



**DEPARTMENT OF THE ARMY**  
**UNITED STATES ARMY, EUROPE, and SEVENTH ARMY**  
**UNIT 29351**  
**APO AE 09014-9351**

REPLY TO  
ATTENTION OF:

AEAGA-CL

28 DEC 2004

CPD Policy Memorandum LN-GE-LAB 2

**SUBJECT: Compensation of Full-Time Released Local National (LN) Works Council Members**

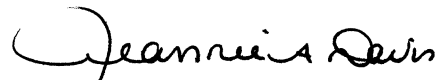
1. Reference Annex C, USAREUR Regulation 690-61, Labor-Management Relations – Local National (LN) Employees in Germany, 24 Apr 2000 (German Personnel Representation Law (modified Version)).
2. Purpose: To establish policy on compensation of LN employees who are released from regular duties for full-time performance of works council functions under the provisions of reference above, and based on prevailing case law established by the German Federal Labor Court.
3. Policy:
  - a. The period of time that a works council member is fully released from regular duties is not considered absence in the meaning of Article 17, Collective Tariff Agreement (CTA II). Hence, Article 17, CTA II, may not be applied in the computation of earnings of a full-time released works council member.
  - b. Sentence 1, paragraph 2, section 46, reference above, stipulates that the release of an employee for full-time performance of works council functions shall not result in loss of pay for the duration of the full-time release. Since this regulation does not specify how these earnings are to be computed and merely requires that no employee may be discriminated against for performing works council functions (section 8, reference above), we must refer to sections 37 and 38 of the Industrial Constitution Law, which are required to be applied analogously to full-time released works council members, in the absence of any other legal provision. In accordance with these sections, the earnings of full-time released works council members may not be lower than the earnings of comparable employees.
  - c. Based on prevailing case law, the controlling factor in the computation of earnings of a full-time released works council member is the basic remuneration the works council member received prior to the release. This also holds true for pay supplements of any kind. However, no allowance will be made for overtime hours if the works council member performed overtime only to a negligible extent prior to the full-time release.
  - d. During periods of full-time release, works council members must be paid monthly flat rates instead of hourly supplements or allowances in accordance with Article 16, paragraph 5, CTA II. The amount of a monthly flat rate must correspond to the average of the amount paid to the works council member for pay supplements and allowances during the preceding calendar year.

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e. Every twelve months, the amount of a monthly flat rate paid to full-time released works council members must be verified to ensure its continued compliance with law. This will be accomplished by comparing the monthly flat rate with the average amount of supplements and allowances paid to comparable employees in the same organization during the preceding calendar year. Depending on the results of the comparison, the monthly flat rate of the full-time released works council member will be increased or decreased as appropriate.

4. HQ USAREUR/7A POC is Mr. Wolfgang Trum, 375-2522, fax 375-2511, e-mail [wolfgang.trum@us.army.mil](mailto:wolfgang.trum@us.army.mil).



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