

# Policy Profile for Compensating Family Caregivers

Janice M. Keefe, Ph.D.  
Mount Saint Vincent University

## Germany



October 2004

*A project of the "Hidden Costs/Invisible Contributions:  
The Marginalization of 'Dependent' Adults" research program.*



### Introduction and Overview

'Hidden Costs/Invisible Contributions: The Marginalization of "Dependent" Adults' (HCIC) is an international, collaborative program of research designed to create a deeper understanding of the place of those characterized as "dependent" in society, specifically, older adults and those persons with disabilities or chronic illness.

The research is divided into four Themes. Theme 3 – Impact of Public Policy on Costs and Contributions – includes a critical examination of national level policies and programs aimed at financially compensating caregivers of dependent adults in ten countries. Policy Profiles have been developed for Australia, Canada, France, Germany, Israel, Netherlands, Norway, Sweden, United Kingdom, and the United States.

These Policy Profiles describe national level direct compensation (e.g. allowances) and indirect compensation (e.g. tax relief) policies for family caregivers. National labour policies that support employed caregivers are also included. Information presented is the result of a systematic review of articles, reports, and websites. The Profiles were reviewed by decision makers and researchers familiar with the country's public policy.

This Profile describes national level policies and programs that offer compensation for family caregivers in Germany, and summarizes the social policy context for supporting family caregivers.

### Home Care in Germany

Germany is a democratic, federal state, divided into 16 states, with German as the official language. Germany has a population of 82 million.

In 1995, Germany adopted a mandatory Long-term Care Insurance (LTCI) system in order to address the financial burden of those needing care due to disability and illness. Under the LTCI system, persons with disabilities are entitled to the same benefits as the elderly. Home care, known as domiciliary care, falls under the LTCI program. Users can receive care through professionals or through unrestricted payments that may be used to pay family members providing care. In addition to payments from care receivers, informal caregivers are supported through services such as respite care, training and education, and through contributions to state pension and statutory accident insurance. Under the Long-term Care Insurance program, caregivers are able to register for a new employment category of "Informal Caregiver", which provides additional rights and recognition for the work done by these caregivers.



### Highlights

- % 65 years and older – 18% (2003)
- % of 65+ institutionalized – 6.8% (1998)
- % of disabled persons – not available
- % of women in labour force – 42% (2000)
- % of people requiring daily care – 4.7% (2000)
- % gdp for long term care - 0.82% (1992-95)

### Caregiver Highlights

A 2003 study reports:

- 11% of main family caregivers in private homes were 39 years old or younger, 54% were 40-64, and 33% were 65 years old or older.
- women perform 73% of all care tasks.



# National Compensation Initiatives for Caregivers

## Direct Compensation

Initiative	<b>Home Care/Domiciliary Care Benefit</b>
Target Group	<ul style="list-style-type: none"> <li>• Care receivers who require daily care and receive care from a relative.</li> </ul>
Eligibility Criteria	<ul style="list-style-type: none"> <li>• Three care level classifications based on the amount of time needed for care provision: Care Level 1 – An average of at least 90 minutes of care needed everyday of the week for basic care and help with household chores, of which at least 45 minutes is used to provide basic care.</li> <li>• Care Level 2 – An average of at least 3 hours of care needed everyday of the week for basic care and help with household chores, of which at least 2 hours is used to provide basic care.</li> <li>• Care Level 3 – An average of at least 5 hours of care needed everyday of the week for basic care and help with household chores, of which at least 4 hours is used to provide basic care.</li> </ul>
Income Tested	<ul style="list-style-type: none"> <li>• No.</li> </ul>
Entitlement	<ul style="list-style-type: none"> <li>• Care Level 1 - 205 € per month (\$318 CAD).</li> <li>• Care Level 2 - 410 € per month (\$637 CAD).</li> <li>• Care Level 3 - 665 € per month (\$1033 CAD).</li> <li>• Benefit can be used to pay an informal caregiver, but use of funds is not regulated.</li> <li>• Care receiver does not need to prove whether or how it was spent.</li> <li>• Care receiver is visited every 3 to 6 months by a nurse employed the Long-term Care Insurance program to assess the quality of care being given and provide support to the caregiver.</li> </ul>

Initiative	<b>Stand-In Care/Respite</b>
Target Group	<ul style="list-style-type: none"> <li>• Care receivers who receive Home Care/ Domiciliary Care Benefit to pay a caregiver and may require a short-term substitute caregiver.</li> </ul>
Eligibility Criteria	<ul style="list-style-type: none"> <li>• Regular caregiver must have provided care for a period of at least 12 months prior to the beginning of the respite period.</li> <li>• Three care level classifications based on the amount of time needed for care provision as described above.</li> </ul>
Income Tested	<ul style="list-style-type: none"> <li>• No.</li> </ul>
Entitlement	<ul style="list-style-type: none"> <li>• If the stand-in caregiver is a close relative, LTCI will pay the same rates as paid under the Home Care/Domiciliary Care Benefit. See above.</li> <li>• This amount can be increased up to 1 432 € (\$2,225 CAD) to cover any documented necessary costs incurred by the stand-in close relative caregiver.</li> <li>• If the stand-in caregiver is not a close relative, payment is up to 1 432 € per month (\$2,225 CAD).</li> </ul>



# National Compensation Initiatives for Caregivers

## Indirect Compensation

Initiative	<b>Pension Insurance (provided within Long-term Care Insurance program)</b>
Target Group	<ul style="list-style-type: none"><li>• Caregivers who provide unpaid care in the care receiver's home.</li></ul>
Eligibility Criteria	<ul style="list-style-type: none"><li>• Caregiver must provide at least 14 hours of unpaid home care a week.</li><li>• Caregiver must be employed less than 30 hours a week.</li></ul>
Entitlement	<ul style="list-style-type: none"><li>• Long-term Care Insurance fund pays contributions toward the caregivers statutory pension insurance.</li><li>• Level of pension contribution contingent upon level of dependency of the care receiver and the amount of time spent caring.</li><li>• For 2004, the maximum contribution amount was 376 € per month (\$584 CAD).</li></ul>

Initiative	<b>Tax Benefit</b>
Target Group	<ul style="list-style-type: none"><li>• Family caregivers.</li></ul>
Eligibility Criteria	<ul style="list-style-type: none"><li>• When financial burden of caregiving exceeds a certain percentage of disposable income.</li></ul>
Entitlement	<ul style="list-style-type: none"><li>• Information not available.</li></ul>



## Current Issues and Debates

The Long-term Care Insurance program provides care receivers with either in-kind benefits or a cash allowance. The amount of cash allowance is significantly less than the value of in-kind benefits offered at each care level. A combination of in-kind benefits and cash is also available. Since the beginning of the LTCI program, the cash allowance option has always been more popular, though there has been a slow increase in the number of care receivers choosing to have at least some in-kind benefits. In 2002, the ratio of applicants choosing cash to in-kind benefits was approximately 80:20. While it is generally believed that the cash allowance is at least partially paid to the family caregiver, there is no evidence of how it is used or how it helps sustain caregiving.

Concerns have been raised about the ability of the LTCI program to survive demographic change. The population of those aged 65 and over is predicted to reach 20% of the total population by 2015 and exceed 25% by 2030. There is also concern about the ability of the program to remain meaningful as benefits have not been increased since the scheme began. The result has been an increasing gap between benefits and needs. There has been ongoing evaluation and discussion among German political parties about the future of the Long-term Care Insurance Program.

### For more information contact:

Janice Keefe, Ph.D.  
Associate Professor &  
Canada Research Chair in Aging and Caregiving Policy  
Mount Saint Vincent University  
Halifax, NS B3M 2J6 [janice.keefe@msvu.ca](mailto:janice.keefe@msvu.ca)

### For additional information on the HCIC project, please visit

<http://www.hecol.ualberta.ca/rapp/mcric.htm>

*Thank you to the HCIC team members and external reviewers for their input and for the contribution of research staff - Jennifer Colepauagh, Pamela Fancey, Beth Rajnovich, and Sheri White.*

## Bibliography

### Publications

- Brodsky, J., Habib, J., & Mizrahi, I. (2000). Long-term care laws in five developed countries: A review. World Health Organization. Jerusalem: JDC, Brookdale Institute of Gerontology & Human Development.
- Evers, A. (n.d.). The New Long Term Care Insurance Program in Germany.
- Jenson, J., & Jacobzone, S. (2000). Care allowances for the frail elderly and their impact on women care-givers. Labour Market and Social Policy, No. 41. OECD.
- Keefe, J.M., & Fancey, P.J. (1998). Financial compensation versus community supports: An analysis of the effects on caregivers and care receivers. Final Report.
- Meyer, M. (2004). Services for supporting family carers of elderly people in Europe: Characteristics, coverage and usage. National Background report for Germany. EUROFAMCARE. Retrieved September 14, 2004 from [www.uke.uni-hamburg.de/institute/medizinsoziologie/ims2/gerontologie/eurofamcare/presentations.html](http://www.uke.uni-hamburg.de/institute/medizinsoziologie/ims2/gerontologie/eurofamcare/presentations.html).
- Montgomery, A., & Friss Feinberg, L. (2003). The road to recognition: International review of public policies to support family and informal caregiving. Policy Brief. Family Caregiver Alliance - National Center on Caregiving.
- Vollmer, R. (2000). Long-Term Care Insurance in Germany. Revised paper given at the European Seminar on Dependency: A New Challenge for Social Protection, Porto, May 11 to 14, 2000. Retrieved on October 5, 2004 from [www.socialeurope.com/onfile/country\\_profiles/Pflegeversich\\_df.htm](http://www.socialeurope.com/onfile/country_profiles/Pflegeversich_df.htm).
- Wilbers, J. (n.d.). Long-term care insurance in Germany. International Longevity Center, New York.

### Websites

- Federal Statistical Office Germany, [www.destatis.de](http://www.destatis.de)
- Federal Ministry of Health and Social Security, Government of Germany, [www.bmgs.bund.de](http://www.bmgs.bund.de)
- International Reform Monitor, [www.reformmonitor.com](http://www.reformmonitor.com)
- National Alliance for Caregiving, [www.caregiving.org](http://www.caregiving.org)
- US Senate Special Committee on Aging, [aging.senate.gov](http://aging.senate.gov)
- The World Bank Group, [devdata.worldbank.org/genderstats/home.asp](http://devdata.worldbank.org/genderstats/home.asp)
- World Fact Book, [www.cia.gov/cia/publications/factbook](http://www.cia.gov/cia/publications/factbook)
- World Health Organization, [www.who.int](http://www.who.int)

### Personal Communications

Glendinning, C., *Social Policy Research Unit, University of York*

*The author accepts full responsibility for any errors or omissions in the information presented in this profile.*