

Hungary

Exchange rate: US\$1.00 = 258.45 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; 2011 (termination of early retirement pension); and 2011 (disability benefit).

Type of program: Social insurance system.

Note: A 2010 amendment to the social security law terminated the diversion of contributions to second-pillar individual accounts and automatically transferred account balances to the social insurance program (unless an account holder opted out). Since 2009, participation in the individual account program is voluntary.

Coverage

Employed persons, including employed pensioners; members of cooperatives; self-employed persons; and certain social insurance beneficiaries.

Voluntary coverage for persons not covered by compulsory insurance.

Source of Funds

Insured person: 10% of gross monthly covered earnings.

As of January 1, 2014, resident noncitizens are exempt from paying contributions for two years.

The minimum earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 138,000 forints.

There are no maximum earnings used to calculate contributions.

The insured person's contributions also finance work injury benefits.

Self-employed person: 10% of declared monthly earnings and 19.5% of declared monthly earnings in the form of a social contribution tax.

The minimum earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 138,000 forints.

There are no maximum earnings used to calculate contributions.

The self-employed person's social contribution tax also finances work injury benefits, sickness and maternity benefits, and unemployment benefits.

Employer: 19.5% of gross monthly payroll in the form of a social contribution tax.

The minimum earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 138,000 forints.

There are no maximum earnings used to calculate contributions.

The employer's contributions also finance work injury benefits, sickness and maternity benefits, and unemployment benefits.

Government: Finances any deficit.

Qualifying Conditions

Old-age pension: Age 63 and six months (gradually rising by six months a year until reaching age 65 in 2022) with at least 20 years of coverage; age 62 with at least 20 years of coverage if born before January 1, 1952.

At any age for women with at least 40 years of coverage (child raising periods are taken into account), including at least 32 years of work. For women who have raised five or more children, the number of required years of work is reduced by one year for each child, with a maximum reduction of seven years.

Partial pension: Age 63 and six months (gradually rising by six months a year until reaching age 65 in 2022) with at least 15 years of coverage.

Deferred pension: The pension may be deferred in most professions.

Retirement is not necessary.

The old-age pension is payable abroad.

Disability pension (Rokkantsági ellátás): Must have a loss of at least 40% of working capacity with at least 1,095 days of coverage in the last five years (or at least 2,555 days in the last 10 years) before the claim, not receive any regular cash benefit, and be incapable of any gainful activity with no chance of rehabilitation (or where rehabilitation is not recommended).

Must be assessed with a B2 (rehabilitation is possible but not recommended), C2 (permanent rehabilitation is needed but not recommended), D (employment is possible only through constant support), or E (the insured suffered significant health damage, is not self-sufficient, and needs constant attendance) disability.

Disability benefits are paid under sickness and maternity and are replaced by the old-age pension at the normal retirement age.

The disability pension is payable abroad.

Rehabilitation benefit (Rehabilitációs ellátás): Must have a loss of at least 40% of working capacity with at least 1,095 days of coverage during the last five years (or at least 2,555 days in the last 10 years or 3,650 days in the last 15 years) before the claim, not receive any regular cash benefit, and be incapable of any gainful activity but can be rehabilitated.

Must be assessed with a B1 (rehabilitation is possible) or C1 (permanent rehabilitation is needed) disability.

Rehabilitation benefits are paid under sickness and maternity.

The rehabilitation benefit is payable abroad.

Survivor pension: The deceased received or was entitled to receive an old-age pension at the time of death.

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

Spouse's temporary pension (Ideiglenes özvegyi nyugdíj): A temporary pension is paid to widow(er)s who are ineligible for a spouse's permanent pension and care for the deceased's child younger than age 18 months or assessed as disabled or permanently ill.

The spouse's temporary pension is payable abroad.

Old-Age Benefits

Old-age pension: The pension is 33% of the insured's average earnings for the first 10 years of coverage plus 2% for each additional year from 11 to 25 years of coverage plus 1% for each additional year from 26 to 36 years of coverage plus 1.5% for each additional year from 37 to 40 years of coverage plus 2% for each year exceeding 40 years of coverage.

Average earnings are based on average indexed monthly earnings since 1988. If the insured's average earnings exceed 372,000 forints, average earnings are based on 90% of the amount from 372,000 forints to 421,000 forints plus 80% of the amount exceeding 421,000 forints.

Partial pension: A reduced pension is paid.

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

The minimum monthly old-age pension is 28,500 forints.

The maximum old-age pension is the insured's average earnings.

Benefit adjustment: Benefits are adjusted annually in January and November based on changes in the consumer price index and net average monthly earnings.

Permanent Disability Benefits

Disability benefit (Rokkantsági ellátás): 40% of the insured's average earnings in the last 180 days before the incapacity began is paid for a category B2 disability, 60% for C2, 65% for D, and 70% for E.

The minimum pension is 30% of the base amount for a category B2 disability, 45% for C2, 50% for D, and 55% for E.

The maximum pension is 45% of the base amount for a category B2 disability; 150% for C2, D, and E.

The base amount is 98,890 forints.

Rehabilitation benefit (Rehabilitációs ellátás): 35% of the insured's average earnings in the last 180 days before the incapacity began is paid for category B1 disability for up to three years and 45% for C1.

The minimum benefit is 30% of the base amount for a category B1 disability and 40% for C1.

The maximum benefit is 40% of the base amount for a category B1 disability and 50% for C1.

The base amount is 98,890 forints.

Benefit adjustment: Benefits are adjusted in January and November based on changes in the consumer price index and net average monthly earnings.

Survivor Benefits

Survivor pension

Spouse's pension (Özvegyi nyugdíj): 60% of the old-age pension the deceased received or was entitled to receive at the time of death is paid; 30% if the widow(er) receives an old-age or work injury pension in his or her own right.

The spouse's pension may be split between the surviving spouse and a divorced spouse.

Orphan's pension: 30% of the old-age pension the deceased received or was entitled to receive is paid for each orphan; 60% of the highest pension of either parent for a full orphan or an orphan with a surviving parent with a disability.

The minimum monthly orphan's pension is 24,250 forints for each child.

Grandparent's or parent's pension: 60% of the old-age pension the deceased received or was entitled to receive at the time of death is paid; 30% if the parent or grandparent receives an old-age or work injury pension in his or her own right.

There is no minimum monthly grandparent's or parent's pension.

Spouse's temporary pension (Ideiglenes özvegyi nyugdíj): 60% of the old-age pension the deceased received or was entitled to receive at the time of death is paid to the widow(er) for 12 months; may be extended for an additional six months if the widow(er) is raising a child younger than age 18 months; for an additional 24 months if the widow(er)

is raising a disabled or permanently ill child. The temporary pension is converted into a permanent pension if the widow(er) reaches the normal retirement age, is assessed with limited work capacity, or is caring for at least two children younger than age 16 (age 25 if a full-time student) or at least one disabled or permanently ill child.

The spouse's temporary pension may be split between the surviving spouse and a divorced spouse.

Administrative Organization

Ministry of Human Capacities (<http://www.kormany.hu/en/ministry-of-human-resources/>) provides general supervision.

Hungarian State Treasury (<http://www.allamkinostar.gov.hu/>) administers old-age, disability, and survivors benefits through district offices.

Rehabilitation Department of the Municipal Government Office of Budapest (<http://www.kormanyhivatal.hu/hu/budapest/szervezeti-egyseg/rehabilitacios-foosztaly/>) oversees disability assessments.

National Tax and Custom Administration (<http://nav.gov.hu/>) collects contributions.

Sickness and Maternity

Regulatory Framework

First law: 1891.

Current laws: 1997 (health insurance), implemented in 1998; 1997 (social security); and 2011 (disability benefit).

Type of program: Social insurance system.

Coverage

Cash sickness benefit: Employed persons, members of cooperatives, self-employed persons, and recipients of unemployment benefits.

Cash maternity benefits: Employed and self-employed women.

Medical benefits: Employed persons, members of cooperatives, self-employed persons, and certain social insurance beneficiaries.

Voluntary coverage for uninsured Hungarian citizens and noncitizens residing in Hungary.

Source of Funds

Insured person: 4% of gross monthly earnings (medical benefits) and 3% of gross monthly earnings (cash benefits).

There are no maximum earnings used to calculate contributions.

Voluntarily insured persons contribute 50% of the monthly minimum wage and 30% of the monthly minimum wage for each child aged 18 or younger.

The monthly minimum wage is 138,000 forints.

The insured's contributions also finance work injury benefits.

Self-employed person: 4% of gross monthly earnings (medical benefits) and 3% of gross monthly earnings (cash benefits). See also source of funds under Old Age, Disability, and Survivors.

There are no maximum earnings used to calculate contributions.

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

Employer: See source of funds under Old Age, Disability, and Survivors.

Government: Finances any deficit.

Qualifying Conditions

Cash sickness benefit: Must be currently insured and have experienced a loss of earning capacity.

A doctor must assess, certify, and periodically review the loss of earning capacity.

Cash maternity benefits

Infant care allowance (Csecsemogondozási díj): Must have at least 365 days of coverage in the last two years. Employment must cease within 42 days of the expected date of childbirth (after 42 days, if the insured person is receiving an accident-related sickness benefit or within 28 days after termination of such a benefit).

Child care fee (Gyermekgondozási díj [GYED]): Must have at least 365 days of coverage in the two 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: 60% of the insured's average daily gross earnings in the last 180 days before the incapacity began is paid with more than two years of coverage; 50% with less than two years of coverage or if hospitalized.

The maximum sickness benefit is 1/30th of twice the legal monthly minimum wage.

The legal monthly minimum wage is 138,000 forints.

If the insured has at least one year of coverage, the benefit is paid for up to one year; if the insured has less than one year of coverage, the benefit is paid for a period equal to the duration of the continuous coverage period immediately before the incapacity began.

Sickness benefits are also paid during pregnancy if the insured is not entitled to a maternity allowance, to mothers breastfeeding a hospitalized child older than age 1, or to a parent caring for a sick child. The duration of benefits varies based on the sick child's age and the parents' marital status.

Maternity benefits

Infant care allowance (Csecsemogondozási díj): 70% of the insured's daily average gross earnings in the last 180 days before the expected date of childbirth is paid for four weeks before and either 20 weeks or 24 weeks after the expected date of childbirth, according to the mother's choice. (In the absence of earnings, the current legal monthly minimum wage is used.)

The legal monthly minimum wage is 138,000 forints.

Child care fee (Gyermekgondozási díj [GYED]): 70% of the insured's daily average gross earnings in the last 180 days is paid. The benefit is paid after the infant care allowance expires, until the child reaches age 2.

Mothers who do not meet the qualifying conditions for the child care fee, have a child born after December 31, 2013, and who have completed at least two semesters of tertiary education and are currently enrolled or graduated in the last year, may receive the child care fee until the child reaches age 1.

The maximum child care fee is 70% of twice the legal monthly minimum wage.

The legal monthly minimum wage is 138,000 forints.

Workers' Medical Benefits

Benefits include preventive care; general and specialist care, including basic dental care; hospitalization and in-home nursing; maternity care; medical rehabilitation; sanatorium care; ambulance services; and medical examinations. Public health service facilities under contract with the National Health Insurance Institute provide benefits directly to the patients.

Cost sharing: The insured's portion 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 and for low-income elderly or disabled persons. In all other cases, the National Health Insurance Fund pays from 25% to 100%, according to a 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

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

Ministry of Human Capacities (<http://www.kormany.hu/en/ministry-of-human-resources/>) supervises the program.

Hungarian State Treasury (<http://www.allamkinestar.gov.hu/>) provides general and financial supervision and administers benefits through district offices.

National Tax and Custom Administration (<http://nav.gov.hu/>) collects contributions.

Work Injury

Regulatory Framework

First laws: 1900 and 1907.

Current laws: 1997 (social security), 1997 (social insurance), 1997 (individual account), and 2011 (disability benefit).

Type of program: Social insurance system.

Note: Benefits are provided under the Old Age, Disability, and Survivors, and Sickness and Maternity programs.

Coverage

Employed persons, members of cooperatives, self-employed persons, independent farmers, and recipients of unemployment benefits.

Source of Funds

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

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

Employer: See source of funds under Old Age, Disability, and Survivors.

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

Qualifying Conditions

Must be assessed with a work injury or occupational disease. Accidents that occur while travelling 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

100% of the insured's daily gross average earnings in the last 180 days before the incapacity began (90% if the accident or illness occurred while commuting to and from work) is paid monthly. The benefit is paid for up to one year; may be extended by up to 12 months.

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

Permanent Disability Benefits

Work injury allowance (Baleseti járadék): Paid for a loss of working capacity of more than 13%. The allowance is 8% of the insured's monthly average earnings in the last year before the accident occurred or occupational disease began with a 14% to 20% loss of working capacity; 10% of monthly average earnings with a 21% to 28% loss of working capacity; 15% of monthly average earnings with a 29% to 39% loss of working capacity; or 30% of monthly average earnings with at least a 39% loss of working capacity.

For an assessed loss of working capacity of less than 20%, the benefit is paid for up to two years; if the loss of working capacity is greater than 20% the benefit is paid until rehabilitation.

The National and the County Medical Expert Committees of the National Health Insurance Fund assess the disability.

Benefit adjustment: Benefits are adjusted in January and November based on changes in the consumer price index and net average monthly earnings.

Workers' Medical Benefits

Benefits include preventive care; general and specialist care, including basic dental care; hospitalization; medical rehabilitation; sanatorium care; and ambulance services. Medicine and appliances are free of charge. Public health service facilities under contract with the National Health Insurance Institute provide medical benefits directly to the patients.

There is no limit to duration.

Survivor Benefits

Survivor pension

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

Spouse's pension: 60% of the permanent disability pension that the deceased received or was entitled to receive at the time of death is paid; 30% if the widow(er) receives an old-age or work injury pension in his or her own right.

The spouse's pension may be split between the surviving spouse and a divorced spouse.

A temporary pension may be paid for up to three years if the widow(er) does not meet the eligibility requirements for a spouse's permanent pension.

Orphan's pension: 30% of the permanent disability pension the deceased received or was entitled to receive is paid for each orphan; 60% of the highest pension of either parent for

a full orphan or an orphan with a surviving parent with a disability.

The minimum monthly orphan's pension is 24,250 forints for each child.

Grandparent's or parent's pension: 60% of the permanent disability pension the deceased received or was entitled to receive at the time of death is paid; 30% if the parent or grandparent receives an old-age pension or work injury pension in his or her own right.

There is no minimum monthly grandparent's or parent's pension.

Administrative Organization

Hungarian State Treasury (<http://www.allamkinstar.gov.hu/>) administers permanent and temporary disability benefits.

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

National Tax and Custom Administration (<http://nav.gov.hu/>) collects contributions.

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

Unemployment

Regulatory Framework

First law: 1957.

Current law: 1991 (employment).

Type of program: Social insurance system.

Coverage

Employed and self-employed persons.

Source of Funds

Insured person: 1.5% of gross monthly earnings.

Self-employed person: 1.5% of declared monthly earnings. See also source of funds under Old Age, Disability, and Survivors.

Employer: See source of funds under Old Age, Disability, and Survivors.

Government: Finances the National Employment Fund. The National Employment Fund subsidizes unemployment benefits, supports employment and training programs, and pays wages for new companies that become insolvent.

Qualifying Conditions

Job seeker's benefit (Álláskeresői járadék): Must have at least 365 days of coverage in the last three years, be involuntarily unemployed, actively seeking and available

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for employment or training, and not receiving a sickness benefit or an old-age, disability, or work injury pension.

Pre-retirement job seeker's benefit (Nyugdíj elotti álláskeresési segély): Must have received the job seeker's benefit for at least 45 days and exhausted his or her entitlement must be within five years of reaching the normal retirement age on the day of application; must have a sufficient contribution period for retirement; and must not receive any other social insurance benefits prior to the normal retirement age.

Unemployment Benefits

Job seeker's benefit (Álláskeresési járadék): 60% of the monthly average earnings in the previous calendar year is paid. One day of benefits is paid for every 10 days of coverage up to 90 days of benefits.

If the job seeker's previous monthly average earnings contribution base cannot be determined, the amount of the benefit is 130% of the monthly minimum.

The maximum unemployment benefit is the legal monthly minimum wage.

The legal monthly minimum wage is 138,000 forints.

Pre-retirement job seeker's benefit (Nyugdíj elotti álláskeresési segély): 40% of the legal monthly minimum wage is paid until the beneficiary is eligible for an old-age or disability pension.

The legal monthly minimum wage is 138,000 forints.

Administrative Organization

Ministry for National Economy (<http://www.kormany.hu/en/ministry-for-national-economy/>) provides general supervision.

Public Employment Service (<https://www.munka.hu/>) administers the program.

National Tax and Custom Administration (<http://nav.gov.hu/>) collects contributions.

Family Allowances

Regulatory Framework

First law: 1938.

Current laws: 1997 (child protection); 1997 (health insurance); 1998 (family support), implemented in 1999; 2005 (family allowances); and 2011 (family protection).

Type of program: Universal and social assistance system.

Coverage

Universal: Hungarian citizens, certain resident noncitizens, and migrant workers or refugees who are parents, foster parents, or guardians (including foster home managers).

Social assistance: Needy resident of Hungary.

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 (Családi pótlék): Paid for a child younger than age 18 (age 23 if a full-time student). The claimant must be the child's parent, guardian (if the child is in a correction center or juvenile prison), or a foster home manager.

Child home care allowance (Gyermekgondozást segítő ellátás): Paid to parents who stop working to care for a child younger than age 3 (age 10 if disabled) or to grandparents caring for a child aged 1 or older. For twins, the allowance is paid until the children reach the compulsory school age (usually age 6).

Child-raising support (Gyermeknevelési támogatás): Paid to parents who raise three or more children and the youngest is aged 3 to 8.

Birth grant (Anyasági támogatás): Paid to a mother who has completed at least four prenatal examinations (one in the event of a premature birth). The grant is paid to adopting parents if the birth mother completes the required examinations.

Advance on maintenance payments (Tartásdíj megelőlegezése): Paid for periods during which child support is not paid, if the person who takes care of the child can no longer financially support the child, or if per capita family income is up to 57,000 forints (twice the minimum old-age pension).

Regular child protection support (Rendszeres gyermekvédelmi kedvezmény, income tested, in kind): Paid for a child younger than age 18 (age 23 if a full-time student).

Income test: Family per capita income must not exceed 130% of the minimum old-age pension; 140% of the minimum old-age pension for a child of a single parent household, with a long-term illness or serious disability, or a full-time student (higher education).

The minimum monthly old-age pension is 28,500 forints.

Irregular child protection support: Paid to families with temporary cash flow problems or to families requiring emergency assistance.

Family Allowance Benefits

Family allowances (Családi pótlék): 12,200 forints a month is paid for the first child (13,700 forints for a single parent); 13,300 forints a month per child for two children

(14,800 forints for a single parent); and 16,000 forints a month per child for three or more children (17,000 forints for a single parent).

For families with a child with a long-term illness or serious disability, 23,300 forints a month is paid for each child (25,900 forints for a single parent).

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

Schedule of payments: Benefits are paid monthly with an additional payment in July to support the cost of school.

Child home care allowance (Gyermekgondozást segítő ellátás): 28,500 forints a month is paid.

Child-raising support (Gyermeknevelési támogatás): 28,500 forints a month is paid.

Birth grant (Anyasági támogatás): A lump sum of 225% of the minimum old-age pension is paid after each birth; 300% of the minimum old-age pension for twins.

The minimum monthly old-age pension is 28,500 forints.

Advance on maintenance payments (Tartásdíj megelőlegezése): The amount of the benefit is established by the court.

The maximum benefit is 14,250 forints per child.

Regular child protection support (Rendszeres gyermekvédelmi kedvezmény, income tested, in kind): 6,000 forints is paid per child every six months; 6,500 forints for a vulnerable child.

Irregular child protection support: A lump sum is paid based on the family's assessed needs.

Benefit adjustment: Benefits are adjusted annually.

Administrative Organization

Ministry of Human Capacities (<http://www.kormany.hu/en/ministry-of-human-resources/>) supervises the program.

Hungarian State Treasury (<http://www.allamkincstar.gov.hu/>) administers the family allowances program through district offices.