

The following is agreed between the business _____ (the employer) and
_____ (the employee).

1. Balance of the overtime account

On the reference date _____ the overtime account shows a balance of _____ hours. Both parties confirm this balance as correct.

2. How the overtime is reduced

- ☐ Time off in lieu: _____ hours are balanced out by paid time off.
- ☐ Payout: _____ hours are paid at € _____ per hour, premium _____ per cent.
- ☐ Combination: _____ hours of time off, _____ hours paid out.

3. Period

The time off in lieu is taken by _____ at the latest. The days off are agreed at least _____ days in advance. Urgent operational needs may require a change; in that case a new date is agreed without delay.

4. Payout

The payout is made with the payroll for the month of _____. It is subject to income tax and social insurance contributions.

5. Effect

Once balanced out in full under clause 2, the overtime existing on the reference date is settled. Extra work arising later is not affected.

Note: in Germany there is no statutory right to an overtime premium; it follows from a collective agreement, a works agreement, the employment contract or established company practice. Where there is a works council, its co-determination right under section 87 (1) nos. 2 and 3 BetrVG applies to the scheduling of working time and the balancing period. This template is not legal advice. This English version is provided for convenience. German law applies, and the statutes cited are German law. Where a German version is signed as well, the German version prevails.

Place, date, employer signature

Place, date, employee signature