

THREE THINGS YOU CAN TAKE ACTION ON NOW

1 Take a look at your bank account

To better support parents, the German government has decided to provide a one-off bonus payment of €300 per child. The first instalment of €200 per child was disbursed in September. The second instalment of €100 per child was disbursed in October. This bonus payment is provided for each child whose parents are, or were, entitled to receive child benefit for a minimum period of one month in 2020.

In general, no application needs to be submitted for it. Rather, it is usually disbursed automatically by the responsible family benefits agency. Only in exceptional cases will you need to contact your family benefits agency to receive a bonus payment for your child/children. If you have a newborn for whom no child benefit or bonus payment has been determined or disbursed yet, all you need to do is submit a child benefit application. To do so, please submit an application in writing to the Federal Employment Agency's local family benefits agency. For further information, please click [here](#).

The bonus payment for parents will not be offset against existing social benefits, and specifically helps low- and middle-income families.

2 Take advantage of tax assistance

The Covid-19 pandemic places a particularly heavy burden on single parents. We are taking account of this burden by increasing the tax relief for wages and income tax for single parents. While the annual tax allowance is ordinarily €1,908, it has now been upped to €4,008 for 2020 and 2021. With every additional child, the tax allowance increases by an annual amount of €240 per child. This top-up amount will remain unchanged.

In general, the tax office automatically factors in the increased tax allowance for single parents in 2020 and 2021 when collecting wages tax. Furthermore, the tax office will, for the first time, enter the tax allowance into ELStAM (Elektronische Lohn-Steuerabzugsmerkmale, or electronic parameters for withholding wages tax) and add it to the existing allowance.

Only in exceptional cases do taxpayers have to submit an application to their local tax office. The allowance is then factored into ELStAM and wages tax calculations.

Please contact your local tax office if you need further information on this matter.

If no allowance was taken into account when wages tax was withheld, the allowance is factored in with the income tax assessment. In this case, you will need to file an application with your tax returns for 2020 and 2021.

Where parents alternate in taking care of a child, the tax allowance for single parents goes to the parent with whom the child resides according to the residents' register. If the child is registered as residing with both parents, the tax allowance goes to the parent who receives child benefit for the child. The tax allowance for single parents is granted to only one parent.

3 Apply for a child supplement

Low-income families can benefit from further support in the form of a monthly child supplement (Kinderzuschlag, or KiZ) of up to €185 per child. The payment of a KiZ depends on several factors such as the parents' income, their housing costs, the size of the family and the children's age. For example, a family with two children and total rent totalling €1,000 would be eligible for KiZ if the parents' joint gross income ranges between €1,600 and €3,300. KiZ recipients are also exempt from child daycare fees and can apply for additional benefits for education and participation in public life.

As of 1 October 2020, KiZ is once again calculated on the basis of average income in the preceding six months. Due to the Covid-19 pandemic, there was a provisional system by which it was sufficient to provide proof of income from the month preceding the application. This provisional system expired on 30 September.

To find out whether you are eligible for KiZ, you can consult the guide ("KiZ Lotse") provided by the family benefits agency. [You can apply for KiZ online](#).



Federal Ministry
of Finance