

February 2025

## Modifications in Labor Law through the Fourth Bureaucracy Relief Act ("BEG IV")

Dear Reader,

Today we would like to inform you about the effects of the Fourth Bureaucracy Relief Act ("BEG IV") for employers.

### I. Background

On 1 January 2025, key parts of BEG IV came into force, which are intended in particular to make the framework conditions for the establishment and implementation of employment relationships more flexible.

### II Working Conditions in Text Form

According to the previous version of the Evidence Act of 2022 ("NachwG"), employers were legally obliged to provide evidence of the essential terms and conditions of employment in writing ("wet ink") - as part of the employment contract or in a separate document.

Since 1 January 2025, essential terms and conditions of employment may be drawn up in text form and transmitted to employees electronically and thus verified. However, the prerequisite for this is that the respective document is made accessible to the employee and can be saved and printed by them. In addition, the employer must have asked the employee to confirm receipt.

However, even under the new law, an employee can still demand to be provided with the essential terms and conditions of employment in writing (Section 2 (1) sentence 3 NachwG new version). The employer must comply with such a request immediately - i.e. within 7 days - even if it has

previously provided a summary in text form.

### III Exceptions

This formal simplification does not apply to so-called hazardous industries, which are listed in Section 2 (1) of the Act to Combat Clandestine Employment. In the construction, catering and accommodation sectors, in the freight forwarding, transport and logistics sector and in the meat industry, for example, proof of the essential working conditions is still required in writing.

In addition, the written form requirement for fixed-term agreements under Section 14 (4) of the Part-Time and Fixed-Term Employment Act ("TzBfG") remains unaffected by the new flexibilization. As the agreement of a fixed term still requires the written form to be effective, in practice this means that fixed-term employment contracts will continue to be concluded in writing in the future.

Furthermore, post-contractual non-competition clauses within the meaning of Section 74 of the German Commercial Code (HGB) continue to be subject to the written form requirement, meaning that corresponding employment contracts will also be drawn up in writing in future.

**Interim Conclusion:** Due to the previously described extensive exceptions to the formal simplification by the BEG IV, we still recommend that employment contracts continue to be concluded in writing in the future. This form can be "subsequently drawn up" if the employee is on site at the employer's premises - at the latest upon commencement of work - after the employment



**February 2025**

contract has previously been effectively concluded electronically.

#### **IV. Electronic Reference Letters**

Previously, employment reference letters had to be issued in writing in accordance with Section 109 (3) of the old version of the Trade Regulation Act ("GewO").

BEG IV enables employers to issue an employment reference in electronic form in accordance with Section 126a BGB with the consent of the respective employee. This means that employment references can now be issued digitally using a qualified electronic signature ("qeS").

However, if the employee concerned does not consent, the previous written certificate remains in place.

As setting up and maintaining electronic signatures is time-consuming and cost-intensive this option is unlikely to be of great practical importance - yet. It can be assumed that most employment references will continue to be issued in writing after 1 January 2025.

#### **V. Omission of Notice Obligations**

Previously, employers had to display a physical copy of the Working Hours Act ("ArbZG") and the Youth Employment Protection Act ("JArbSchG") in the company. With BEG IV, this obligation no longer applies. Instead, the legal texts can be made available to employees in accordance with Section 16 (1) ArbZG (new version) and Sections 47, 48 JArbSchG (new version) using "standard company information and communication technology". This means that publication on a company's intranet, for example, would generally be

sufficient, provided that all employees have unhindered access to the information.

#### **VI. Electronic Payroll Accounting**

Finally, the Federal Labour Court has just further promoted digitalization by clarifying in its ruling of 28.01.2025 (9 AZR 48/24) that employers can fulfil their obligation to provide payroll accounting in text form by posting the payroll accounting as an electronic document for retrieval in a password-protected digital employee mailbox.

#### **VII. Outlook**

The formal simplifications associated with BEG IV are a practical step towards the digitalization and flexibilization of employment relationships.

Due to the many years of practice to date and the large number of exceptions, however, it is to be expected that the majority of employers and employees will - at least for the time being - continue to adhere to the written or physical documentation of employment relationships.

Feel free to contact us! Our employment law team will be happy to answer any questions you may have on the subject of digitalization and flexibilization of employment relationships.

#### **Your employment law team**



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