

## Hungary

Exchange rate: US\$1.00 equals 213.99 forints.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1928.

**Current laws:** 1997 (social security), implemented in 1998; 1997 (social insurance), implemented in 1998; and 1997 (individual account).

**Type of program:** Social insurance and individual account system.

Note: Persons insured before June 30, 1998, or who became insured after this date but before reaching age 42, can choose between the social insurance system and the mixed system of social insurance and individual accounts. The mixed system is mandatory for all others.

#### Coverage

Employed persons; members of handicraft and agricultural cooperatives; self-employed persons; apprentices of professional training schools; outside workers; artistic performers; lawyers; public notaries; the clergy; and recipients of unemployment benefits, family allowances, or the child care fee (see *Sickness and Maternity*, below).

Voluntary coverage for persons not covered by compulsory insurance, including independent farmers.

#### Source of Funds

##### Insured person

*Social insurance only:* 8.5% of gross monthly earnings.

*Social insurance and individual account:* 0.5% of gross monthly earnings for social insurance and 8% of gross monthly earnings for the individual account, plus a percentage of contributions and account balance for administrative fees.

The minimum earnings for contribution purposes are equal to the monthly minimum wage of 62,500 forints.

The maximum daily earnings for contribution purposes are 17,330 forints.

The insured's contributions also finance work injury benefits.

##### Self-employed person

*Social insurance only:* 26.5% of declared monthly earnings.

*Social insurance and individual account:* 18.5% of declared monthly earnings for social insurance and 8% of

declared monthly earnings for the individual account, plus a percentage of contributions and account balance for administrative fees.

The minimum declared earnings for contribution purposes are equal to the monthly minimum wage of 62,500 forints.

The self-employed person's contributions also finance work injury benefits.

**Employer:** 18% of monthly payroll for social insurance only.

The minimum earnings for contribution purposes are equal to the monthly minimum wage of 62,500 forints.

There are no maximum earnings for contribution purposes.

The employer's contributions also finance work injury benefits.

**Government:** Any deficit in the social insurance system; the cost of temporary disability and regular social annuity benefits (see *disability benefits*, below).

Government contributions also finance work injury benefits.

#### Qualifying Conditions

##### Old-age pension

*Old-age pension (social insurance):* Age 62 with 20 years of service for men. Age 60 (rising to age 61 by 2007 and age 62 by 2009) with 20 years of service for women.

Partial pension: Age 62 with at least 15 years of service (men and women).

Old-age pensioners may continue to work.

Age 60 for insured persons who worked in arduous or unhealthy activities for at least 10 years (men) or at least 8 years (women); the retirement age is reduced by 1 additional year for each additional 5-year period (men) or 4-year period (women) of arduous or unhealthy work.

Advanced pension: Paid from age 60 for men born before 1939 who have at least 37 years of insurance coverage or born after 1938 who have at least 38 years of insurance coverage. Paid up to 5 years before the normal retirement age to women born after 1945 who have at least 38 years of insurance coverage; born in 1945 and with at least 37 years of insurance coverage; born in 1944 and with at least 36 years of insurance coverage; born in 1943 and with at least 35 years of insurance coverage; born before 1943 and with at least 34 years of insurance coverage. A reduced advanced pension is payable to insured persons who require no more than 5 more years of insurance coverage to qualify for the full advanced pension.

Early pension: There is no early pension.

Deferred pension: The pension is increased for each month the claim for the old-age pension is deferred, except in some professions.

Old-age pensions are payable abroad.

*Old-age pension (individual account):* Age 62 (men and women).

### Disability pension

*Disability pension (social insurance):* For a nonaccident-related disability pension, the required insurance coverage period at the onset of disability varies from at least 2 years of insurance coverage if younger than age 22 up to a maximum of 20 years of insurance coverage at age 55. For an accident-related disability pension, there is no qualifying period.

The value of the pension varies, according to three groups of assessed disability: Group I, 100% loss of working capacity and a need for permanent care provided by others; Group II, 100% loss of working capacity but no need for permanent care provided by others; and Group III, with at least a 67% loss of working capacity.

The national medical board assesses the degree of loss in working capacity.

The disability pension is not replaced by the old-age pension at the normal retirement age.

*Disability annuity (social insurance):* The annuity is paid to disabled persons aged 18 to 25 with a 100% loss in working capacity.

*Temporary disability and regular social annuity (social insurance):* Paid to disabled persons whose employment has been terminated. The disabled person must not be eligible for the old-age pension, disability pension, unemployment benefits, sickness benefits, work injury benefits, or the maternity allowance and must not be engaged in work rehabilitation.

Disability pensions are payable abroad.

*Disability pension (individual account):* No benefits are provided.

### Survivor pension

*Survivor pension (social insurance):* The deceased was a pensioner or satisfied the insurance coverage qualifying period for a disability pension at the time of death.

Eligible survivors include a widow(er); divorced spouse; cohabiting partner; children younger than age 16 (age 25 for full-time students, no limit if disabled), including the surviving partner's children; sisters and brothers; grandchildren; dependent parents and grandparents who are disabled or aged 65 or older; and foster parents who had supported the deceased for at least 10 years.

A temporary pension is payable to a spouse who was older than the normal retirement age at the date of marriage and lived with the deceased for more than 5 years or had a child with the deceased; unmarried couples must have lived together for at least a year and have had a child or have lived together for at least 10 years if they have no children; or divorced or separated for more than a year and receiving

alimony. The temporary pension is continued permanently if the survivor is older than the normal retirement age, is disabled, or has at least two dependent children who are eligible for the orphan's pension.

Survivor pensions are payable abroad.

### Old-Age Benefits

**Old-age pension (social insurance):** The pension is equal to 33% of average earnings for the first 10 years of insurance coverage, plus 2% for each additional year between 11 and 25 years of insurance coverage, plus 1% for each additional year between 26 and 36 years of insurance coverage, and 1.5% for each additional year exceeding 36 years of insurance coverage.

Average earnings are based on average indexed monthly earnings since 1988.

An insured person who has an individual account receives 75% of the social insurance pension.

**Partial pension:** A reduced pension is paid with at least 15 years of service.

**Advanced pension:** Calculated in the same way as the old-age pension, above.

**Early pension:** There is no early pension.

**Deferred pension:** The pension is increased by 0.5% for each 30-day period of deferral.

The minimum monthly pension is 25,800 forints with at least 20 years of contributions.

The maximum old-age pension is equal to average earnings.

**Benefit adjustment:** Benefits are adjusted annually in January according to 50% of the predicted increase in the consumer price index for the current year and 50% of the predicted increase in net average monthly earnings. Corrections to the adjustment are made in November according to the annual changes in the consumer price index and net average monthly earnings.

**Old-age pension (individual account):** The pension depends on the value of the insured's contributions plus accrued interest. The pension is paid as a life annuity or as a lump sum if the insured has less than 180 months of contributions at retirement or dies before the retirement age.

There is no minimum pension.

There is no maximum pension.

**Benefit adjustment:** Benefits are adjusted according to a decision of the pension fund, based on an actuarial assessment.

### Permanent Disability Benefits

#### Disability pension

*Disability pension (social insurance):* The pension for an insured person with less than 25 years of insurance

coverage ranges from 37.5% to 63% of average earnings (Group III); with 25 or more years of insurance coverage, the pension is equal to 33% of average earnings for the first 10 years of insurance coverage, plus 2% for each additional year between 11 and 25 years of insurance coverage, plus 1% for each additional year between 26 and 36 years of insurance coverage, and 1.5% for each year exceeding 36 years of insurance coverage.

The Group II pension is paid at a rate 5% higher than the Group III pension; the Group I pension is paid at a rate 10% higher than the Group III pension.

Average earnings are based on average indexed monthly earnings since 1988.

The minimum monthly disability pension is 27,950 forints (Group I), 25,960 forints (Group II), or 25,800 forints (Group III).

The maximum monthly disability pension is equal to 100% of average earnings (17,330 forints a day).

*Disability annuity (social insurance):* 28,630 forints a month is paid.

*Temporary disability annuity (social insurance):* The monthly benefit is equal to 75% of the old-age pension payable to the insured at the normal retirement age.

The minimum monthly temporary disability annuity is equal to the minimum monthly regular social annuity (23,060 forints).

*Regular social annuity (social insurance):* 20,390 forints a month is paid.

Persons receiving disability benefits may continue to work if current earnings are no greater than 80% of earnings before the onset of disability.

**Benefit adjustment:** Benefits are adjusted annually in January according to 50% of the predicted increase in the consumer price index for the current year and 50% of the predicted increase in net average monthly earnings. Corrections to the adjustment are made in November according to the annual changes in the consumer price index and net average monthly earnings.

*Disability pension (individual account):* No benefits are provided.

## Survivor Benefits

### Survivor pension

*Widow(er)'s temporary pension (social insurance):* The pension is equal to 50% of the deceased's old-age pension or the disability pension that the deceased would have been entitled to at the time of death. The pension is paid for 12 months; may be extended to 18 months if the spouse is rearing the deceased's child or until the child is age 3 if the child is disabled.

There is no minimum pension.

There is no maximum pension.

The temporary widow(er) pension ceases if the widow(er) remarries before reaching the normal retirement age.

*Widow(er)'s permanent pension (social insurance):* The pension is equal to 55% of the deceased's old-age pension or the disability pension the deceased would have been entitled to at the time of death. The pension is reduced to 30% if the widow(er) receives an old-age pension, disability pension, or work injury pension.

There is no minimum pension.

There is no maximum pension.

The permanent widow(er) pension ceases if the widow(er) remarries before reaching the normal retirement age.

*Grandparent's or parent's pension (social insurance):* The pension is equal to 55% of the deceased's old-age pension or the disability pension the deceased would have been entitled to at the time of death.

There is no minimum pension.

There is no maximum pension.

*Orphan's pension (social insurance):* 30% of the insured's pension is paid for each orphan; a full orphan or an orphan with a disabled surviving parent receives 60% of the highest pension of either parent.

The minimum monthly orphan's pension is 21,900 forints per child.

There is no maximum total survivor pension.

*Individual account (survivor pension):* No benefits are provided.

## Administrative Organization

### Social insurance

Ministry of Social Affairs and Labor (<http://www.szmum.gov.hu>) supervises the program.

Central Administration of National Pension Insurance (<http://www.onyf.hu>) administers social insurance benefits through its local branches.

National Health Insurance Fund (<http://www.oep.hu>) collects contributions through its local branches.

### Individual account

Ministry of Finance (<http://www.p-m.hu>) supervises the individual accounts.

Authorized private pension fund administrators administer the individual accounts.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1891.

**Current law:** 1997 (health insurance), implemented in 1998, with amendments.

**Type of program:** Social insurance system.

### Coverage

**Cash sickness benefits:** Employed persons, members of cooperatives, apprentices in industrial training, artisans, self-employed persons, independent farmers, performing artists, lawyers, and recipients of unemployment benefits.

**Cash maternity benefits:** All pregnant employed or self-employed women who have worked for at least 180 days in the 2 years before childbirth.

**Medical benefits:** All insured persons eligible for cash sickness benefits, pensioners, beneficiaries of unemployment benefits, beneficiaries of social assistance benefits and allowances, beneficiaries of pensions provided by churches, full-time students who are Hungarian citizens residing in Hungary, and all dependent family members and children. Hungarian citizens in otherwise exempted activities but who have no alternative coverage must contribute for medical benefits.

Voluntary coverage for noncitizens residing in Hungary.

### Source of Funds

**Insured person:** 4% of gross monthly earnings; voluntary contributors or persons in an exempted activity contribute a flat rate equal to 11% of the minimum monthly wage; noncitizens residing in Hungary contribute an amount equal to the minimum monthly wage and 30% of the minimum monthly wage for each child aged 18 or younger.

The minimum monthly wage is 62,500 forints.

There are no minimum earnings for contribution purposes.

The insured's contributions also finance work injury benefits.

**Self-employed person:** 15% of declared monthly earnings.

The minimum declared earnings for contribution purposes are equal to 15% of the minimum monthly wage (62,500 forints).

The self-employed person's contributions also finance work injury benefits.

**Employer:** 11% of monthly payroll and 1,950 forints a month per employee to the National Health Insurance Fund.

There are no minimum earnings for contribution purposes.

The employer's contributions also finance work injury benefits.

**Government:** Any deficit; the government reimburses the National Health Insurance Fund for cost of the child care fee.

Government contributions also finance work injury benefits.

### Qualifying Conditions

**Cash sickness benefits:** Must be insured or has a loss of earning capacity resulting from an incapacity in the first 3 days after insured employment ceases.

If the insured has less than a year of continuous insurance coverage, the benefit is proportionally reduced.

The loss of earning capacity must be assessed, certified, and periodically reviewed by a doctor.

### Cash maternity benefits

**Maternity allowance:** Must be insured or the expected date of childbirth is in the first 42 days after insured employment ceases (28 days if currently receiving sickness benefits) and the insured has at least 180 days of insurance coverage in the last 2 years.

**Child care fee:** Must have at least 180 days of insurance coverage in the 2 years before the date of childbirth. The child must live with the claimant's family and one of the parents must stay at home to care for the child.

**Medical benefits:** There is no minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness benefit:** The benefit is equal to 70% of average daily gross earnings if the insured has more than 2 years of insurance coverage; 60% with up to 2 years of insurance coverage; 60% if hospitalized.

Average daily gross earnings are based on earnings since January 1 of the previous year or the earnings of the last 180 days before the incapacity began.

The benefit is payable for up to 1 year; for a period equal to the duration of the continuous insurance coverage period immediately before the incapacity began if the insurance coverage period is less than a year.

Sickness benefits are also paid in the case of pregnancy where the insured is not entitled to maternity allowance, for mothers breast-feeding a hospitalized child older than age 1, or for caring for a sick child. The duration of benefits varies according to the sick child's age and the parents' marital status.

There is no minimum benefit.

There is no maximum benefit.

**Maternity allowance:** The benefit is equal to 70% of daily average gross earnings before the expected date of childbirth. (In the absence of earnings, the current minimum monthly wage is used.) The benefit is payable for 4 weeks before and 20 weeks after the expected date of childbirth or for 24 weeks after the expected date of childbirth, depending on the mother's choice.

Daily average gross earnings are based on earnings since January 1 of the previous year or the earnings of the last 180 days before the expected date of childbirth.

The minimum monthly wage is 62,500 forints.

There are no maximum earnings for benefit calculation purposes.

**Child care fee:** The benefit is equal to 70% of daily average gross earnings in the previous calendar year, up to a maximum of 87,500 forints a month (70% of twice the minimum monthly wage). The benefit is payable until the child is age 2.

The minimum monthly wage is 62,500 forints.

### **Workers' Medical Benefits**

Benefits are provided directly through public health service facilities contracted by the National Health Insurance Institute. Benefits include preventive care; general and specialist care, including basic dental care; hospitalization and nursing at home; maternity care; medical rehabilitation; sanatorium care; ambulance services; and internal medical examinations.

**Cost sharing:** The patient is charged for prescription treatment without a referral from a primary health care provider; for the use of a health care provider other than the one specified by the prescribing doctor; for an unnecessary change in the prescription that results in extra costs; for extra services (including a more expensive hospital room and better meals); for accommodation, nursing, pharmaceuticals, and meal when the care is provided for designated ailments (as certified by a primary health care provider); or for orthodontic braces and dental prostheses.

The value of cost sharing paid by the patient is fixed by the service provider and may be reduced by the National Health Insurance Fund on an individual basis.

There is free provision of pharmaceutical products used during inpatient treatment and for treatment for low-income elderly or disabled persons. There is free provision of life-saving medicines and other medicines for maternity and infant care. In all other cases, the National Health Insurance Fund pays from zero to 100% of the price of outpatient medicines, according to the schedule in law.

Transportation is covered by the health insurance system.

Travel allowances are paid if the insured is referred by a doctor to receive inpatient or outpatient treatment at a health care institution not served by local means of transport.

### **Dependents' Medical Benefits**

Benefits are provided directly through public health service facilities contracted by the National Health Insurance Institute. Benefits include preventive care; general and specialist care, including basic dental care; hospitalization and nursing at home; maternity care; medical rehabilitation; sanatorium care; ambulance services; and internal medical examinations.

**Cost sharing:** The patient is charged for prescription treatment without a referral from a primary health care provider; for the use of a health care provider other than the one specified by the prescribing doctor; for an unnecessary change in the prescription that results in extra costs; for extra services (including a more expensive hospital room and better meals); for accommodation, nursing, pharmaceuticals, and meal when the care is provided for designated ailments (as certified by a primary health care provider); or for orthodontic braces and dental prostheses.

The value of cost sharing paid by the patient is fixed by the service provider and may be reduced by the National Health Insurance Fund on an individual basis.

There is free provision of pharmaceutical products used during inpatient treatment and for treatment for low-income elderly or disabled persons. There is free provision of life-saving medicines and other medicines for maternity and infant care. In all other cases, the National Health Insurance Fund pays from zero to 100% of the price of outpatient medicines, according to the schedule in law.

Transportation is covered by the health insurance system.

Travel allowances are paid if the insured is referred by a doctor to receive inpatient or outpatient treatment at a health care institution not served by local means of transport.

### **Administrative Organization**

Ministry of Social Affairs and Labor (<http://www.szmum.gov.hu>) supervises the program.

National Health Insurance Fund (<http://www.oep.hu>), with county health insurance funds, administers cash sickness and maternity benefits.

Hungarian Tax Authority (<http://www.apeh.hu>) collects contributions.

Specified health care providers, including private providers contracted by the National Health Insurance Institute, provide medical care.

### **Work Injury**

#### **Regulatory Framework**

**First laws:** 1900 and 1907.

**Current laws:** 1997 (social security), 1997 (social insurance), and 1997 (individual account).

**Type of program:** Social insurance system.

Note: There is no specific program for work injuries and occupational diseases. Benefits are provided under the Old Age, Disability, and Survivors and Sickness and Maternity programs, above.

## Coverage

Employed persons, members of cooperatives, apprentices in industrial training, artisans, self-employed persons, independent farmers, performing artists, lawyers, and recipients of unemployment benefits.

## Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors and Sickness and Maternity, above.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors and Sickness and Maternity, above.

**Employer:** See source of funds under Old Age, Disability, and Survivors and Sickness and Maternity, above. Companies that employ pensioners engaged in entrepreneurial or self-employed activities and private entrepreneurs considered to be engaged in entrepreneurial or self-employed activities must pay 5% of gross earnings.

**Government:** See source of funds under Old Age, Disability, and Survivors and Sickness and Maternity, above.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. Benefits are paid for occupational diseases, according to a schedule in law set by the National Health Insurance Fund. Accidents that occur while commuting to and from work are covered.

## Temporary Disability Benefits

The benefit is equal to 100% of average daily gross earnings and is payable for up to 1 year; may be extended to 2 years, subject to a medical decision.

Average daily gross earnings are based on earnings since January 1 of the previous year.

The National and the County Medical Expert Committees of the National Health Insurance Fund assess the disability. The decision is reviewed 2 years after the first assessment.

**Benefit adjustment:** Benefits are adjusted annually in January according to 50% of the predicted increase in the consumer price index for the current year and 50% of the predicted increase in net average monthly earnings. Corrections to the adjustment are made in November according to the annual changes in the consumer price index and net average monthly earnings.

## Permanent Disability Benefits

**Permanent disability pension:** The value of the pension varies, according to three groups of assessed disability: Group I, 100% loss of working capacity and a need for

permanent care provided by others; Group II, 100% loss of working capacity but no need for permanent care provided by others; and Group III, with at least a 67% loss of working capacity.

The pension for an insured person with less than 25 years of insurance coverage ranges from 37.5% to 63% of average earnings (Group III); with 25 years or more of insurance coverage, the pension is equal to 33% of average earnings for the first 10 years of insurance coverage, plus 2% for each additional year between 11 and 25 years of insurance coverage, plus 1% for each additional year between 26 and 36 years of insurance coverage, and 1.5% for each additional year exceeding 36 years of insurance coverage. A Group II pension is paid at a rate 5% higher than a Group III pension; a Group I pension is paid at a rate 10% higher than a Group III pension.

The National and the County Medical Expert Committees of the National Health Insurance Fund assess the disability. The decision is reviewed 2 years after the first assessment.

Average earnings are based on average indexed monthly earnings since 1988.

The minimum monthly disability pension is 27,950 forints (Group I), 25,900 forints (Group II), or 25,800 forints (Group III).

The maximum monthly disability pension is equal to 100% of average earnings.

**Work injury allowance:** Paid for a loss of working capacity of 16% to 66%. The allowance is equal to 8% of monthly average earnings with a 16% to 25% loss of working capacity, 10% of monthly average earnings with a 26% to 35% loss of working capacity, 15% of monthly average earnings with a 36% to 49% loss of working capacity, or 30% of monthly average earnings with a 50% to 66% loss of working capacity.

The National and the County Medical Expert Committees of the National Health Insurance Fund assess the disability. The decision is reviewed 2 years after the first assessment.

**Benefit adjustment:** Benefits are adjusted annually in January according to 50% of the predicted increase in the consumer price index for the current year and 50% of the predicted increase in net average monthly earnings. Corrections to the adjustment are made in November according to the annual changes in the consumer price index and net average monthly earnings.

## Workers' Medical Benefits

Medical benefits are provided directly to patients through public health service facilities contracted by the National Health Insurance Institute. Benefits include preventive care; general and specialist care, including basic dental care; hospitalization; medical rehabilitation; sanatorium care; and ambulance services. Medicines and appliances are free of charge.

There is no limit to duration.

### **Survivor Benefits**

**Widow(er)'s temporary pension:** Payable to a spouse who was older than the normal retirement age at the date of marriage and lived with the deceased for more than 5 years or had a child with the deceased; unmarried couples must have lived together for at least a year and have a child or have lived together for at least 10 years if they have no children; or divorced or separated for more than a year and receiving alimony. The pension is equal to 55% of the deceased's old-age pension or the disability pension that the deceased would have been entitled to at the time of death. The pension is paid for 12 months; may be extended to 18 months if the spouse is rearing the deceased's child or until the child is age 3 if the child is disabled.

The temporary widow(er)'s pension ceases if the widow(er) remarries before reaching the normal retirement age.

There is no minimum pension.

There is no maximum pension.

**Widow(er)'s permanent pension:** Payable if the survivor is older than the normal retirement age, is disabled, or has at least two dependent children who are eligible for the orphan's pension. The pension is equal to 55% of the deceased's old-age pension or the disability pension the deceased would have been entitled to at the time of death. The pension is reduced to 30% if the widow(er) receives an old-age pension, disability pension, or work injury pension.

The permanent widow(er) pension ceases if the widow(er) remarries before reaching the normal retirement age.

There is no minimum pension.

There is no maximum pension.

**Grandparent's and parent's pension:** The pension is payable to dependent parents and grandparents who are disabled or aged 65 or older. The pension is equal to 55% of the deceased's old-age pension or the disability pension the deceased would have been entitled to at the time of death.

There is no minimum pension.

There is no maximum pension.

**Orphan's pension:** 30% of the deceased's pension is paid for each orphan younger than age 16 (age 25 if a full-time student, no limit if disabled); a full orphan or an orphan with a disabled surviving parent receives 60% of the highest pension of either parent.

The minimum monthly orphan's pension is 21,900 forints per child.

There is no maximum total survivor pension.

### **Administrative Organization**

National Health Insurance Fund (<http://www.oep.hu>) administers work injury benefits.

Hungarian Tax Authority (<http://www.apeh.hu>) collects contributions.

Central Administration of National Pension Insurance Directorate (<http://www.onyf.hu>) administers cash benefits.

Specified health care providers, including private providers contracted by the National Health Insurance Institute, provide medical care.

### **Unemployment**

#### **Regulatory Framework**

**First law:** 1957.

**Current law:** 1991 (unemployment), with 2005 amendment.

**Type of program:** Social insurance system.

#### **Coverage**

Employed and self-employed persons.

#### **Source of Funds**

**Insured person:** 1% of gross monthly earnings.

There are no maximum earnings for contribution purposes.

**Self-employed person:** 4% of declared monthly earnings.

There are no maximum declared earnings for contribution purposes.

**Employer:** 3% of monthly payroll.

There are no maximum earnings for contribution purposes.

**Government:** None.

#### **Qualifying Conditions**

**Jobseeker's benefit:** Must have at least 365 days of insurance coverage in the last 4 years. The insured must be involuntarily unemployed, actively seeking and available for employment or training, and not be receiving an old-age pension, disability pension, or work injury pension.

In cases of voluntary unemployment or dismissal there is a waiting period of 90 calendar days after registration with the labor center.

**Jobseeker's aid:** Must have received the jobseeker's benefit for at least 180 days and entitlement is exhausted; must have at least 200 days of insurance coverage in the last 4 years before unemployment and is not entitled to the jobseeker's benefit; or the insured is within 5 years of the normal retirement age, has received the jobseeker's benefit for at least 140 days, and entitlement to the jobseeker's benefit is exhausted.

## Unemployment Benefits

**Jobseeker's benefit:** The benefit is equal to 60% of the gross average salary of the previous calendar year for the first 91 days; thereafter, 60% of the minimum monthly wage (37,500 forints).

One day of benefit is payable for every 5 days of insurance coverage, up to a maximum of 270 days.

The minimum unemployment benefit is equal to 60% of the minimum monthly wage.

The maximum unemployment benefit is equal to 120% of the minimum monthly wage.

The minimum monthly wage is 62,500 forints.

The benefit is suspended if the unemployed person becomes eligible for a birth grant or child care fee benefit or during periods of public work, military service, imprisonment, or arrest.

**Jobseeker's aid:** The benefit is equal to 40% of the minimum monthly wage and is paid for 90 days; 180 days if the insured is at least age 50; or until eligible for the old-age pension for older unemployed persons.

The minimum monthly wage is 62,500 forints.

## Administrative Organization

Ministry of Social Affairs and Labor (<http://www.szmm.gov.hu>) provides general supervision.

Public Employment Service (<http://www.afsz.hu>) administers the program.

## Family Allowances

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### Regulatory Framework

**First law:** 1938.

**Current laws:** 1997 (child protection); 1997 (health insurance); 1998 (family support), implemented in 1999; and 2005 (family allowances).

**Type of program:** Universal system.

### Coverage

Hungarian citizens, certain noncitizens residing in Hungary, and migrant workers or refugees who are parents, foster parents, or guardians (including foster home managers).

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost (90% from central government and 10% from local government).

## Qualifying Conditions

**Family allowances:** Paid for a child younger than age 16 (age 23 if a full-time student). The claimant must be the child's parent or guardian (if the child is in a correction center or juvenile prison) or a foster home manager.

**Child home care allowance:** The allowance is paid to parents who leave work to care for a child younger than age 3 (age 10 if disabled) or for grandparents who care for their grandchildren between ages 1 and 3 in the household of the parent. For twins, the allowance is paid until the children reach the compulsory school age (usually age 6).

**Child-rearing support:** The benefit is paid to parents who rear three or more children and the youngest is between ages 3 and 8.

**Birth grant:** Paid to a mother (or adopting parents) on the condition that the mother has completed at least four prenatal examinations (one in the event of a premature birth).

**Advance on maintenance payments:** A sum decided by the court is paid for periods during which child maintenance is not paid, the person who takes care of the child can no longer maintain the child, or per capita family income does not exceed three times the minimum old-age pension of 25,800 forints.

**Regular child protection support:** Payable for a single parent, a child with a long-term illness or serious disability, or a child in full-time higher education. Per capita family income must not exceed 110% of the minimum old-age pension (28,380 forints).

**Irregular child protection support:** The benefit is awarded by local government and is paid to families with temporary cash flow problems or to families requiring emergency assistance.

## Family Allowance Benefits

**Family allowances:** For the first child, 11,000 forints a month is paid (12,000 forints for a single parent); for two children, 12,000 forints a month is paid per child (13,000 forints for a single parent); and for three or more children, 14,000 forints a month is paid per child (15,000 forints for a single parent).

For families with a child with a long-term illness or serious disability, 21,000 forints a month is paid per child (23,000 forints per child for a single parent).

For a child in a foster home or living with foster parents, 13,000 forints a month is paid per child.

Schedule of payments: Benefits are paid monthly with an additional payment in July to support schooling costs.

**Child home care allowance:** The allowance is equal to the minimum monthly old-age pension of 25,800 forints (the allowance is doubled for twins).

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**Child-rearing support:** The allowance is equal to the minimum monthly old-age pension of 25,800 forints.

**Birth grant:** A lump sum equal to 225% of the minimum old-age pension is paid after each birth; 300% of the minimum old-age pension is paid for twins.

The minimum monthly old-age pension is 25,800 forints.

**Advance on maintenance payments:** The amount of the benefit is established by the court.

**Regular child protection support:** The benefit is equal to 5,000 forints.

**Irregular child protection support:** A lump sum is paid, according to the family's assessed needs.

Benefit adjustment: Benefits are adjusted annually.

### ***Administrative Organization***

Ministry of Social Affairs and Labor (<http://www.szmum.gov.hu>) supervises the program.

Regional Directorates of the Hungarian State Treasury (<http://www.allamkincstar.gov.hu>) pay benefits.