



Obligation to pay social security contributions when engaging foreign artists

The Artists' Social Security Act (Künstlersozialversicherungsgesetz, KSVG) offers pension, health and nursing care insurance for self-employed artists and journalists (hereinafter artists). Just like regular employees, self-employed artists pay only about half of the insurance premiums; the remaining half is paid by the Artists Social Security Fund (Künstlersozialkasse, KSK). The KSK receives a federal grant to cover the funds required for this. In addition, it collects the artists' social security contributions from companies that use and commercialise artistic and journalistic services (users).

The artists' social security contributions are also levied for payments to artists who are self-employed, but cannot be insured under the KSVG. These include, for example, people who have their permanent place of residence abroad. The artist's personal compulsory insurance at home or abroad is irrelevant to the collection of artists' social security contributions. The artists' social security contributions are imposed as a levy irrespective of the persons involved.

For more information on the obligation to pay contributions, the amount and the calculation of the artists' social security contributions, please see our White paper no. 1 or our Brief guide to artists' social security contributions.

However, artists' social security contributions are not levied on fees paid to foreign artists if the artist is not working on a self-employed basis for a domestic user, but is employed directly. Direct employment is assumed if

- The user pays the entire social security contributions for the artist to a German collecting agency (health insurance company) or
- The artist/journalist originates from an EEA country, an EU member state or Switzerland and can submit an **A1 certificate** to the user for the activities, in which it is confirmed that the artist is rendering his/her services for the user on the basis of a direct employment relationship. (Note: The A1 certificate is a document issued by the competent foreign liaison office regarding the applicable legal requirements.)

Self-employment is generally assumed in all other cases and the user is required to pay artists' social security contributions.

The certificates issued by the liaison offices or social security institutions **of other states**, according to which the artists remain subject to the legislation of those states during their performances in German, are generally not accepted as proof of dependent employment and therefore do not usually prevent the artists' social security contributions from being levied. A corresponding certificate from the US Social Security Administration, for example, is not acceptable as proof of dependent employment.

Further information about social security for foreign employees and the A1 certificate is available on the home page of the German Liaison Office for Health Insurance (Deutsche Verbindungsstelle Krankenversicherung-Ausland, www.dvka.de).

Further information on the artists' social security contributions and the registration forms are available on the home page of the Artists' Social Security Fund (Künstlersozialkasse, www.kuenstlersozialkasse.de) in the download area for companies and users.

Your Künstlersozialkasse – The Artists' Social Security Fund