Hungary

Exchange rate: US\$1.00 equals 172.24 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, including employed pensioners; members of handicraft and agricultural cooperatives; self-employed persons; apprentices at 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: 9.5% of covered monthly earnings.

Social insurance and individual account: 1.5% of covered monthly earnings for social insurance and 8% of covered monthly earnings for the individual account, plus a percentage of contributions and the account balance for administrative fees.

The minimum earnings for contribution purposes are equal to the monthly minimum wage of 69,000 forints.

The maximum daily earnings for contribution purposes are 19,500 forints.

The insured's contributions also finance work injury benefits.

Self-employed person

Social insurance only: 33.5% of declared monthly earnings.

Social insurance and individual account: 25.5% of declared monthly earnings for social insurance and 8% of declared

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

The minimum declared earnings for contribution purposes are equal to the monthly minimum wage of 69,000 forints.

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

Employer: 24% of monthly payroll for social insurance only.

The minimum earnings for contribution purposes are equal to the monthly minimum wage of 69,000 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 at least 20 years of service (men). Age 61 (rising to age 62 by 2009) with at least 20 years of service (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 year for each additional 5-year period (men) or 4-year period (women) of arduous or unhealthy work.

Advanced pension: Paid from age 60 (men) or age 57 (women) with at least 38 years of coverage. A reduced advanced pension is paid to insured persons who require no more than 5 more years of coverage to qualify for the full advanced pension.

From 2009, age 60 (men) or age 59 (women) with at least 40 years of coverage. A reduced advanced pension will be paid with at least 37 years of coverage.

From 2010, advanced pension payments will be suspended if the working salary of a pensioner younger than age 62 who first received pension benefits before 2008 is equal to the statutory annual minimum wage.

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 nonaccidentrelated disability pension, the required coverage period varies from at least 2 years of coverage if younger than age 22 up to a maximum of 20 years of 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 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 paid 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 coverage, plus 2% for each additional year between 11 and 25 years of coverage, 1% for each additional year between 26 and 36 years of coverage, 1.5% for each additional year between 37 and 40 years of coverage, and 2% for each year exceeding 40 years of 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 oldage 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 28,500 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. A lump sum is paid to the insured's estate if the insured 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 coverage ranges from 37.5% to 63% of average earnings (Group III); with

25 years or more of coverage, the pension is equal to 33% of average earnings for the first 10 years of coverage, plus 2% for each additional year between 11 and 25 years of coverage, 1% for each additional year between 26 and 36 years of coverage, and 1.5% for each year exceeding 36 years of 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 30,850 forints (Group I), 29,800 forints (Group II), or 28,500 forints (Group III).

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

Disability annuity (social insurance): 32,610 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.

Regular social annuity (social insurance): 26,420 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 disability began.

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 60% of the old-age or 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 60% of the old-age or 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 in his or her own right.

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 60% of the old-age or 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 deceased'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 24,250 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 employed or self-employed women who have worked for at least 180 days in the 2 years before the expected date of 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 (including dependents) 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 for benefits in kind and 2% of gross monthly earnings for cash benefits; voluntary contributors or persons in an exempted activity contribute a flat rate of 4,350 forints; 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 69,000 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: 4.5% of gross monthly income for benefits in kind, 0.5% of gross monthly income for cash benefits, 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; a loss of earning capacity resulting from an incapacity that begins in the first 3 days after insured employment ceases.

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

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

Cash maternity benefits

Maternity allowance: The insured must have at least 180 days of coverage in the last 2 years; the expected date of childbirth is in the first 42 days after insured employment ceased (28 days if currently receiving sickness benefits).

Child care fee: The insured must have at least 180 days of 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 coverage; 60% with up to 2 years of 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 paid for up to 1 year; for a period equal to the duration of the continuous coverage period immediately before the incapacity began if the coverage period is less than a year.

Sickness benefits are also paid in the case of pregnancy where the insured is not entitled to a 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 paid 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 69,000 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 96,600 forints a month (70% of twice the minimum monthly wage). The benefit is paid until the child is age 2.

The minimum monthly wage is 69,000 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: 300 forints are paid for daily hospital fees or a medical home visit; 600 forints to 1,000 forints are paid for unjustified emergency care.

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); or for orthodontic braces and dental prostheses.

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

Pharmaceuticals are free when used during inpatient treatment, for the treatment of low-income elderly or disabled persons, and for life-saving and other 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 for inpatient or outpatient treatment at a health care institution not accessible by local transportation.

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); or for orthodontic braces and dental prostheses.

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

Pharmaceuticals are free when used during inpatient treatment, for the treatment of low-income elderly or disabled persons, and for life-saving and other 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 for inpatient or outpatient treatment at a health care institution not accessible by local transportation.

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. Accidents that occur while commuting to and from work are covered. Benefits are paid for occupational diseases, according to a schedule in law set by the National Health Insurance Fund.

Temporary Disability Benefits

The monthly benefit is equal to 75% of the old-age pension payable to the insured at the normal retirement age.

The minimum monthly benefit is equal to the monthly regular social annuity.

The regular social annuity is 26,420 forints a month.

Persons receiving benefits may continue to work if the current earnings do not exceed 80% of earnings before the disability began.

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 coverage ranges form 37.5% to 63% of average earnings (Group III); with 25 years or more of coverage, the pension is equal to 33% of average earnings for the first 10 years of coverage, plus 2% for each additional year between 11 and 25 years of coverage, plus 1% for each additional year between 26 and 36 years of coverage, and 1.5% for each additional year exceeding 36 years of 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 30,850 forints (Group I), 29,800 forints (Group II), or 28,500 forints (Group III).

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

Disability annuity (social insurance): 32,610 forints a month.

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.

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.

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

Persons receiving benefits may continue to work if the current earnings do not exceed 80% of earnings before the disability began.

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: Paid 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 60% of the old-age or 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: Paid 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 60% of the oldage or 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.

There is no minimum pension.

There is no maximum pension.

Grandparent's and parent's pension: The pension is paid to dependent parents and grandparents who are disabled or aged 65 or older. The pension is equal to 60% of the old-age or 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 24,250 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 (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 (employment), with 2007 amendment.

Type of program: Social insurance system.

Coverage

Employed and self-employed persons.

Source of Funds

Insured person: 1.5% 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 gross monthly payroll.

There are no maximum earnings for contribution purposes.

Government: None.

Qualifying Conditions

Jobseeker's benefit: The insured must have at least 365 days of 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: The insured must have received the jobseeker's benefit for at least 180 days and entitlement is

exhausted; must have at least 200 days of coverage in the last 4 years before unemployment and is not entitled to 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 gross average earnings 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 paid for every 5 days of 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 69,000 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 69,000 forints.

Administrative Organization

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

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

Family Allowances

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). 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: Paid 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, 12,200 forints a month is paid (13,700 forints for a single parent); for two children, 13,300 forints a month is paid per child (14,800 forints for a single parent); and for three or more children, 16,000 forints a month is paid per child (17,000 forints for a single parent).

For families with a child with a long-term illness or serious disability, 25,900 forints a month is paid per child (20,300 forints per child for a single parent).

For a child in a foster home or living with foster parents, 14,800 forints a month is paid per child.

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

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Child home care allowance: The allowance is equal to the minimum monthly old-age pension of 28,500 forints (the allowance is doubled for twins).

Child-rearing support: The allowance is equal to the minimum monthly old-age pension of 28,500 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: 5,000 forints is paid.

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.