / termination / payment by the company

7

A Savings Plan

Contribution Employee	Contribution Employer (§ 3,39 EStG)	Capital	Relation
360 €	360 €	720 €	100 %
720 €	360 €	1.080 €	50 %
1.080 €	360 €	1.440 €	33 %
1.440 €	360 €	1.800 €	25 %

Interest Table

Ebit-Margin %	Flexibel Interest %
>= 20,00	10,0
15,00-19,99	8,0
10,00-14,99	7,0
8,00-9,99	6,0
6,00-7,99	5,0
4,00-5,99	4,0
2,00-3,99	3,0
1,00-1,99	1,0
0,00-0,99	0,0

9

EFP – Return

Contribution Employee	Average Return 3,5 % Interest	Average Return 7 % Interest
360 €	27,0 %	34,0 %
720 €	15,2 %	20,5 %
1.080 €	11,3 %	16,0 %
1.440 €	9,4 %	13,7 %

duration 5 years / average return per year / incl. contribution of employer 360 €

10



11

Employee participation is a powerful tool and in my opinion highly underestimated in Germany.

Thomas Strehlow / Oraylis

First offer in 2019
76 % participation rate

