



LIVING AND WORKING IN HUNGARY

National Employment Office

2011



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GENERAL INFORMATION ON HUNGARY

Full country name ■ Republic of Hungary

Area ■ 93036 sq km

Time Zone ■ GMT+1hr (winter), GMT+2hrs (summer)

Population ■ 10.3 million

Capital City ■ Budapest

People ■ 92% Hungarian, and Roma,
German, Slovak, Romanian.

Language ■ Hungarian

Religion ■ 51.9% Roman Catholic
15.9% Reformed (Calvinist)
3% Evangelical (Lutheran)
2.6% Greek Catholic

Government ■ Parliamentary democracy

Currency ■ Hungarian Forint (HUF)
(1 EUR = 250 HUF)

Major Industries ■ food processing industry
chemical industry (*especially pharmaceutical industry*),
textile industry,
metallurgy,
agriculture,
construction and motor vehicle industry

Major Trading Partners ■ Germany, Austria, Italy, Russia

MOVING TO HUNGARY

■ Movement of goods

The Customs Act (Act CXXVI of 2003) contains provisions harmonised with the regulations of the European Union.

Moveable property imported or forwarded into Hungary by persons living in the European Union may be free of any duties if that property has been obtained through inheritance. There are two exceptions to these rules, livestock and agricultural products if their quantity exceeds the usual family needs. Moveable property imported or forwarded into Hungary by persons living outside the Community and furnishing a second home in Hungary may be free of any duties. The property must be used for domestic purposes, must have been owned by the person for at least six months before the move, and must, in its quantity and nature, be suitable for furnishing the second home. Property for domestic use means personal properties, clothes, furniture and equipment.

■ Movement of financial assets

Transfer of financial goods is largely determined by regulations on the free movement of capital. Full liberalisation has been implemented, i.e. the following financial goods are allowed to move freely:

- direct investments in enterprises, winding up and repatriating such investments, and free movement of profits arising from such investments;
- unlimited movement of capital and payments between persons with permanent residence in the Community and in Hungary;
- full freedom in respect of foreign currency operations (right to contract, e.g. opening accounts with credit institutions).

A temporary departure from the principle of free movement of capital exists in two areas: in respect of EU citizens acquiring ownership of arable or productive land. The EU Member States accepted Hungary's prohibition against acquisition by foreign citizens and enterprises with legal personality of ownership of arable land for seven years following accession. This means that the above persons may not acquire ownership rights to arable land.

:: Useful links ::

Ministry for National Economy

www.ngm.gov.hu

■ The driving licence

If an EU citizen takes up residence in Hungary, it is not necessary to exchange the driving licence although many often do for practical reasons. Driving licences issued in all EU Member States shall be deemed to comply with Hungarian legal regulations. No naturalisation procedure is required for driving licences in this case. Should a foreign citizen request the naturalisation of a foreign driving licence, this shall be completed without any obligation to take an examination and the same applies to the prolongation of driving licences. In the event that you reside in Hungary and drive your car there for more than six months, you will be obliged to register the car with the local authorities and pay a registration tax.

■ Checklist for before and after you arrive in a country

Before arriving in the country, the documents (visas) necessary for family members of non-EU citizens must be issued at the Hungarian consulate in the relevant Member State. Initially, arrangements must be made for the issue of the European Health Insurance Card or any other E-form which is necessary for any residence document application. If the person does not anticipate working during a long-term stay, certification must be obtained from a bank about financial reserves. If a newcomer to the country intends to work, it might be advisable to have documents relating to any diploma or previous jobs, and possibly make arrangements for Hungarian translations.

Housing is likely to be resolved in the first month, which means it is sufficient to reserve temporary accommodation before arriving in the country and easier to arrange permanent accommodation in Hungary. One important consideration for families with children is to begin taking measures to apply for nursery or other schools in time. There are various private nursery schools in operation, which makes this issue easier to resolve, but admission to schools is subject to prior application and making contact with the educational institution. In the event of long-term relocation, provision must also be made for transportation of a wide variety of possessions.

A driving licence issued in an EEA member state is valid until expiry, after which, if the person concerned has moved to Hungary, it can be validated through a simple replacement, similar to the procedure for Hungarian citizens. Following arrival in Hungary, the necessary integration measures must be taken: notification of stay, residence card application for non-EU family members, reporting the address to the local government. Those carrying out an eco-

nomic activity are given a tax number and social security number (known as "TAJ").

■ Registration procedures, residence permit

Hungary has been a Schengen-state since December 2007 as a result of which internal border controls have been abolished. EEA and Swiss citizens may travel to Hungary with a valid passport or personal identity card. Family members who are not EU citizens may enter Hungary with a travel document, or an entry visa in the case of countries requiring a visa. EU citizens and their family members are entitled to stay in Hungary for three months if their stay does not unduly burden the social security system. EU citizens and their family members arriving together do not need to register their arrival with the relevant immigration authorities. If a family member who is a non-EU citizen arrives for another reason, he/she must register with the authorities at the place of accommodation within three days. Nevertheless, if any other regulation requires Hungarian citizens to fill in the visitor's book (e.g. for a place of accommodation at Lake Balaton for tax purposes) or if the residential address has changed, an EU citizen and his/her family members are similarly obliged to report these data to the authorities. EU citizens and their family members are entitled to stay for over three months if, as employers, entrepreneurs, students or self-sufficient persons, they meet the conditions related to the purpose of their stay. A stay exceeding three months must be reported, and the purpose of stay must be certified by the relevant document. The competent authority will issue a registration certificate for the EU citizen and a residence permit for the family member who is a non-EU citizen. With this document the competent local authority may be requested to issue a card to prove the residential address. The registration certificate



is issued for an indefinite period and will lose its validity if the right of residence itself is terminated (i.e. the EU citizen leaves Hungary for a long period). A residence permit for a family member who is a non-EU citizen is issued according to the duration of stay and it is valid up to a maximum of five years. Both an EU citizen and his/her family members are entitled to permanent residence, which is certified by the permanent residence permit. An EU citizen and his/her family members can only be deported from Hungary if their stay severely jeopardizes any of the basic public interests, particularly law and order, public and national security, or public health. If the illness endangering public health occurs in Hungary, deportation is not possible if the person agrees to have proper treatment.

In Hungary, the Ministry of Home Affairs is responsible for issues related to alien policing (immigration), while enforcement is the task of the Office of Immigration and Nationality; on its website the system is described in English together with the opening hours of the contact bodies.

:: Useful links ::

Ministry of Foreign Affairs

www.kulugyminiszterium.hu

Office of Immigration and Nationality

www.bmbah.hu

Ministry of Home Affairs

www.bm.gov.hu

WORKING CONDITIONS

■ Recruitment

Official bodies (local job centres) belonging to the National Employment Service (Nemzeti Foglalkoztatási Szolgálat – “NFSZ”) and authorised private employment agencies may provide placement service activities in Hungary. Sole traders, economic entities without legal personality, and legal entities with a registered seat in Hungary may deliver private placement services provided they have been registered by the geographically competent NES office. Anyone may contact local NES job centres or private employment agencies for assistance (i.e. not just those who are registered as unemployed). Placement officers attempt to match vacancies with the abilities and expectations of all jobseekers. Information related to the service is available on the NFSZ website, where current job vacancies may be viewed. Employers can post their vacancies on the NFSZ website. The EURES (European Employment Services) system is also directly available from the NFSZ website, where information can be found on unfilled vacancies in Hungary. The Internet can now be described as the primary base for job search in Hungary. There are many sites that enable both jobseekers and those offering jobs to advertise. However, the traditional methods of seeking employment – such as newspaper ads, sending CVs, personal visits to potential employers – still exist, although they are beginning to lose ground.

:: Useful links ::

Public Employment Service
www.munka.hu

■ Applications

A curriculum vitae, largely conforming to standards applied to CVs in other European countries, should generally be typed, or where specified in the advert, written by hand. The applicant should always attach documents proving qualifications necessary to the line of work and copies of language exam certificates to the application. The entire CV should be no more than one or two pages long and should always include the following details:

- Personal data
- Qualifications (in chronological order, starting with the most recent)
- Courses (in chronological order, starting with the most recent)
- Workplaces (in chronological order, starting with the most recent)
- Computer skills
- Language skills, driving licence
- Hobbies, leisure activities.

A letter of motivation, addressed to the organisation advertising the post or to the potential employer, contains important data not included in the CV. This should include details of where you heard about the post, the position applied for, important skills and abilities relevant to the vacancy, why you are the most suitable candidate for the post, your objectives, plans, etc. The motivation letter should be no longer than one page, and – unlike the CV – should always be handwritten. There should be consistency between the covering letter and the CV. Providing references, which might give details of work you are proud of, or people able to give an objective – preferably positive – picture, is also worthwhile. In this case, it is ad-

visible to discuss with the relevant person in advance whether to indicate references on the CV, including telephone numbers, positions and company names.

■ Recognition of diplomas and qualifications

Recognition of diplomas means the recognition of the level of qualifications certified by advanced diplomas and of specialist training, which is the task of the Hungarian Equivalency and Information Centre (HEIC), while naturalisation of scientific grades is performed by domestic universities.

Recognition of certificates or diplomas may be requested by anyone domiciled in Hungary. In addition, the applicant shall verify his or her EU citizenship by means of a personal identity card, passport or driving licence. However, a

person applying for recognition for the purpose of further study or inclusion of partial studies need not be domiciled in Hungary.

Separate rules refer to the recognition of degrees verifying specialist training acquired abroad as a general medical practitioner, dentist or chemist which is dealt with by the Office of Health Authorisation and Administrative Procedures:

- recognition is only possible in the case of a university qualification;
- a professional examination shall always be taken, which is subject to charges;
- decisions are made by a professional committee;
- other additional conditions may apply.



:: Useful links ::

Hungarian Equivalency and Information Centre – HEIC

www.oh.gov.hu/hungarian_equivalence_and_080122

Office of Health Authorisation and Administrative Procedures

www.eekh.hu/en/

■ Conclusion of employment contracts

The most important regulations governing employment can be found in the following Acts:

- Act XXII of 1992 on the Labour Code regulating legal employment relationships;
- Act XXIII of 1992 on the Legal Status of Public Officials (Public Officials Act) regulating the status of public officials working essentially for the central government (e.g. ministries);
- Act XXXIII of 1992 on the Legal Status of Public Employees that contains the third element of differentiated regulation, regulating the status of persons employed at budgetary institutions; and
- Act LVIII of 2010 on the Legal Status of Government Officials that lays down the rules on employment in central administrative bodies

In addition to these legal relationships, Hungarian law recognises other atypical forms of employment. These are part-time employment, employment for a definite period, distance working, working from home and outsourcing of labour.

Employment in terms of the Labour Code is always established by means of an employment contract. The contract must be set out in writing. The employer is obliged to provide the written format. Compulsory elements of the contract of employment are: agreement on the employee's job description; on his/her basic salary; and on the site at which work is

to be carried out. Additionally, the contract of employment must also contain the names and designation of the parties, and important data with regard to employment. Furthermore, the employer must meet its obligation to give information in writing (day of payment of wages and salaries, conditions for working abroad, etc.). The employer and employee may only amend the contract of employment in writing and by mutual consent. The law requires the employer to amend the contract compulsorily in particular cases (e.g. the employee's salary is amended following the completion of military or civilian service, or unpaid leave is taken for the purpose of caring for or nursing children or close relatives, in compliance with interim annual average salary increases for employees doing the same work and with identical experience). Public officials, public employees and government officials do not enter into employment contracts but they are appointed by an official appointment document.

Work may also be carried out within the framework of other legal relationships directed at work. Pursuant to the Hungarian Civil Code, the parties may enter into a contract of assignment. However, the main rule is that the selection of the type of contract establishing the basis for work shall not result in the limitation or derogation of the employee's lawful interests (false contracts are punishable by law).

■ Remuneration

Employees are entitled to a compulsory minimum wage in Hungary, the amount of which is determined by the Government. The minimum wage is uniform nationwide, its application is binding on all employers and employees. As of 1 January 2011, the minimum wage amounts, for all categories of workers, to HUF 78,000 monthly, and to HUF 17,950 weekly, equivalent

to a daily wage of HUF 3,590 and an hourly rate of HUF 449. The minimum wage payable to skilled employees is higher, it is HUF 94,000 in the case of having at least a secondary school diploma.

The employee is entitled to a salary from the employer after the completion of the work and without exception. The employee is entitled to a salary equivalent to a personal basic salary, as determined in the employment contract. The personal basic salary is merely the remuneration payable to the employee for a specified period (day, week, month, year) under the employment contract, with regard to legal regulations and the collective agreement. Wages may be determined on a time-rate or a piece-rate basis or a combination of the two.

The salary due to the employee is accounted for and paid monthly in arrears. The parties may, however, agree differently. Payment can be made in cash or via bank transfer. The employee is provided with a detailed payslip. Deductions may only be made from the salary pursuant to legal regulations, enforceable decisions or with the employee's approval. The payslip includes the gross pay of the employee, any additional social security benefits (e.g. family allowance), deducted tax advances, employee contributions, health and pension insurance contributions, and finally the net amount paid.

■ Working time

According to the Labour Code, full-time work involves eight hours' work a day or 40 hours' work a week. Regulations on employment or agreements between the parties may establish a shorter or, for lines of work that have a stand-by nature either fully or in part, longer working hours, but not in excess of 12 hours

a day, or 60 hours a week. The work schedule, limits on working hours, and regulations on allocating daily working hours are established by the collective agreement or, in the absence thereof, by the employer. The work schedule may be continual, constant or multi-shift. Work carried out between 10 p.m. and 6 a.m. is classified as night work. Pregnant women may not be called upon for night work from the time pregnancy is diagnosed until the child reaches the age of one, nor may a man raising a child alone until the child reaches the age of one or young employees be used for night work. As from 1 July 2009, a new regulation was passed in order to mitigate the effects of the global economic crisis. If the employer pays full salary to the worker it will become entitled to require the real performance of work until 31 December 2011. Additionally, the maximum working time-frame in the scope of which the employer regulates working time has been extended to 4 months (from 3 months). With these measures employers can organize work in a more flexible way.

■ Annual leave

Rest periods can be divided into the following types: breaks during work; daily rest periods; weekly rest periods; and holidays. Employees shall be entitled to regular holidays in each calendar year serving for rest and recuperation. Regular leave consists of basic and extra holidays. Basic holidays depend solely on the age of the employee. Employees are first due longer basic holidays in the year in which they reach the specified age. Basic holiday entitlement is as follows:

- up to the age of 25 – 20 working days;
- from the age of 25 – 21 working days;
- up to the age of 31 – an additional working day every three years;



- up to the age of 45 – an additional working day every two years;
- from the age of 45 – 30 working days.

The Labour Code specifies four types of extra day: to young employees; to the employee playing the main role in bringing up a child or to a single parent, provided the child is under 16 years of age; to blind employees; to employees working underground on a permanent basis; and to employees spending at least three hours a day at a workplace exposed to ionising radiation. The law does not exclude the possibility of the employer granting employees more basic leave than that specified by law, un-

der a collective agreement, or under a contract of employment.

Employees do not have to work on bank holidays, as defined by law. These are as follows: 1 January; 15 March; Easter Monday; 1 May; Whit Monday; 20 August; 23 October; 1 November and 25; and 26 December.

■ Other leave (unpaid sickness, maternity etc.)

There are three cases of unpaid leave defined by law.

1. Pregnant women or women giving birth are entitled to 24 weeks' maternity (unpaid) leave. The employee is also entitled to unpaid parental leave:



- a) until the child reaches the age of three, for the purpose of child care;
 - b) until the child reaches the age of 14 if the employee receives child care benefit, for the purpose of child care;
 - c) until the child reaches the age of 12 in case of the child's illness, in order to look after him/her at home.
2. The employee is entitled to unpaid leave if he/she looks after or cares for a close relative requiring nursing or care.
 3. The employee is allowed unpaid leave of up to one year if building a house with his or her own resources.

For periods of incapacity due to illness, employees are entitled to 15 days' sickness leave per calendar year. The employee shall receive remuneration for the period of sickness leave, to be funded by the employer. The amount thereof shall be 70 % of the average wage. Sickness leave is also due for nine months. Sickness leave, similarly to regular leave, may be taken for working days under the schedule of work.

Pregnant women or women giving birth are entitled to 27 weeks' maternity leave, which must be issued in time for four weeks thereof to be taken before the expected date of birth. Pregnancy and confinement benefit is due for all periods of maternity leave on the basis of the employee's social insurance coverage, which accounts for 70% of the employee's average daily salary.

At the request of a public sector employee, sabatical leave may be granted – alongside payment of the average salary – for the purpose of acquiring an academic degree, or taking part in research work as a result of a competitive tender, undertaking a study trip or writing a textbook (specialist book). The period of leave granted under this title may not exceed one year.

■ End of employment

Employment may be for a fixed or indefinite period. Employment is terminated: upon the employee's death; liquidation of the employer without legal successor; expiry of the fixed period or if the employer is changed in such a way that all or part of its activity (its organisational unit, a particular group of its financial and non-financial resources, responsibilities and scope of authorities) is handed over to a public administration body employing civil servants or public employees. Termination of employment occurs if the employment ceases to exist pursuant to the intention of the parties, or as a result of their conduct. Employment for an indefinite period may be terminated: by mutual agreement of the employer and employee; by giving ordinary notice; by means of extraordinary notice; or with immediate effect during the trial period.

Mutual agreement must be established between the employer and employee. Notice must be given in writing. Notice takes effect upon delivery to the relevant party. The employer is obliged to specify the reasons for giving notice of termination, which reasons must clearly indicate the cause of such notice, but the employer is not obliged to give reasons for ordinary termination if the employee is a pensioner. The social security pension system provides insured parties with old-age, disability and accident-disability pensions. Generally, the retirement age for both men and women is 62.

The law does not contain any restrictive provisions for ordinary notice given by the employee. The employer may generally give notice extraordinarily at any time. However, giving notice of termination is excluded in the event of notice prohibition, and serious grounds for termination are required in the event of restrictions on notice.

The notice period lasts for at least 30 days, but may not exceed one year. As a rule, employment for a fixed period cannot be terminated by giving ordinary notice. The employer may deviate from this, but in the event of ordinary notice, the employee becomes entitled to his/her one year's average wage/salary; if the remaining time of the fixed period is less than one year, then the employee is entitled to the average wage/salary covering that remaining period.

Severance pay relates to the employer's terminating employment by giving extraordinary notice. The employee will also be entitled to such payment if the employer ceases activities without a legal successor. A further condition for severance pay is that employment must have existed with the given employer for at least three years. The employee will not be en-

titled to severance pay if he/she is a pensioner at the time when the employment is terminated. The employee may lodge a complaint against ordinary and extraordinary notice, or other ways of termination of employment, with the Labour Court within 30 days of being notified thereof.

Special regulations relate to public servants and public employees. A public service or public employee employment relationship is established for an undetermined term by appointment and the acceptance of this appointment. Both the appointment and the acceptance thereof must be drawn up in writing. The effective employment relation regulations govern the termination of the employment relationship, with certain deviations. Until 31 December 2010 a special option was open for workers employed in the public sector, namely the participation in the premium years program. The essence of the premium years program is that public servants with at least 25 years of public service employment relationship who are at the most 5 years from the pension age may terminate their employment relationship but they are obliged to work for their previous employer for 12 hours a week and receive 70% of the earlier emolument up until pension age. The other option was to be placed in the special employment staff category, which was available for those with at least 10 years of public service employment according to the working hours and emolument regulations of the premium years program but only for a period of 1 year.

■ Occupational risks

Supervision of labour affairs is performed by the inspectors of the Hungarian Labour Inspectorate's county offices, who verify compliance with regulations on the conditions of

work. The provisions relating to work safety are contained in Act XCIII of 1993. The provisions of this law shall be applied to all organised work (employment, public employees' legal relationship, public service legal relationship), and to students' and pupils' relationships in the course of practical training, and so on. The employer shall put in place conditions for safe work and to avoid health hazards. The employer may not replace the fulfilment of these criteria by paying the employee financial compensation.

■ Representation of workers

Federations may be set up and operated in order to protect the economic and social rights of employees, and to assert their interests more effectively. The two relevant forms are trade unions and works councils. Employees are free to join or leave any organisation of their choosing. In addition, chambers have been established by law in many sectors with compulsory membership, i.e. performance of the given economic activity is not possible without being a member of the chamber. In proportion to their representation, trade unions and employer organisations take part in the National Interest Reconciliation Council, which can agree to government measures if these measures have an impact on the minimum wage, maximum working time, legal holidays, as well as special measures involving layoffs.

■ Work disputes – Strikes

Pursuant to the Constitution, employees have the right to strike in defence of their economic and social interests. Participation in strikes is voluntary, and no one may be forced to participate therein or abstain therefrom. In exercising the right to strike, employers and employees are subject to a cooperation obligation under

the law. Strikes may not be held at judiciary bodies, in the armed forces, at armed and law enforcement agencies, and at civilian national security providers. The right to strike may be exercised at public administration bodies under specific regulations, as set out in an agreement between the Government and the relevant trade unions. Initiating a strike, or participating in a lawful strike, is not deemed to be a violation of employment obligations and may not be grounds for discriminatory measures against the employee. However, workers participating in lawful strikes are not entitled to remuneration, although employment-related entitlements are due. Forms of strike: warning strikes, solidarity strikes, demonstrations, collecting signatures, petitions and others (e.g. refusal to work overtime).

:: Useful links ::

Ministry for National Resources

www.nefmi.gov.hu

Public Employment Service

www.munka.hu



LIVING CONDITIONS

■ The political, administrative and legal system

Hungary has functioned as a democratic, constitutional state since 23 October 1989. A multi-party system emerged in Hungary following the social and political changes (after 1989). Anyone is free to form a party in compliance with the Political Parties Act. Parliamentary and local government elections are held every four years. The last elections took place in spring and autumn 2010, respectively. The parliamentary election system rests on two pillars: representatives can be voted into Parliament individually and on party lists, and citizens are thus entitled to vote for party lists and individual candidates. Only parties receiving at least 5% of the vote at the election gain access to Parliament. The President of the Republic calls upon the candidate from the winning party to form a government. Citizens may also vote for individual candidates and county lists in local government elections.

The following parties play a major role in political life: FIDESZ – Magyar Polgári Szövetség (Alliance of Young Democrats – Hungarian Civic Union – a conservative, right-wing party) and Kereszténydemokrata Néppárt (Christian Democratic People's Party – a Christian, conservative, right-wing party), which together achieved a majority of more than two thirds at the 2010 parliamentary elections. The opposition is formed by Magyar Szocialista Párt (Hungarian Socialist Party – a party espousing left-wing, social values), Jobbik Magyarországért Mozgalom (Jobbik, the Movement for a Better Hungary – a far right-wing party) and Lehet Más a Politika (Politics Can Be Different – a green liberal party).

The legal system is hierarchical, and lower-rank legal regulations shall comply with higher-rank laws. The Hungarian legal system is founded on codified laws and does not recognise case-law. Types of legal regulation: acts (can only be enacted by Parliament); decrees (adopted by the Government and its members); local government decrees; other legal instruments of state governance; and Constitutional Court resolutions.

Administration of justice is exercised by the Supreme Court, courts of appeal, county (and Budapest) courts, and local (Budapest district) courts. The National Administration of Justice Council is responsible for administration of the courts. The duties of the Constitutional Court include supervision of constitutionality and examining the compliance of legal regulations with the constitution. The Constitutional Court is not allowed to proceed in individual cases. Public safety and protection of internal order is the responsibility of the police, including conduct of criminal investigations, crime prevention, public administration and policing tasks. More specifically: the police exercise the powers of the general investigating authority and the transport authority and perform punishment administration tasks.

Citizens can download free of charge Hungarian laws from the home page of the Ministry of Administration and Justice and or can buy different databases.

:: Useful links ::

Ministry of Public Administration and Justice

www.kim.gov.hu

Government portal

www.magyarorszag.hu

Various information about Budapest

www.budapest.hu

Homepages of the Hungarian political parties

part.lap.hu

About politics: politika.lap.hu

■ Charges and taxes on labour

The employer deducts the following contributions from the private individual's gross income and pays this sum to the NAV (National Customs and Tax Authority):

- 10% pension insurance contribution (either into the private scheme or into the state scheme);
- employee's health insurance and labour market contribution 7.5% (out of which 6% is health contribution and 1.5% is labour market contribution); and
- personal income tax.

The level of social security contributions paid by employers stands at 27%: 24% is payable as pension contribution and 3% is payable as health insurance and labour market contribution. In addition, the employer pays vocational training contribution of 1.5%. If the worker is employed in a sector where s/he is entitled to beneficial retiring (age benefit) the employer is required to pay the so-called age-benefit contribution, amounting to 13%.

The rate of personal income tax in 2011 is generally 16%. The income tax is also collected by the NAV. The provisions of conventions on avoidance of dual taxation primarily govern taxation of income earned by foreign private individuals in employment in Hungary and also by Hungarians working in other states. The conventions excluding dual taxation specify in which of the two contracting states the individual types of income may be taxed, and also stipulate how dual taxation should be

avoided in respect of incomes that could be taxed in both countries. As a result, where no convention exists on avoidance of dual taxation with the given state, it is possible that the taxpayer will have to pay tax in two states on foreign income and assets.

:: Useful links ::

National Health Insurance Fund

www.oep.hu

Ministry of National Economy

www.ngm.gov.hu

National Customs and Tax Authority

www.afeh.hu

■ Earnings and cost of living

The cost of living includes the following major expenditure items: food, travel costs, clothing, accommodation, utilities (electricity, water and gas), services (hairdressing, restaurant, dental, entertainment, etc.). Around one-third of the total personal expenditure of Hungarian households is spent on food, and around 40–50% on utilities. These form the two largest expenditure categories. Transport and communications (third largest expenditure category), and health care (especially medicines) and personal hygiene have a growing share in the cost of living. Typically, health care expenditures increase with age. Spending on clothing, culture and entertainment accounts for an increasingly smaller proportion of consumer expenditure, approximately 5%. Petrol prices fluctuate around HUF 330 per litre, while the price of a monthly adult public transport pass comes to around HUF 10 000 in Budapest, and to around HUF 4 000 in the provinces. The minimum expenditure of a family with two adults and two children amounts to HUF 185 000, while the expenditure of a pensioner living alone equals HUF 65 000 per month. An average haircut varies between HUF 2 500 and HUF 5 000, though



naturally there can be considerable differences between prices in Budapest and the provinces. Dinner at an average restaurant costs between HUF 2 500 and HUF 3 000 per person.

:: Useful links ::

Public Employment Service www.munka.hu

Ministry for National Economy

www.ngm.gov.hu

Central Statistical Office www.ksh.hu

Government Office for Equal Opportunities

www.eselyegyenloseg.hu

■ Shopping

Shopping possibilities and habits in Hungary show differences between the provinces and larger cities. Whereas small shops open until late afternoon are typical in villages and smaller towns, supermarkets and hypermarkets offering a wide range of goods are now very popular in the large cities, where customers can find anything they might need 24 hours a day. Such large stores are usually built outside the cities, on sections of roads leading into the

city, and attract customers with their huge car parks, cheaper prices and extra services. Food stores are generally open from 6 am until 8 pm., but non-stop stores can be found in all cities. Smaller shops usually sell the same products as large retail chains at a slightly higher price. Other stores (clothes, shoes, stationery, gifts, furniture, etc.) are usually open between 9 am and 5 pm, while stores in shopping and entertainment centres located in large cities have longer business hours, until 8 or 9 pm.

The option of payment by bank card is not always available to customers in smaller stores, but this payment method is spreading, and the high number of automated teller machines also helps to deal with any possible problems. Nevertheless, cash payments may still be deemed customary. Banks and post offices are open to the public from 8 am until 5 pm, but banks close earlier on Fridays, at 3 pm. In addition, post offices staying open late are located in all cities, including some open as late as 12 midnight. Saturday business hours of stores present quite a varied picture: shops located

in large cities and shopping centres are open all day on both Saturdays and Sundays, while smaller stores generally close at midday on Saturday and remain closed until Monday.

There are increasing opportunities to buy by mail order, either from catalogues, over the telephone, or from stores offering such services over the Internet. This method can be used to access a wide range of goods, including household machines, clothes and foods. Home deliveries are particularly popular for meals.

Buying on credit is particularly common for consumer durables. Bank officials usually work at larger stores, providing customers with on-site information on conditions of hire purchase and concluding contracts, thereby facilitating purchase of the relevant product. It is usually a condition of the loan that the customer must present proof of regular earnings from his or her employer. Larger retail stores have also launched their own shopping cards, encouraging people to buy on credit or using bonus points.

:: Useful links ::

vasarlas.lap.hu

aruhaz.lap.hu

vasarlas.origo.hu

fogyasztovedelem.lap.hu

bank.lap.hu

www.posta.hu

■ Accommodation

Accommodation options in Hungary differ considerably between Budapest and the provinces. While single-family houses are common in villages and smaller towns and cities, people in the big cities more often live on housing estates and in blocks of flats. The housing stock includes a high proportion of owner-occupied

homes, far in excess of the EU average. In Hungary, approximately 93% of homes are occupied by their owners. In 2010, the total value of housing loans amounted to HUF 4 294 billion, which is 16% of the GDP. 66% of these loans were denominated in foreign currency. On 1 January 2010, there were 4.33 million homes in the country. The average size of homes is 78 m². Long-term leasing is not too common, and as a result it is not easy to find tenement blocks. However, rented flats and houses not used by the owners for their own purposes can be found across the country. The level of rent varies considerably, depending on location, accessibility, and condition of the real estate, as well as other factors. The most expensive are properties in good condition in Budapest. It can be said that the rental fee for a smaller 1.5–2-room apartment in good condition without overheads costs HUF 50 000, above 100 m² the rental fee exceeds HUF 100–150 000.

The price of newly built housing in the capital and in large cities in the west of the country (North Transdanubia) may be valued at between HUF 200,000–330,000 per square metre. The cheapest are prefab flats, while brick or non-prefab flats are more expensive. It is possible to find properties for half this amount in small towns and cities and for a much lower price in small villages. On the other hand, in the inner districts of Budapest, and in the Buda part of the city, a price of HUF 500 000 per square metre is not uncommon.

Entering into a written contract is recommended when leasing a property, and is compulsory upon purchase – the contract must be countersigned by a lawyer or public notary, and submitted to the Land Registry Office in charge of property records for the purpose of registering ownership. In order to clarify legal status, whether in purchasing or renting housing, it

is advisable to view the title deed of the given property, which contains public data in respect of the owner of and encumbrances on the property, and may be requested at the competent land registry office. Purchase may be completed only on the basis of the title deed, which contains the property's details (address, size, owner, rights and encumbrances). The legal representative's fee usually amounts to between 1% and 1.5% of the value of the property, and the custom is for the buyer to pay this fee. When buying a house or flat, you must conduct administrative procedures at and notify details to the following public utility providers:

- area electricity provider (a specified company provides electricity in the given locality, the market is not liberalised),
- area gas works (the same situation as in the case of the electricity provider),
- local water works.

When using such services, contracts must also be concluded with the following organisations: telecom company and cable television operator.

:: Useful links ::

www.ingatlan.lap.hu

lakas.lap.hu

www.gdfsuez-energia.hu

www.edfdemasz.hu/pages/vizmu.lap.hu

www.telekom.hu

kabel.lap.hu

■ Cultural and social life

There are considerable opportunities for entertainment and relaxation in Hungary. The various restaurants, pubs and cafés frequently offer cultural programmes (readings, discussion evenings), thereby linking cultural relaxation with a casual conversation. In addition to cinemas primarily showing mainstream films, there

is also an art cinema network, where interested viewers can watch artistic films. These are generally less modern, though cheaper than the multiplexes. The state also subsidises the production of Hungarian films. There are opportunities to visit theatres in all cities, though most are based in the capital city, which also offers the widest selection in terms of the number of plays. The Budapest Opera House provides recreational opportunities for fans of this genre, and its artists are recognised all over the world. Mention should also be made of the large number of musical entertainment venues located in the cities. During the summer months outdoor, open-roof or half-covered entertainment venues are also becoming increasingly common. All cities offer sports opportunities: a variety of sports can be pursued at various sports facilities and fields, and the option of practising unusual, extreme sports exists in larger cities. Internet sites for individual institutions and settlements, as well as event guides, provide information on leisure programmes. Some magazines also contain English-language summaries, and films are screened in English.

:: Useful links ::

Leisure www.est.hu

Culture www.kultura.lap.hu

Sport www.magyar.sport.hu

Opera www.opera.hu

Theatre www.szinhasz.hu

Newspapers ujzag.lap.hu

Hungarian values, cultural programmes

www.vendegvaro.hu

Restaurants etterem.lap.hu

Timetables www.menetrendek.hu



■ Transport

By virtue of its location, Hungary plays an important role in international traffic in Europe, with a considerable degree of transit traffic for both business and private purposes. The country's motorways (M0: Budapest ring road, M1: Budapest Hegyeshalom, M3: Budapest-

North Great Plain, M5: Budapest-Southern Great Plain, and M7: Budapest-Lake Balaton) operate using a toll system. Vouchers are valid for various durations, the fees depend on the weight of the vehicle (D1: motorcar, D2: 3.5–7.5 tonnes, D3: 7.5–12 tonnes, D4: other):

Gross fee in HUF

Category	1 day	4 days	Weekly	Monthly	Yearly
D1	-	1 650	2 750	4 500	40 000
D2	3 000	-	7 750	13 000	115 000
D3	3 000	-	11 750	19 000	172 000
D4	3 000	-	14 750	24 000	215 000

Motor vehicles heavier than 12 t must have toll vouchers not only on motorways but also when using certain stretches of national roads. The speeds allowed on the roads are as follows: 130 km/h on motorways, 90 km/h on public highways, and 50 km/h in built-up areas. Driving licences can be obtained in Hungary upon reaching the age of 17, and having passed a theory and practical examination, and successfully completing a first-aid course.

Railway services are provided by the State-owned company, Magyar Államvasutak Rt. (MÁV Rt.), and this form of travel is relatively cheap. The privately owned Győr Sopron Ebenfurt

Railway also operates services on certain lines in the northwest of the country (Sopron, Mosonmagyaróvár, Hegyeshalom). Long-distance buses are also available. Bus transport is slightly more expensive than the railways, though most buses are better equipped and more comfortable than trains.

Major discounts available on trains and buses: children under six, and adults over 65 can travel free, those with a student identity card receive a 50% discount. Local public transport can also be used in the cities. Buses are available in most cities, while trams run in Budapest, Szeged Miskolc and Debrecen. Budapest also has three metro



lines, as well as trolleybuses. Tariffs are generally proportionately higher than for long-distance transport (one valid ticket for any means of transport in Budapest costs HUF 320).

Hungary has two international airports: one in Budapest, the other in Debrecen. Budget airline flights land at the old renovated Budapest Airport near the city centre. If arriving in Budapest by air, the Airport Minibus is a good choice (takes you to your address for HUF 2 990/person), and there is also a fixed-charge airport taxi service.

:: Useful links ::

Ministry for National Economy

www.ngm.gov.hu

About Hungarian motorways

www.autopalya.hu

Hungarian Airlines www.malev.hu

Hungarian State Railways www.mav.hu

International Airport Debrecen

www.airportdebrecen.hu

Liszt Ferenc International Airport

www.bud.hu

most beneficial prices for petrol

www.holtankoljak.hu

■ The Hungarian education system

Children in Hungary may attend crèches, where they are looked after in small groups under full or half-day supervision, until the age of three. From the age of three, small children may attend nursery schools until such time as they attend school, and before school registration, they shall be obliged to attend pre-school courses for one year.

Children in Hungary reaching the necessary level of development to be admitted to school are subject to compulsory education from the calendar year in which they reach the age of six on or before 31 May. Upon parental request, children may also be subject to compulsory education if they reach the age of six on or before 31 December. Compulsory education lasts until the end of the academic year in which the student reaches the age of 18.

The official teaching language in all educational institutions is Hungarian. However, there are also schools that teach in the various languages of nationalities living in Hungary, where some subjects are taught in foreign languages. There is a wide range of both primary and secondary schools, and a great many specialised

educational institutions providing students with greater and deeper knowledge, and better opportunities in certain areas. For example, Hungary has schools specialising in languages, branches of science or sports, and so-called alternative schools, which train and educate children using methods different from the traditional Hungarian education system.

The academic year begins in the last week of August or the first week of September, and lasts until the middle of June. Teaching takes place within the framework of 45-minute lessons at all levels up to and including secondary schools and such lessons are separated by breaks of 10 minutes. Students in primary school have five lessons per day on average, and those attending secondary school have six. Primary schools provide an afternoon service, when trained teachers look after children after the lessons have finished. School studies may be divided into several stages:

- the traditional arrangement is for students to progress to a four-year secondary institution, having completed eight years at primary school (8 + 4 years);
- they can now do so after four or six years, provided they continue studies in a grammar school (4 + 8 years or 6 + 6 years).

The following secondary educational institutions exist:

- grammar school (provides general education);
- vocational secondary school (in addition to general education also provides a vocational qualification);
- trade school (provides a vocational qualification and places great emphasis on practical training).

The highest level of qualification achievable at secondary school is the school-leaving exam, which consists of compulsory and op-

tional subjects (compulsory subjects include mathematics, history, Hungarian language and literature, and any foreign language). The school-leaving exam is a compulsory condition for further studies in a higher education institution.

There are two types of higher education institutions in Hungary:

- college (no more than four years),
- university (usually five, sometimes six years).

Further information on higher education institutions is available on their websites. Studying in state educational institutions and the acquisition of the first degree in higher education institutions is free of charge. However, church-run and other non-state schools may charge tuition fees for their services.

Adult training is also gaining in popularity; evening, correspondence and distance learning programmes are typical, particularly in secondary and advanced education.

:: Useful links ::

About the higher education in general

www.felsooktatatas.hu

Ministry for National Resources

www.nefmi.gov.hu

On higher education and entrance exams

www.felvi.hu

Portal on Learning Opportunities

Throughout Europe

www.ploteus.com

■ Private life (birth, marriage and death)

In Hungary, the vast majority of babies are born in hospital; giving birth at home is only a rare exception. However, an alternative movement is gaining ground, serving to establish houses for births, where women are able to give birth to their children in a natural environment of their choice. Childbirths are registered in the competent settlement for the place of birth. Registration in the register of births takes place upon notification, on the basis of the minutes recorded thereof. In the event of birth in hospital or other health care institutions, the institution performs such notification. The birth certificate contains the data of the child and parents, and designation of foreign citizenship, where applicable. After registration in the register of births, the registrar issues an extract from the register free of charge, which contains the child's most important personal data (name, sex, place and time of birth, name of parents and any comments). Such extracts from the register of births are required in various official procedures throughout our lives.

Marriages may be concluded in front of the registrar after a period of 30 days' notification of such intention. Weddings shall be held in public and in the presence of two witnesses, whereby the parties jointly declare their intention to conclude a marriage, in the presence of the registrar, and the registrar shall enter this fact into the register of marriages. A marriage certificate is issued from the register, which later serves to certify the holding of the marriage. Under existing legal regulations in Hungary, marriage may be concluded between men and women, and cohabitation of people of the same sex does not entail any legal consequences. However, Hungarian law attaches certain legal consequences to partner relationships between men and women (e.g. partners are classified as close relatives and may acquire

common ownership during cohabitation, in proportion to their involvement, etc.). In addition to civil law marriages, it is common in Hungary to hold church weddings. A church wedding, however, unlike the civil wedding, does not have legal implications in terms of family and property law and is not recognised by the state. Church ceremonies may therefore only be held after the conclusion of a civil marriage. Either party, or both parties jointly, may request the court to dissolve the marriage if their married life has deteriorated beyond repair. Cases of death must be entered into the register of deaths at the place of death, on the basis of the minutes thereof. After registering the death, the registrar issues a death certificate to surviving relatives free of charge.

■ The health system

Both State/local government and private health care services are available in Hungary. A health care provider may only conduct health care activities in Hungary in possession of an operating licence issued by the Állami Népegészségügyi és Tisztiorvosi Szolgálat (ÁNTSZ – State Public Health and Medical Officers Service). Any service provider may be granted a licence after a check on the existence of personnel and material conditions. The health care service is entitled to a refund of expenses from the Health Insurance Fund for providing health care services if the National Health Insurance Fund (OEP) has entered into a financing agreement with it to perform tasks. Care provided at the expense of capacities affected by the financing agreement is granted to patients free of charge. In the last years Hungary spent around 8.5% of its GDP on health care. Health care is provided by 27 000 health care providers at three fundamental levels of organisation: within the framework of primary care, outpatient and inpatient care. The number of jobs

filled by doctors is 35 000, and those filled by health care professionals is 100 000. In addition, health maintenance tasks with regard to children are handled by 4 700 district nurses. Health care benefits include financial benefits and benefits in kind. Benefits in kind: screening, emergency care, life-saving, GP services (GPs can be freely chosen), specialist outpatient care, inpatient care. All citizens under the age of 18 and over 60 are entitled to free dental care, and regardless of age everyone is entitled to dental plaque examinations, and treatment of tooth and mouth diseases related to a fundamental illness. Financial benefits include pregnancy confinement allowance, sickness pay and accident disability allowance dependent on previous insurance. Usually, there are approximately 1 million claims for sickness pay annually.

People classified as insured parties are entitled to the services of the health care system in Hungary. Anyone conducting economic activity (as an employee, civil servant, etc., or as a self-employed person or collective enterprise), or whose activity is classified as such by the State (e.g. a student pursuing vocational education studies based on a study contract, a member of a church or monastic order performing ecclesiastical service) is insured. Insured parties are entitled to claim health-care benefits, both financial and in kind. However, not only the insured party, but also under-aged persons and anyone receiving some type of social welfare

benefit (sickness pay, pregnancy confinement allowance, child-rearing subsidy, accident sick pay, accident allowance, pensions in their own right, close relative's pension allowance, etc.) are entitled to health care benefits in kind. Participation in the social security system, i.e. entitlement to benefits, can be verified for Hungarian insured parties through the so-called TAJ card (which contains the relevant party's social security identity number and other personal data). EU citizens staying in Hungary on a temporary basis, arriving from the territory of an EEA member state, can use any necessary essential emergency-type services by means of the European Health Insurance Card.

In Hungary, patients can buy prescription only medication on medical prescriptions that comply with the provisions of Hungarian legislation concerning the prescription of medications. There are 2 000 public pharmacies in operation in Hungary. A number of basic, non-prescription drugs can also be purchased outside pharmacies.

:: Useful links ::

Home page of the

National Health Insurance Fund

www.oep.hu

Ministry for National Resources

www.nefmi.gov.hu

Home page related to health care

www.egeszsegugy.hu





SOCIAL SECURITY

■ General organisation

HHungary follows the definitions used in the European Union from the point of view of benefits provided and the administrative system thereof, and thus uses the following concepts:

- social protection;
- social security;
- social insurance;
- social assistance.

Social protection is the widest concept, comprising all forms of social subsidy. It rests on two pillars: social security benefits and social assistance.

The concept of social protection includes all forms of benefits and services, whether or not they are linked to payment of contributions (e.g. unemployment benefit), are universal, i.e. allowances that are based on residence (e.g. family supplement), or assistance is based on needs (e.g. benefits subject to the effect of social law and exceptional child protection subsidy). Social protection therefore includes all three types of benefit: benefits based on insurance, universal benefits, and assistance, including:

- sickness and maternity;
- reduced work capacity and disability;
- unemployment;
- old age benefits (pensions and pension-type benefits);
- benefits for relatives;
- family benefits;
- social benefits.

Social security on the other hand is a more restricted concept than social protection. It includes allowances due in the event of the incidence of defined social risks (unemployment, industrial accident, occupational disease,

disability, old age, death, sickness, maternity, except for poverty), which are either related to a gainful activity, and thereby payment of contributions, or are due on the basis of residence pursuant to status (e.g. citizenship) defined by law. Assistance, however, does not form part of social security. The concept of social security thus comprises the following three types of benefit: social insurance benefits, universal benefits based on entitlement, and special non-contributory benefits, which supplement or replace the benefits of the first two groups. The concept of social security also defines the position of social insurance in relation to social security. Social insurance benefits forming part of social security constitute just one group, the group of benefits only available through contribution payments. Typical of this group are the health care and pension systems, or some unemployment benefits.

The concept of social assistance includes assistance awarded to those outside social security and in basic need. The objective is to subsidise persons without appropriate material resources. However, it is not sufficient for the person concerned to comply with a legally defined status, for example when his or her income does not exceed the minimum old age pension – the person or organisation awarding assistance shall also be required to take needs into consideration, and to base their assessment on fairness.

Various institutions administer individual sub-systems for social protection in Hungary. The central governmental agencies, and those responsible for implementation, are as follows: Ministry for National Resources, Ministry for National Economy, National Health Insurance Fund, National Pension Insurance Directorate,

Employment and Social Affairs Office, Hungarian State Treasury, and local governments.

:: Useful links ::

National Pension Insurance Directorate

www.onyf.hu

Ministry for National Resources

www.nefmi.gov.hu

■ Sickness insurance

Everyone, irrespective of citizenship, is subject to the effect of compulsory insurance and is therefore insured and entitled to make use of health insurance benefits from the first day of employment.

If a foreigner (non-EEA national) is not classified as insured, in the absence of provisions to the contrary in international agreements, he/she shall be entitled to voluntarily join the health insurance scheme. He or she then has to pay relatively high monthly contributions (100% of the minimum wage).

Insurance against illness provides entitlement to financial benefits and benefits in kind. Financial benefits are sick pay, accident sick pay and accident allowance. Any insured claimant may receive sick pay, who has a currently or previously valid insurance relationship, and has been registered by his/her doctor as being incapable of earning. For the first 15 working days of earning incapacity, sickness leave rather than sick pay will be due. For the period of sickness leave, 71% of the attendance fee will be due, which is paid by the employer and forms part of taxable income. For insured parties entitled to sickness leave, sick pay will be established from the day following expiry of sickness leave. Sick pay is due for periods of certified earning incapacity from the date following the expiry of entitlement to sickness

leave for the claimant's illness but for a maximum of 9 months. Depending on the time spent in insurance, the rate is 60% or 50% of the daily average salary having an upper limit: HUF 156 000 per month. Accident benefits are as follows: accident sick pay, accident allowance, and accident health care services. Any event classified as an industrial accident provides entitlement to accident benefit. The interests of young career starters are served by the provision under which, without respect for the time spent in insurance, sick pay is due to anyone who becomes incapable of earning before the age of 18, or becomes insured within 180 days of the end of their school studies (or enters into an employment relationship), and was insured without interruption until the time they became incapable of earning.

■ Maternity insurance

Pregnancy and confinement benefit is due to anyone who is insured for 180 days within two years prior to birth, and who gives birth during the period of insurance or within 42 days following the termination of insurance, or who gives birth after more than 42 days following termination of the insurance but within a further 28 days of the period of payment of sick pay or accident sick pay. Pregnancy and confinement benefit is due for the period of maternity leave, which on the basis of the Labour Code is 24 weeks. Four weeks of such period shall fall before the expected date of birth. Pregnancy and confinement benefit amounts to 70% of the average daily salary.

■ Invalidity insurance

Those insured persons are entitled to disability pension who:

a) as a result of weakened health, or physical or mental deterioration, have lost at least 67%

of their working capacity and no improvement is anticipated in their condition for one year;

- b) have accrued the prescribed period of service, and
- c) do not regularly work, or whose salary is substantially lower than their salary before the disablement. Salary shall be deemed substantially lower if it falls below 80% of the salary before illness.

■ Old-age insurance

In 2011 the formerly operating mandatory two-pillar pension system was transformed into a single-pillar system, meaning that a worker can only be affiliated to the state pillar or to the private pillar. Both pillars co-exist, but the worker can only receive pension from one pillar. This system is supplemented by a third pillar: the system of old-age savings organised in voluntary mutual pension schemes launched in 1993, which the State encourages through tax allowances.

Another non-pension insurance element of social insurance for the elderly is the old-age allowance system introduced in 1998. The social allowance system operates separately from pension insurance in respect of finance and organisation, and in this framework local governments, on the basis of actual income or financial circumstances, provide the elderly in need with a minimum income, or supplement existing very low incomes up to such a minimum level.

Compulsory pension insurance in Hungary extends to every citizen conducting gainful activities, without consideration for the legal form in which the activity is conducted. The pension age limit is 62 years but increases gradually to 65.

■ Family benefits

There are two kinds of insurance-related family allowance and four types of universal family allowance in Hungary. Pregnancy confinement assistance and childcare costs are linked to insurance, while family allowance, child care assistance, child-raising support and maternity support are universal benefits. Pregnancy confinement assistance is due to anyone who was insured for 180 days within two years prior to giving birth, and who gives birth during the insurance term or within 42 days of the insurance terminating. Pregnancy confinement assistance is due for 168 days. Pregnancy confinement assistance constitutes 70% of the daily average salary; there is no upper limit; tax and pension insurance contributions are deducted; and the payment duration is considered as qualifying period for pension entitlement. Following expiry of pregnancy confinement assistance, the insured parent is entitled to a childcare fee (known as "gyed"). Entitlement to childcare fee continues until the child reaches the age of two. It amounts to 70% of the average salary per calendar day, but not more than 70% of twice the prevailing minimum wage per month (currently HUF 109 200). Tax and pension insurance contributions are deducted from the childcare fee, the payment duration is considered as qualifying period for pension entitlement. The State provides a monthly family supplement for the education and schooling costs of children. This amounts to HUF 12,700 per child. 50 % of the family supplement can be awarded in kind (food, payment of public utilities etc.) in order to avoid abuses. After 3 children 206 000 HUF tax deduction per month is guaranteed for economically active parents. Childcare assistance is generally due until the child reaches the age of three (a mother in receipt of a childcare fee may receive this benefit for one more year after the child reaches the age of two). The beneficiary is entitled to child-

raising support for three or four minors from the time the youngest child reaches the age of three until he/she reaches the age of eight. Claims for family support benefit must be submitted in writing to the branch offices of the Hungarian State Treasury in the county where the claimant has his or her permanent or temporary residence. Furthermore, local governments in each settlement may grant a regular child protection allowance; supplementary child protection subsidy; and exceptional child protection subsidy. The State provides "life-start" support for each newborn baby (baby bond). HUF 42 500 is transferred to a specified "start account", and the amount, together with interest, will only be paid to the child after he/she reaches the age of 18.

■ Unemployment benefits

Two types of unemployment benefit may be claimed in Hungary: jobseeker's allowance and jobseeker's assistance. In addition, jobseekers are entitled to refunds of expenses, and various active labour market instruments are available.

Jobseeker's allowance can be claimed by anyone who is looking for work and who, within four years prior to becoming a jobseeker, was in employment for at least 365 days, did not claim a disability or accident disability pension, is not entitled to sick pay, and wishes to work, but whose efforts to find employment have been unsuccessful, and whom the relevant job centre cannot place in an appropriate job.

Payment of jobseeker's allowance is divided into two stages. The first phase is the period lasting up to half the payment duration, but not more than 91 days, and the second phase is the subsequent period (not more than 179 days). The amount of the jobseeker's allowance is calculated by taking as a basis the base of la-

bour market contribution during the four calendar quarters prior to becoming a jobseeker or, in absence thereof, the base of social insurance contribution. The amount of jobseeker's allowance is 60% of the allowance base in the first stage of payment, but not more than 120 % of the minimum wage, HUF 93 600. The amount of jobseeker's allowance in the second phase of the payment term is 60% of the effective compulsory minimum wage on the date entitlement to jobseeker's allowance begins (currently HUF 46 800).

Following the termination of the jobseeker's allowance, there are other possibilities for claiming benefit: at the jobseeker's request, jobseeker's assistance is to be provided if he or she meets the conditions of entitlement to jobseeker's allowance with regard to the insurance period; the jobseeker's allowance was provided to him or her for a period of at least 180 days; the allowance has expired; and his or her application was filed within 30 days of termination of the jobseeker's allowance.

Jobseeker's assistance is also to be provided if the jobseeker was in employment for at least 200 days over a period of four years prior to becoming unemployed but was not able to claim the jobseeker's allowance, or, during the period for filing the application, was no more than five years away from the relevant age limit for claiming an old-age pension and claimed jobseeker's allowance for at least 140 days, and the period for payment of the jobseeker's allowance has expired. The amount of jobseeker's assistance is 40% of the effective compulsory minimum wage at the time of submitting the application (currently HUF31 200).

Performance of tasks relating to claiming unemployment benefit comes under the jurisdiction of the local units of the National Employment Service (local NES job centres – “NFSZ”). The client must contact the geographically competent NES job centre and submit his/her application and supporting documents there.

:: Useful links ::

Ministry for National Economy

www.ngm.gov.hu

National Employment Office

www.munka.hu

benefits. Administration of the E form affecting the social security aspects of mobility is not currently conducted electronically.

Some of the property registrars are also available via the Internet, through which clients may apply for official documents or registration of change of ownership.

■ E-forms

There is increasing emphasis on electronic administration in Hungary, in compliance with the e-Government objective. The option of electronic administration is currently restricted to specific groups of issues. Private individuals must register on the website www.magyarorszag.hu (“ügyfélkapus regisztráció” or “client gateway registration”), and can then take action on the following matters: tax and contribution declarations; declaration of employees’ social insurance data; vehicle registration, driving licenses, matters involving ownership and changes in owner’s address, documents and technical data; residential address certificate, replacement of disabled people’s parking licences; claiming for an administrative certificate on the sole trader’s certificate; and stopping provision of information from the personal data and residential address registry. Information from the Land Register can also be obtained via the internet. Similarly, information on cars and companies is also available. Moreover, administration may be carried out on different forms at the National Pension Insurance Directorate for submitting declarations and reports relating to administration, and making use of services relating to pension

National Employment and Social Office

Pap Ildikó

1089 Budapest, Kálvária tér 7.,
Phone: (1) 303-0810*130; Fax: (1) 303-0824,
e-mail: pappi@lab.hu

Sértő-Radics István

1089 Budapest, Kálvária tér 7.,
Phone: (1) 303-0810*133; Fax: (1) 303-0824,
e-mail: sertori@lab.hu

Wentzel Gabriella

1089 Budapest, Kálvária tér 7.,
Phone: (1) 303-0810*129; Fax: 303-0824,
e-mail: wentzelg@lab.hu

Southern Great Plain

Lipták Zsuzsanna

5600 Békéscsaba, Árpád sor 2/6.,
Phone: (66) 445-269*1172; Fax: (66) 445-269,
e-mail: liptakzs@lab.hu

Bíró Tímea

6721 Szeged, Bocskai utca 10-12.,
Phone: (62) 561-535; Fax: 561-524
e-mail: BiroTimea@lab.hu

Southern Transdanubia

Farkas Zsolt

7090 Tamási, Szabadság utca 15.,
Phone: (74) 570-280; Fax: (74) 473-350,
e-mail: farkaszso@lab.hu

Friss Zoltán

7400 Kaposvár, Fő utca 37-39.,
Phone: (82) 505-523,
Mobil: (30) 288-8392, Fax: (82) 505-550,
e-mail: frissz@lab.hu

Farkas László

7100 Szekszárd, Találka tér 4.,
Phone: (74) 419-711; Fax: (74) 419-711,
e-mail: farkasla@lab.hu

Northern Great Plain

Koncz Viktória

Debrecen Service Centre and Job Office
4025 Debrecen, Piac utca 42-48.,
Phone: (52) 516-111; Fax: (52) 516-102,
e-mail: konczviktoria@lab.hu

Türk Emese

4400 Nyíregyháza, Hősök tere 9.,
Phone: (42) 594-041; Fax: (42) 594-011,
e-mail: turke@lab.hu

Northern Hungary

Frank Tamás

3530 Miskolc, Mindszent tér 3.,
Phone: (46) 513-286; Fax: (46) 513-217,
e-mail: frankta@lab.hu

Lerch Attila

3100 Salgótarján, Alkotmány út 11.,
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