

Comments by the Allianz der Freien Künste

## **Appeals to the legislative authority for effective support for persons insured with the KSK during the COVID-19 crisis**

Berlin, 10 March 2021

### **Problems posed by the additional income limit for non-artistic self-employed side jobs**

In the midst of the COVID-19 pandemic, freelance artists, through no fault of their own, are finding themselves unable to earn an adequate living from their main artistic profession due to the severe professional restrictions associated with COVID-19 protective measures. In order to secure their livelihoods, artists are being increasingly forced to temporarily pursue non-artistic side jobs.

Experience has shown self-employed side jobs are particularly suitable for artists, especially during the COVID-19 crisis but also in general. This is because they offer flexible hours and can be planned and carried out at short notice while allowing artists to continue their artistic work.

KSK-insured artists who earn more than 450 euros per month (or 5400 euros per year) from non-artistic self-employed side jobs are encountering the following problems:

- If their additional income from non-artistic *self-employed* side jobs exceeds the additional income limit of 450 euros per month (or 5400 euros per year), they lose their health and long-term care insurance protection via the KSK. This coverage, which is enshrined in the Artists' Social Insurance Act (KSVG) and subsidized by half, is lost even if the greater part of their income is achieved through artistic self-employed activity.
- The corresponding premiums must then be paid in full by the artists themselves for their *entire* income (from artistic *and* non-artistic work) – even if the main activity and income is of an artistic nature.

This problem does not arise in the case of income from a side job that is *subject to social security contributions*. In this case, only the principal artistic income is subject to contributions – and these are subsidized by the KSK. Even if the additional monthly income exceeds 450 euros (or 5400 euros per year), this income has no effect on the compulsory KSK membership (health and long-term care insurance) up to a threshold of 3,350 or 3,550 euros, depending on where the artist lives (eastern Germany or western Germany).

By way of comparison: for regular employees (hauptberufliche „sozialversicherungspflichtige Tätigkeit“), the income from a self-employed side job remains exempt from health and long-term care insurance contributions, if the focus of the activity or earnings is on income connected to the principal job as an employee.

By suspending the additional income limit for non-artistic self-employed side jobs, the legislative authority could offer particularly effective support in the current crisis, in line with the protection of artists as enshrined in the KSVG.

**Equal treatment:** In theory, (temporarily) waiving or increasing the additional income limit during the COVID-19 pandemic would expand the "unequal treatment" of persons insured with the KSK and self-employed persons who work in non-artistic sectors and cannot enjoy the advantages offered by the KSK. However, when weighing up the legal interests, the significantly greater benefits of temporarily increasing or waiving the existing additional income limit during the COVID-19 pandemic for society cannot be dismissed. Significantly fewer artists would have to rely on social security benefits such as the basic income support payment. Many of them could survive the crisis on their own without endangering their artistic livelihoods.

Contrary to the situation when receiving unemployment benefits (Hartz IV), there would be no restrictions on artists' ability to earn additional income (registration requirements, review of communities of dependence, severely restricted ability to earn additional income, lack of economic freedom of movement, additional bureaucratic effort, etc.).

1. **The Allianz der Freien Künste calls on the legislative authority to suspend or significantly raise the limits on supplemental non-artistic earnings for the duration of the pandemic and for a transitional phase lasting until at least the end of 2022. The additional income limit applied could, for example, be based on the seizure exemption limit stipulated in the Code of Civil Procedure (ZPO) – (1,180 euros x 12 = 14,160 euros).**

Similar appeals have already been raised by ver.di, the German Cultural Council, the German Music Council and various other associations.

2. **As long as the additional income limit for non-artistic self-employed side jobs maintains its *current* form, the question of whether the consideration of a monthly limit (currently 450 euros per month) or an annual limit (currently 12 x 450 euros = 5,400 euros per year) is authoritative is decisive for KSK members. The Allianz der Freien Künste demands that it be permissible to calculate the additional income limit for the entire year in any case. This would allow insured persons to take full advantage of any additional income opportunities – in general and especially during the crisis.**

## **COVID-19-related income losses promote poverty among freelance artists in old age**

Persons insured through the KSK are losing important retirement credits due to a reduction in their income during the COVID-19 crisis through no fault of their own. Among other things, this has serious implications for access to basic retirement benefits (Grundrente). For many artists, access to basic retirement benefits (Grundrente) is already difficult due to their comparatively low income, regardless of COVID-19.

3. **The Allianz der Freien Künste calls on the legislative authority to mitigate the long-term effects of the COVID-19 pandemic on social security benefits for artists in old age as quickly as possible by making appropriate improvements with regard to their access to basic retirement benefits (Grundrente). Regardless of the COVID-19 situation, access to basic retirement benefits must be made possible for full-time artists with below-average incomes.**

## **Stabilization of the KSK system during the COVID-19 crisis**

4. **To stabilize the KSK system, a relief grant from the federal government must also be provided in 2021 in order to compensate for coronavirus-related shortfalls in KSK revenue and to ensure that the charges for users (Verwerter) remain stable.**