

## Government Decree 315/2010 (XII. 27.)

## **On the National Employment Service**

Acting within its original legislative competence pursuant to Article 35(2) of the Constitution and within its remit pursuant to Article 40(2) of the Constitution;

Being mandated pursuant to Points *b*)-*d*), Article 21 of Act CXXVI of 2010 on metropolitan and county-level government offices and legislative amendments pertaining to the establishment of metropolitan and county-level government offices and to territorial integration;

Being mandated pursuant to Article 47(1) of Act IV of 1991 on job assistance and unemployment benefits (hereinafter: Job Assistance Act, JAA);

Being mandated, in respect of Article 8(2), pursuant to Article 75(3) of Act XLIII of 2010 on central administrative agencies and the legal status of the members of the Government and junior ministers; and

Acting within its remit pursuant to Point b), Article 35(1) of the Constitution;

The Government orders the following:

#### 1. Designation of the Employment Agency

**1.** § (1) The organisational system of the National Employment Service shall be comprised of the Employment Office and the Labour Centres.

(2) The Government shall designate the Employment Office and the Labour Centre as public employment agencies.

(3) The Labour Centres shall function as professional administrative agencies with special responsibility for labour affairs of the metropolitan and county-level government offices.

(4) Unless otherwise provided by a government decree, the branch offices of the Labour Centres shall, within their priority competence and jurisdiction, proceed at first instance in administrative and regulatory matters falling within the remit of the public employment agency. The Government shall designate the Labour Centre in charge of all tasks of the public employment agency which are not assigned to other agencies by a government decree.

## 2. Rules of Governance

**2.** § (1) The Employment Office shall be governed by the Minister responsible for employment policy (hereinafter: Minister).

(2) In respect of Labour Centres, the head of the professional administrative agency assigned to exercise the competences as specified in Article 6(4) and Article 7(2-4) of Act CXXVI of 2010 on metropolitan and county-level government offices and legislative amendments pertaining to the establishment of metropolitan and county-level government offices and to territorial integration (hereinafter: Government Agencies Act, GAA) – also including the competence in accordance with Points h)-i), Article 2(1) of Act XLIII of 2010 on central administrative agencies and the legal status of the members of the Government and junior ministers – shall be the Director General of the Employment Office.

(3) The competence as specified by Article 7(1) of the GAA shall be exercised by the Minister.

(4) The Minister shall



*a*) initiate the development of centralised labour market programmes related to employment and – also taking into consideration the powers of the Governing Board of the Labour Market Fund (hereinafter: LMB) – decide on launching, and monitor the implementation of, central programmes;

*b*) specify requirements in respect of centralised electronic data collection related to the functions of the Employment Office and in respect of providing information and forecasts;

*c)* direct the performance of planning, reporting and accounting tasks linked to the use of the Labour Market Fund (hereinafter: LMF);

*d*) monitor the use by Labour Centres of the decentralised tranche of the LMF's Employment Sub-Fund and the implementation of the Government's employment policy.

## 3. The Employment Office

**3.** § (1) The Employment Office (hereinafter: Office) shall be a separately functioning central budget agency managing its own finances and a legal entity operating as a central authority in charge of implementing tasks related to employment policy and labour affairs.

(2) The Office shall be headed by the Director General over whom the employer's rights shall be exercised by the Minister.

(3) The Office shall be seated in Budapest.

**4.** § (1) Within its employment policy remit, the Office shall

*a)* lay down the principles and main content requirements of the Labour Centres' mandatory internal professional policies;

b) determine professional requirements related to service delivery by the Labour Centres, and coordinate the Labour Centres' tasks linked to outsourcing labour market services and to subsidies available to providers of labour market services, as well as professional tasks in connection with provision for jobseekers and with administering and enhancing employment subsidies;

*c)* design and work out IT and computer systems required for fulfilling regulatory and service delivery functions; operate IT and computer systems administered by the Office; and in doing so develop, test, install and adjust programme systems and issue user guides on the use of programmes;

*d)* help perform administrative and service delivery functions by working out procedures, methodological guidelines and professional recommendations;

e) develop labour market services;

*f*) define the system of data gathering related to the Labour Centres' administrative and service delivery functions; perform efficiency assessments and make forecasts, analyses, statistical summaries and records related to them;

g) make proposals for enhancing the Office's and the Labour Centres' IT system and stock of property;

*h*) performs tasks related to human resources development and professional staff training in the National Employment Service;

*i*) exercise professional oversight over the Labour Centres' regulatory and labour inspection functions;

j) exercise regulatory powers, whereby it shall

- *ja*) fulfil tasks pertaining to the implementation of international agreements on labour exchange and the mutual employment of workers;
- *jb)* adjudicate appeals lodged against the resolutions of the county-level (metropolitan) Labour Centres;
- *k*) collect and interpret data on
  - ka) changes in salaries and wages,
  - kb) the activities of private placement and temporary work agencies,
  - kc) the licensed and documented employment of foreign workers in Hungary,



*l*) perform international tasks, whereby it shall

- la) coordinate the international activities of the Labour Centres,
- lb) promote the fulfilment of tasks arising from ILO and EU membership,
- *lc*) coordinate the fulfilment of the National Employment Service's tasks in relation to the free movement of persons and data gathering for settlement with Member States,
- *ld*) fulfil functions related to operating and enhancing the Hungarian system of the European Employment Services (hereinafter: EURES); monitor the database; and liaise with the organs of EURES;
- *le*) provide information and advice as part of customer service on employment abroad, the EURES system, and particular issues of job search support available abroad and, for foreign nationals, in the territory of the Republic of Hungary;
- *lf*) cooperate with the employment services of member states that are parties to the Agreement on the European Economic Area (hereinafter: EEA states), in particular with regard to the coordination of social security systems and to tasks related to the enforcement of European Union regulations on the implementation thereof;

m) examine practical experience with employment policy and related legislation, and make proposals for legislative amendments;

*n*) contribute to drafting legislation on employment policy;

- *o*) fulfil particular functions, whereby it shall
  - *oa)* draw up a central labour market programme and make proposals for launching labour market programmes;
  - *ob)* govern and coordinate the accomplishment of labour market programmes and implement labour market programmes approved by the LMF;
  - *oc)* comment on draft labour market programmes to be launched by the Labour Centre prior to the Labour Council's decision;

p) fulfil tasks related to information gathering and analysis necessary to lay the basis for initiating the protective measure specified in Annexes 7 and 10 to the international Treaty Concerning the Accession of the Republic of Hungary to the European Union (hereinafter: protective measure);

q) organise, manage and coordinate employment, training and IT programmes financed from the funds of the European Union and other international funds;

*r*) fulfil tasks related to customer service as specified by the Minister;

s) fulfil tasks in connection with keeping statutory records;

t) initiate and conduct labour research projects; and

*u*) coordinate the Labour Centres' activities implemented with funding from the European Union.

(2) The Office shall perform tasks linked to preparations necessary for the engagement of social partners in collective bargaining.

(3) In order to fulfil the functions of the National Employment Service, the Office shall cooperate with

a) partner authorities engaged in regulatory and service delivery activities;

b) organisations representing the interests of employers' and employees;

c) counterpart organisations of other countries fulfilling similar functions and international organisations affecting its activities; and

d) other organisations.

# 4. The Labour Centre

**5.** § (1) The Labour Centre shall consist of *a*) a county-level organisation only, or



 $\overline{b}$ ) a county-level (metropolitan) organisation and branch offices.

(2) The Labour Centres with priority competence and jurisdiction listed in Annex 1 hereto (hereinafter: Labour Centres with priority competence and jurisdiction) shall consist of a county-level (metropolitan) organisation and branch offices. Labour Centres with priority competence and jurisdiction shall have all branch offices located in their jurisdiction under their governance. By contrast, Labour Centres consisting of county-level organisations only shall not have any branch offices under their governance.

(3) The branch office shall be an organisational unit of the Labour Centre with its own scope of tasks and competence. The head of the branch office or his or her administrator having the right of signature shall proceed on behalf of the branch office in administrative procedures.

(4) The head of the Labour Centre or other government officials thereof may not give instructions in administrative procedures at first instance to the head of the branch office or his or her administrator having the right of signature.

**6.** § (1) The county-level (metropolitan) organisation of the Labour Centre with priority competence and jurisdiction shall

*a)* govern and oversee the activities of the Labour Centre's branch offices, and in doing so take part in professional staff training and assist regulatory and service delivery activities by making professional recommendations;

*b)* fulfil tasks related to managing funding from the LMF, and assist with budgeting and with overseeing spending;

*c)* decide on spending the decentralised tranches of the LMF's Employment Sub-Fund and of budget appropriations for public works;

*d*) carry out tasks in connection with subsidies for job creation funded from the centralised portions of the LMF's Employment Sub-Fund and of budget appropriations for public works;

e) exercise, within its non-transferable competence, its powers as authority of first instance in its area of jurisdiction as specified by separate legislation in matters related to

ea) the design and implementation of the labour market programme,

eb) subsidies to providers of labour market services,

ec) wage guarantee subsidies.

*f*) operate the system of support for jobseekers and take care of the professional running of the support and service delivery systems;

g) perform tasks related to the recovery of funding in matters coming within its competence;

*h*) have responsibility for operating software supporting professional work;

*i*) fulfil professional and financial tasks in connection with the use of European Union funds;

j) unless otherwise provided by a government decree, adjudicate at second instance appeals lodged against the resolutions of the branch offices;

k) cooperate with local authorities, national and local minority self governments, and other authorities and organisations in order to fulfil its functions, and, as part thereof, govern and coordinate branch offices in fulfilling their tasks arising from Act III of 1993 on social governance and social benefits;

l) perform secretarial functions for the Labour Council, and

m) carry out tasks in connection with registering and overseeing adult training institutions.

(2) In respect of concluding administrative contracts, the head of the professional administrative agency shall be authorised to enter into contracts.

(3) The county-level (metropolitan) organisation of the Labour Centre shall

*a)* cooperate with local authorities, national and local minority self governments, and other authorities and organisations in order to fulfil its functions. As part thereof, it shall perform tasks related to data provision to the metropolitan and county-level government offices and to individual professional administrative agencies – including monthly data provision necessary for enforcing payment requests



based on EU regulations governing the coordination of social security systems and the implementation thereof;

b) in its area of jurisdiction, fulfil tasks related to information gathering and analysis necessary to lay the basis for initiating the protective measure;

c) draw up the Labour Centre's internal professional policies; and

d) in its area of jurisdiction, fulfil tasks in connection with labour market inspection.

(4) The county-level (metropolitan) organisation of the Labour Centre shall, within its non-transferable competence, exercise its powers as authority of first instance in its area of jurisdiction as specified by separate legislation in matters related to

a) licensing the employment of foreign nationals in Hungary,

b) imposing fines, and

*c*) registration referred to the competence of the Labour Centre.

(5) In respect of private job placement activities, Act LXXVI of 2009 on the general rules of taking up and pursuing service activities designates the county-level (metropolitan) organisation of the Labour Centre as the authority exercising supervision over the service as specified thereby.

7. § The branch office shall

*a)* in its jurisdiction specified by separate legislation, fulfil tasks related to registering jobseekers and to terminating and recovering jobseeker's allowance and jobseeker's benefit, as well as those tasks linked to employment promotion subsidies whose fulfilment does not come within the competence of the Labour Centre's central organisation.

b) perform functions pertaining to the recovery of funding in matters falling within its competence;

c) organise and deliver labour market services;

d) keep records of reported collective dismissals;

*e*) carry out job placement;

*f*) register reported vacancies;

*g*) provide information and counselling;

*h*) carry out customer service activities in relation to the tasks it fulfils;

*i*) contribute to mitigating the adverse impacts of collective dismissals;

*j*) carry out EURES-related information provision tasks;

*k)* initiate labour market programmes; organise their completion; and perform tasks linked to centralised programmes, tendering procedures, and provision of information and comments, as well as making decisions, thereon;

*l*) liaise with employers engaged in the economic life of the county (capital) or micro-region; with local authorities; and with other organisations operating in the county or micro-region; and participate in programmes designed to restructure the economy and increase employment;

m) fulfil functions in relation to EU regulations governing the coordination of social security systems and the implementation thereof; and

n) in order to carry out the functions of the Labour Centre, cooperate with the Labour Centre in whose jurisdiction it is located and, as part thereof, perform tasks related to the provision of data to the Labour Centre.

**8.** § (1) Service delivery tasks shall be carried out by the Labour Centre's branch office designated under separate legislation as "branch office and service delivery centre". In fulfilling service delivery tasks, the branch office and service delivery centre shall

*a)* operate the established institutional network of services and carry out those tasks linked to labour market services which are not performed by the branch office;

b) operate a disability employment working group and participate in the expert board on reduced work capacities, disabilities and social needs as specified under separate legislation;

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*c)* participate in providing disability employment services to people with reduced work capacities.

(2) The head of the branch office and service delivery centre shall be a government official ranked as deputy head of department.

## 5. Closing Provisions

9. § This Decree shall enter into force as of 1 January 2011.

**10.** § (1) The Employment Office – as a central budget organisation – shall come into existence by way of modifying the name of the Employment and Social Office. In respect of fulfilling functions – with the exception of social, child welfare, child protection, disability employment, and disability employment accreditation matters and the tasks of the Mobilitas National Youth Service – the Employment Office shall be the general and universal legal successor of the Employment and Social Office.

(2) The legal successor of the Regional Labour Centre functioning with regional jurisdiction prior to entry into force hereof – and, concurrently with separation, converting into a professional administrative agency by way of integration – shall, pursuant to its Statute, be that metropolitan and county-level government office operating in its previous jurisdiction with which integration takes place in respect of county jurisdictions.

(3) In contrast with Paragraph (2), in respect of tasks and competences and legal relationships linked to the fulfilment of functions by the Labour Centres with priority competence listed in Annex 1, it is that county-level (metropolitan) government office with competence according to the location of its seat listed in Annex 1 which shall, pursuant to its Statute, be considered the legal successor of the Regional Labour Centre.

11. § This Decree shall lay down the provisions necessary for the implementation of

*a)* Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems, and

*b)* Regulation (EC) No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems.

**12.** § (1) The entry into force hereof shall concurrently render null and void Government Decree 291/2006. (XII. 23.) on the Public Employment Service.

(2), Point p) of Article 4(1) and Point b) of Article 6(3) shall cease to be effective as of 30 April 2011.

### Annex 1 to Government Decree 315/2010 (XII. 27.)

#### Labour Centres with Priority Competence and Their Areas of Jurisdiction

1. Metropolitan Labour Centre (Budapest) Budapest Pest County

2. Baranya County Labour Centre (Pécs) Baranya County Somogy County Tolna County



Békés County Labour Centre (Békéscsaba)
Bács-Kiskun County
Békés County
Csongrád County

4. Borsod-Abaúj-Zemplén County Labour Centre (Miskolc) Borsod-Abaúj-Zemplén County Heves County Nógrád County

5. Fejér County Labour Centre (Székesfehérvár) Fejér County Komárom-Esztergom County Veszprém County

6. Szabolcs-Szatmár-Bereg County Labour Centre (Nyíregyháza) Jász-Nagykun-Szolnok County Hajdú-Bihar County Szabolcs-Szatmár-Bereg County

7. Vas County Labour Centre (Szombathely) Vas County Zala County Győr-Moson-Sopron County

# <u>Annex 2 to Government Decree 315/2010 (XII. 27.) on the National Employment</u> <u>Service</u>

Labour Centres with jurisdiction to fulfil tasks in relation to the Regional Development and Training Committees' activities as specified herein:

- 1. Labour Centre of the Metropolitan Government Office (Budapest)
- 2. Labour Centre of the Győr-Moson-Sopron County Government Office (Győr)
- 3. Labour Centre of the Somogy County Government Office (Kaposvár)
- 4. Labour Centre of the Veszprém County Government Office (Veszprém)
- 5. Labour Centre of the Csongrád County Government Office (Szeged)
- 6. Labour Centre of the Borsod-Abaúj-Zemplén County Government Office (Miskolc)
- 7. Labour Centre of the Szabolcs-Szatmár-Bereg County Government Office (Nyíregyháza)



## Amendment to Government Decree 315/2010 (XII. 27.) on the National Employment Service

**291.** § (1) Article 3 of Government Decree 315/2010 (XII. 27.) on the National Employment Service (hereinafter: Government Decree 315/2010 (XII. 27.)) shall enter into force as supplemented by Paragraphs (4)-(5) as follows:

"(4) Within his competence of governance, the Minister shall appoint and dismiss the Deputy Directors General of the Office.

(5) The employer's rights over the Deputy Directors General of the Office shall, with the exception of their appointment and dismissal, be exercised by the Director General of the Office. The employer's rights over the government officials, government administrators and employees shall be exercised by the Director General of the Office."

(2) Article 6(1) of Government Decree 315/2010 (XII. 27.) shall enter into force as supplemented by Point n) as follows:

[*The county-level (metropolitan) organisation of the Labour Centre with priority competence and jurisdiction*] shall

"n) within its area of jurisdiction, carry out tasks related to the Regional Development and Training Committee's functioning; to preparing and implementing its decisions, proposals and position statements; and to spending its operating budget."

(3) Article 6(2) of Government Decree 315/2010 (XII. 27.) shall enter into force with the addition of Point e) as follows:

[The county-level (metropolitan) organisation of the Labour Centre] shall

"e) within its area of jurisdiction, carry out tasks related to the Regional Development and Training Committee's functioning; to preparing and implementing its decisions, proposals and position statements; and to spending its operating budget."

**292.** § Government Decree 315/2010 (XII. 27.) shall enter into force as supplemented by Annex 2 pursuant to Annex 59 hereof.