

# Eurostat

## Labour market policy statistics

### Qualitative report

Hungary, 2019

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## TABLE OF CONTENTS

- A Introduction
- B Inventory of interventions
- C Qualitative information by intervention
- D Reference data
- E Abbreviations

## A - Introduction

## Introduction

The Eurostat Labour Market Policy (LMP) database collects information on labour market interventions implemented by each of the EU Member States and Norway. Data are collected according to a comprehensive methodology, which classifies interventions into three main types – services, measures and supports – and into nine detailed categories according to the type of action (see below). Readers are recommended to refer to the LMP methodology <sup>1</sup> for details of this classification scheme and definitions of terms used in this report.

The LMP database collects quantitative data on expenditure and participants for each intervention. These are published annually and are available online from the Eurostat website <sup>2</sup>. The quantitative data are complemented by a set of qualitative information describing each intervention. This represents an invaluable source of reference to support a harmonised approach to the classification of national interventions and to help interpret the detailed figures on expenditure and participants. These qualitative data are compiled into a series of **Labour market policy statistics: Qualitative Reports** and produced as separate volumes for each country/year.

The reports all have the same structure:

- Part A Introduction

- Part B Inventory of interventions - a list of all interventions reported for the relevant year, grouped by type of action and including a national language version of the intervention name.

- Part C Qualitative information by intervention - presents the available information about each intervention in three sections: *Identification*, *Description*, and *Supplementary information*. The *Description* contains seven sub-sections: Aim, Beneficiaries/participants, Action/instrument, Financing/support, Eligibility, Legal basis, and Recent changes. The *Supplementary information* contains eight sub-sections describing the breakdown of expenditure, target groups, the treatment of unemployment spells, receipt of benefits, planned duration and other characteristics of the intervention. Together, these items summarise the qualitative information collected through the LMP questionnaire.

- Part D Reference data - provides a description of the populations considered as reference data within the LMP database, giving national definitions of those considered as registered unemployed and other groups registered with the public employment services (PES).

- Part E Abbreviations

The qualitative information in the LMP database is updated annually with the contribution of delegates from each country and Eurostat cannot take responsibility for the validity of the content. The reports are published annually by Eurostat in English and reports for other years that are not currently in the online library can be produced on request.

### Classification of interventions by type of action

#### *LMP services*

1. Labour market services

#### *LMP measures*

2. Training
4. Employment incentives
5. Supported employment and rehabilitation
6. Direct job creation
7. Start-up incentives

*LMP supports*

- 8. Out-of-work income maintenance and support
- 9. Early retirement

<sup>1</sup>

[http://epp.eurostat.ec.europa.eu/portal/page/portal/product\\_details/publication?p\\_product\\_code=KS-GQ-13-002](http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-GQ-13-002)

<sup>2</sup> [http://epp.eurostat.ec.europa.eu/portal/page/portal/labour\\_market/labour\\_market\\_policy](http://epp.eurostat.ec.europa.eu/portal/page/portal/labour_market/labour_market_policy)

## B - Inventory of interventions

Category, intervention number and name (English/National language)

1	Labour market services	
1	[Component] Public employment services (Labour market service) - Individual case management	[Component] Munkaerő-piaci szolgáltatások -
1	[Component] Public employment services (Labour market service) - Information services	[Component] Munkaerő-piaci szolgáltatások -
1	[Component] Public employment services (Labour market service) - Other services	[Component] Munkaerő-piaci szolgáltatások -
2	Training	
3	Training for unemployed	Munkanélküliek képzése
4	Training for employed	Munkaviszonyban állók képzése
4	Employment incentives	
5	Job creation support	Munkahelyteremtés támogatása
11	Wage subsidies for disadvantaged unemployed	A foglalkoztatás bővítését szolgáló bértámogatás
22	Group transportation support	Csoportos személyszállítás támogatása
23	Long-distance travel compensation	Helyközi utazás támogatása
33	Wage subsidies	Bérköltség támogatás
46	Housing support	Lakhatási támogatás
48	Employment allowance	Elhelyezkedési juttatás
8	Job retention support	Munkahelymegőrzés támogatása
5	Supported employment and rehabilitation	
6	Direct job creation	
42	Public employment	Közfoglalkoztatás
7	Start-up incentives	
16	Entrepreneurship assistance for unemployed	Munkanélküliek vállalkozóvá válásának elősegítése
8	Out-of-work income maintenance and support	
29	Job-seeker and entrepreneurial benefits	Álláskeresési és vállalkozói járadék
31	Job-seekers' Allowance	Álláskeresési segély
41	Employment substitution support	Rendelkezésre állási támogatás

9 Early retirement

Mixed \$\$353

*Number of measures:* **45**

## C - Qualitative information by intervention

## Identification

Country Hungary 2019 Category 1 - Labour market services

Intervention n°/name 1 Public employment services (Labour market service)

Type of action: 1.1.1 - Information services  
1.1.2 - Individual case-management  
1.2 - Other activities of the PES

## Description

Aim:

To facilitate the integration of unemployed and other jobseekers in the labour market or assist employers in recruiting and selecting staff.

To assist jobseekers to find employment, and to help employers to find appropriate personnel and maintain existing jobs.

Beneficiaries:

Registered jobseekers, not registered jobseekers, employed

-interest in the labour market information and employment information;

-those employees and organisations who are participating in the economic life;

-registered jobseekers;

-request the mediation is in possession of all the necessary conditions for the establishment of an employment relationship, and cooperates with the competent local employment office;

-request only service (working age) who agree that the personal data are registered by the PES;

-all those who cannot reckon among the below mentioned.

Action/Instrument:

Types:

1) Information service:

The jobseekers and the employers receive information in order to participate in employment and to fill up the job vacancies.

The information provision includes information about employment opportunities, labour market services, local labour market situation, local labour force demand and supply descriptions of employment promotional subsidies, trainings, employment related laws and every other information that help access the employment.

2) Personalized administration:

- Individual job seeking consulting

- in groups: job seeking techniques training and job seeker club

Finanacina/Support:

Labour Market Fund Decentralised Part of the Employment Part

Eligibility:

- To be registered for at least 3 months by the Labour Centre.

- To be in contract for co-operation with the PES.

Legal basis:

Act IV of 1991 on Job Assistance and Unemployment Benefits and 30/2000 (IX. 15.) MüM regulation

Recent changes:

## Supplementary information

Breakdown of expenditure: Transfers to service providers

Target groups: Registered unemployed (All)  
Not registered (All)  
Employed (All)

Treatment of unemployment spells: Not relevant

Receipt of benefits:	None		
Planned duration:	Continuously available		
Responsible institution(s):	Public employment services		
Area of application:	National		
Implementation:	<i>Year started:</i> 1999	<i>Year Ended:</i>	Ongoing

## Identification

Country Hungary 2019 Category 2 - Training  
Intervention n°/name 3 Training for unemployed  
Type of action: 2.1 - Institutional training

## Description

### Aim:

To help unemployed and disabled people to reinforce their position on the labour market.

### Beneficiaries:

Unemployed, persons in receipt of childcare allowances, persons with reduced capacity to work.

### Action/Instrument:

Training assistance may comprise:

- income supplement benefits or income compensation benefits (its amount is 100% of the minimum wage),
- reimbursement of training costs (direct training costs, transition allowances, eating, accommodation)
- unemployment benefit if the training starts before the 180th day of the duration of unemployment benefit and maximum 365 days long.

Support is also given to employers offering training to unemployed people with reduced capacity to work.

The available support is equal to the additional costs of training a disabled person.

In general 'Training for the unemployed' intervention takes into account the characteristics of the local, regional labour market. In selecting the training, the Government Office takes into account:

- the shortage of jobs
- qualifications of the person concerned
- training costs,
- whether the training is justified in terms of improving the individual's labour market position,
- the work experience of the person concerned.

In particular, in the opinion of the County Development and Training Committee:

- territorial aspects of employment policy
- the needs of the national and county labour markets
- subregional opportunities
- local needs
- local characteristics of labour demand and supply
- employment situation and unemployment indicators in the region
- the experience of cooperation between the labour center and the employer.

### Finanacina/Support:

Labour Market Fund Employment Part.

Labour Market Fund Rehabilitation Part.

### Eligibility:

- Unemployed, or
- under the age of 25 (or under the age of 30, if holding a degree in higher education) who is not entitled to receive unemployment benefit following the completion of his/her studies,
- receiving child-care support, child-raising benefit, or maternity benefit, child-care allowance or nursing allowance: the training of a person who receives child-care support or child-care allowance is possible if it begins after the child reaches one year of age or one and a half (if receiving child care allowance) and if the person who receives child-care support or child-care allowance is not engaged in any gainful activity.
- unemployed disabled.

The EBL may also define additional groups to be eligible for training assistance, i. e. groups with difficulties to access the labour market.

### Main points of granting the training:

The applicants':

- justification of training

- improving the labour market situation
- getting out of registration as quickly as possible
- cost-effectiveness of training and economy expectations.

Legal basis:

Act IV of 1991 on Job Assistance and Unemployment Benefits.

6/1996 (VII. 16.) MüM regulation.

11/1998 (IV. 29.) MüM regulation.

Recent changes:

### **Supplementary information**

Breakdown of expenditure:	Transfers to individuals (Periodic cash payments, Lump-sum payments, Reimbursements)		
Target groups:	Registered unemployed (All, Disabled)		
Treatment of unemployment spells:	Broken		
Receipt of benefits:	Cash benefits (Source: Current intervention, Unemployment benefit)		
Planned duration:	Typical: 5 Months, Maximum: 18 Months		
Responsible institution(s):	Public employment services		
Area of application:	National		
Implementation:	<i>Year started:</i>	1991	<i>Year Ended:</i> Ongoing

## Identification

Country Hungary 2019 Category 2 - Training  
Intervention n°/name 4 Training for employed  
Type of action: 2.1 - Institutional training

## Description

### Aim:

Provide support for training to enhance the employability and maintain jobs of people employed at risk.

### Beneficiaries:

Employed at risk.

### Action/Instrument:

Wage supplement for employer: the difference between the average wage before participating to the training and the wage during the training of the person concerned.

The employer may implement the training in cooperation with accredited adult training institutions.

Forms of the support: income supplement, costs of training and examination fees, and training related accommodation, food, local and long distance travel costs.

### Financing/Support:

Labour Market Fund Employment part

### Eligibility:

Employed persons who:

- have a job that will come to an end within one year, or
- do community work
- have a job but can't continue without further training.

### Legal basis:

Act IV of 1991 on Job Assistance and Unemployment Benefits and 6/1996 (VII. 16.) MüM regulation

Recent changes:

## Supplementary information

Breakdown of expenditure: Transfers to employers ( Lump-sum payments)  
Target groups: Employed (All)  
Treatment of unemployment spells: Not relevant  
Receipt of benefits: None  
Planned duration: Variable  
Responsible institution(s): Central government, Public employment services  
Area of application: National  
Implementation: *Year started:* 1991 *Year Ended:* Ongoing

## Identification

Country Hungary 2019 Category 4 - Employment incentives  
Intervention n°/name 22 Group transportation support  
Type of action: 4.1 - Recruitment incentives

## Description

**Aim:**

To alleviate the costs of travelling to/from work.

**Beneficiaries:**

Unemployed and persons with reduced capacity to work.

**Action/Instrument:**

Support is given to the employer, if:

- the travel of employees needs more than two hours to the workplace by public transport
- employers transport at least 4 employees by their own or rented car/bus.

The amount of the support is the part of the employer's contribution to the costs of the season ticket for bus between the dwelling and the workplace of the employee.

**Financing/Support:**

Labour Market Fund employment part

**Eligibility:**

Conditions of eligibility are as follows:

- the travel of employees needs more than two hours to the workplace by public transport;
- shared transportation of at least 4 employees.

**Legal basis:**

39/1998 (III. 4.) Gov. Regulation

**Recent changes:**

## Supplementary information

Breakdown of expenditure: Transfers to employers (Periodic cash payments)  
Target groups: Registered unemployed (All)  
Treatment of unemployment spells: Broken  
Receipt of benefits: None  
Planned duration: Maximum: 12 Months  
Responsible institution(s): Public employment services  
Area of application: National  
Implementation: *Year started:* 1998 *Year Ended:* Ongoing

## Identification

Country Hungary 2019 Category 4 - Employment incentives  
Intervention n°/name 23 Long-distance travel compensation  
Type of action: 4.1 - Recruitment incentives

## Description

Aim:

To facilitate the take-up of jobs by contributing to travel costs.

Beneficiaries:

Unemployed.

Action/Instrument:

Support is given to employers who take on an eligible person in a position that was not filled in the previous 6 months due to the level of business activity:

- reimbursement of 86% of 2nd class train ticket or seasonal ticket
- reimbursement of 80% of bus or vicinity train ticket or seasonal ticket.

For employees the reimbursement is equivalent to using their own car, if

- there is no public transport between the dwelling and workplace of the employee, or
- travelling by public transport is impossible because of shift work
- travelling by public transport is impossible because of person's disability.

Financing/Support:

Labour Market Fund Employment Part

Eligibility:

- unemployed for at least 6 months
- unemployed entrants for at least 3 months
- persons with reduced capacity to work and unemployed for at least 3 months.

Legal basis:

39/1998 (III. 4.) and 78/1993 (V. 12.) Gov. Regulations

Recent changes:

## Supplementary information

Breakdown of expenditure: Transfers to employers (Periodic cash payments)

Target groups: Registered unemployed (All, Disabled)

Treatment of unemployment spells: Broken

Receipt of benefits: None

Planned duration: Maximum: 12 Months

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1998 *Year Ended:* Ongoing

## Identification

Country Hungary 2019 Category 4 - Employment incentives  
Intervention n°/name 33 Wage subsidies  
Type of action: 4.1 - Recruitment incentives

## Description

**Aim:**

Wage subsidies for jobseekers.

**Beneficiaries:**

Job-seekers

**Action/Instrument:**

From the 1st January 2007, the Act for Employment enables a new active intervention which is the wage cost support within the framework of Labour force Programme.

The regulations of wage subsidies differs slightly from wage subsidies for disadvantaged unemployed (HU-11), was created to help those non disadvantaged groups who could not participate in wage subsidies for disadvantaged unemployed.

The support for the wage and contributions for the maximum duration of 3 years; only supported in the framework of Labour force Programme.

Allows granting wage and contributions (up to 100 percent of total) for the maximum duration of 3 years.

**Financing/Support:**

Labour Market Fund

**Eligibility:**

Persons participating in the programme

**Legal basis:**

Act IV of 1991 on Job Assistance and Unemployment Benefits and 6/1996 (VII. 16.) MüM regulation

**Recent changes:**

## Supplementary information

Breakdown of expenditure: Transfers to employers (Periodic cash payments)

Target groups: Registered unemployed (All)  
Not registered (All)

Treatment of unemployment spells: Broken

Receipt of benefits: None

Planned duration: Maximum: 3 Years

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 2007 *Year Ended:* Ongoing

## Identification

Country Hungary 2019 Category 4 - Employment incentives  
Intervention n°/name 46 Housing support  
Type of action: 4.1 - Recruitment incentives

## Description

### Aim:

Improve the labour market situation of job seekers, by increasing their mobility.

### Beneficiaries:

Employed and unemployed

### Action/Instrument:

The benefit helps jobseekers who have found a job that is at least 100 km from their place of residence (or for which the travel time by public transportation exceeds 5 hours per day) and for which the employment contract is at least for a duration of 6 months.

The benefit can be given for up to 12 months and it can be used to pay the rental fee. 24 months after the termination or expiration of support, it can be allocated again.

### The amount of the benefit:

- for one person the amount cannot exceed 100 thousand HUF per month,
- if close relatives apply for the support than the amount cannot exceed 150 thousand HUF per month if at least two of them complies with the terms of the support (ie they apply at the same time for one real estate)
- if three or more people applies for the support than the amount cannot exceed 200 thousand HUF per month (ie they apply at the same time for one real estate).

The applicant may apply for a deposit up to the amount of the caution money, it may not exceed the amount of two months of support. This is paid in advance out of the granted total sum of support.

### Financing/Support:

Labour Market Fund and ESF

### Eligibility:

The scheme applies to those job seekers who:

- are registered as a jobseeker for at least one month or
- are under 25 years of age (if graduating from post-secondary education, they are under 30 years of age) or
- were affected by collective layoffs or
- registered after public employment.

Additional conditions: the job seeker may establish an employment relationship that is for a period of at least six months and at least a 20-hour work time per week and the workplace is at least 100 km away from their place of residence or the travel time - by public transport - exceeds 5 hours per day between their place of residence and the workplace. The monthly income of the employment described above can not exceed three times the minimum wage.

### Legal basis:

39/1998 (III. 4.) and 78/1993 (V. 12.) Gov. Regulations

### Recent changes:

## Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments)

Target groups: Registered unemployed (All)  
Employed (All)

Treatment of unemployment spells: Broken

Receipt of benefits: Cash benefits (Source: Current intervention)

Planned duration: Maximum: 12 Months

Source: Eurostat LMP database. Date of extraction: 31 March 2021

Responsible institution(s): Central government  
Area of application: National  
Implementation: *Year started:* 2013 *Year Ended:* Ongoing

## Identification

Country Hungary 2019 Category 4 - Employment incentives  
Intervention n°/name 5 Job creation support  
Type of action: 4.1.1 - Permanent

## Description

### Aim:

The aim is to create long-term jobs for unemployed people. Assistance may be granted for the creation of new jobs and for maintaining of jobs created through the intervention, for programs to restructure employment policies and for the implementation of a new approach concerning the vocational plan of the work force.

### Beneficiaries:

Unemployed

### Action/Instrument:

Job creation is here linked to investment projects, and grants are allocated through competition.

It includes the creation of new jobs and the expansion of existing jobs, as well as the purchase of equipment and non-material goods for the introduction of new technologies or work-related costs in relation to job creation.

Maximum HUF 1 M capital allocation per new workplace, additional maximum HUF 200 000 in case of employment of unemployed persons or new workplaces in disadvantaged areas.

Support can be claimed in two ways:

1. Regional support: for construction investments, tangible assets, intangible assets and/or payments to personnel of the newly created workplaces
2. Employment support: payments to personnel of workplaces created during investments

The planned duration is one year, and an additional two years of further employment. The employer has to maintain the statistical headcount for 2 years and the new workplace for 3 years. The employer has to report every 3 months.

### Finanacina/Support:

Labour Market Fund Central Frame of Employment Part

### Eligibility:

Assistance is given on tender base to the employer. A minimum of 25% own contribution is required from the employer.

### Legal basis:

Act IV of 1991 on Job Assistance and Unemployment Benefits and 6/1996 (VII. 16.) MüM regulation.

Recent changes:

## Supplementary information

Breakdown of expenditure: Transfers to employers ( Lump-sum payments)  
Target groups: Registered unemployed (All)  
Not registered (All)  
Treatment of unemployment spells: Broken  
Receipt of benefits: None  
Planned duration: Typical: 12 Months, Maximum: 3 Years  
Responsible institution(s): Central government, Public employment services  
Area of application: National  
Implementation: *Year started:* 2002 *Year Ended:* Ongoing

## Identification

Country Hungary 2019 Category 4 - Employment incentives  
Intervention n°/name 11 Wage subsidies for disadvantaged unemployed  
Type of action: 4.1.2 - Temporary

## Description

### Aim:

The aim of this program is to subserve the employment of those underprivileged people who have to face difficulties when they want to enter the labour market.

### Beneficiaries:

Long-term unemployed, employment entrants, persons with reduced working capacity.

### Action/Instrument:

Employers may be granted subsidies up to 50-100% of the employee's wages, for a maximum period of one year.

- a) they employ a person who has been unemployed for at least six months, or three months in respect of unemployed entrants, while receiving such subsidies, and to subsequently extend such employment for a period equal to at least the period of subsidized employment, whereby the employment relationship shall not be terminated in the manner described in Paragraph b) during the period of receiving subsidies and of extended employment,
- b) they did not terminate, by regular dismissal, the employment of an employee working in the same position within the six-month period preceding the hiring of an employee in subsidized employment for reasons in connection with its operations, and
- c) they undertake the obligation that the employment relationship described in Paragraph b) shall not be terminated during the employment of the unemployed person.

Employers hiring persons with reduced working capacity for at least 12 months are entitled to receive the following supports (for a maximum period of 18 months):

- the person's wage and social contributions for the first third of the support period
- the person's wage during the second third of the support period
- the person's social contributions during the final third of the support period.

### Financing/Support:

Decentralised frame of the rehabilitation part of Labour Market Fund.

### Eligibility:

#### People who

- have a highest qualification of education of less than 8 grades of primary school or primary school or
- at the beginning of the employment reached the age of 50 or
- registered jobseekers younger than 25 years or
- raising alone one or more children under 18 years or
- didn't have paid employment for at least 6 months before registration or
- registered with the PES at least for 24 months or
- received child care within the last 12 months or
- was in preliminary arrest or was imprisoned within the last 12 months or
- persons with reduced working capacity

### Legal basis:

Act IV of 1991 on Job Assistance and Unemployment Benefits.

6/1996 (VII. 16.) MüM regulation.

11/1998 (IV.29.) MüM regulation.

### Recent changes:

## Supplementary information

Breakdown of expenditure: Transfers to employers (Periodic cash payments)

Target groups: Registered unemployed (LTU, Youth, Disabled)

Treatment of unemployment spells: Broken

Receipt of benefits: Cash benefits (Source: Other)

Planned duration: Maximum: 12 Months

Responsible institution(s): Public employment services

Area of application: National

Implementation: *Year started:* 1991 *Year Ended:* Ongoing

## Identification

Country Hungary 2019 Category 4 - Employment incentives  
Intervention n°/name 48 Employment allowance  
Type of action: 4.1.2 - Temporary

## Description

### Aim:

The support aims to ensure that people with the will, ability to work, and qualifications do not work in the public employment but in the private sector. It encourages public employment participants to enter the private sector before the public employment relationship expires.

### Beneficiaries:

Participants of Public Work Scheme

### Action/Instrument:

The condition of the employment allowance:

- the working time is at least six hours a day in a given employment relationship and at least four hours a day in the case of a disabled person
- the employment relationship has to be at least as long as the duration of the public employment would have existed
- the employer have to confirm the employment on a monthly basis
- the application for allowance must be submitted to the responsible district office within 30 days of the termination of the public employment relationship

The amount of the employment allowance is equal to twice the amount of the Stand-by allowance (45,600 HUF / month). For those who are public employee having worked in seasonal agricultural work for at least 14 days within one month, during the seasonal agricultural work, the daily allowance is HUF 2000.

The benefit is paid monthly in arrears to the recipient.

### Finanacina/Support:

Labour Market Fund.

### Eligibility:

- Those whose public employment relationship of at least one month has been terminated within 30 days preceding the date of submission of the application and have entered an employment relationship of at least one year with a business association, cooperative, association, foundation, agricultural producer, water association, forest manager.
- Those who have 180 days of public employment legal relationship within two years prior to the application.
- Those public employed who have been in the public employment for at least one month and who have been engaged in seasonal agricultural work for at least 14 days within one month.

### Legal basis:

Government Decree 328/2015 (XI. 10.) on Employment Allowance for Public Employed

### Recent changes:

## Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments)  
Target groups: Employed (All)  
Treatment of unemployment spells: Not relevant  
Receipt of benefits: Cash benefits (Source: Current intervention)  
Planned duration: Typical: 6 Months, Maximum: 11 Months  
Responsible institution(s): Central government  
Area of application: National  
Implementation: *Year started:* 2016 *Year Ended:* Ongoing

Source: Eurostat LMP database. Date of extraction: 31 March 2021

## Identification

Country Hungary 2019 Category 4 - Employment incentives  
Intervention n°/name 8 Job retention support  
Type of action: 4.2 - Employment maintenance incentives

## Description

**Aim:**

Maintaining existing job for employed persons who are employed at risk.

**Beneficiaries:**

Employed at risk.

**Action/Instrument:**

The employer has to notify the job centre (PES) 30 days before implementing the redundancy with a written statement on why the efforts to avoid the redundancy and retain workforce were not successful.

**Rate is as follows:**

- 25-75% of wages and social contributions of employees concerned by the hiring-out, or
- 50-90% if the wage of the employee is equal to the minimum wage, or in case of disabled person, or reduced working time (4-6 hours per day).

Maximum amount of assistance is 150% of minimum wage per employee.

**Finanacina/Support:**

Labour Market Fund Central Frame of Employment Part

**Eligibility:**

**Conditions of eligibility are:**

- notification to the PES 30 days before implementing the redundancy with a written statement on why the efforts to avoid the redundancy and retain workforce were not successful;
- not under administration or liquidation;
- the affected worker has been employed by the same employer for at least 6 months;
- will retain the worker for at least the duration of the subsidy after it has stopped, maintains the average headcount during this period and has not been fined 100,000 to 500,000 forints by the labour inspectorate within the previous two years.

**Legal basis:**

Act IV of 1991 on Job Assistance and Unemployment Benefits and 6/1996 (VII. 16.) MÜM regulation

**Recent changes:**

## Supplementary information

Breakdown of expenditure: Transfers to employers (Periodic cash payments)  
Target groups: Employed (All)  
Treatment of unemployment spells: Not relevant  
Receipt of benefits: None  
Planned duration: Maximum: 12 Months  
Responsible institution(s): Public employment services  
Area of application: National  
Implementation: *Year started:* 2002 *Year Ended:* Ongoing

Source: Eurostat LMP database. Date of extraction: 31 March 2021

## Identification

Country Hungary 2019 Category 6 - Direct job creation  
Intervention n°/name 42 Public employment  
Type of action: 6 - Direct job creation

## Description

### Aim:

The primary purpose of the measure is the reintegration of currently inactive and unemployed groups into the labour market. The key objective of public employment is the activation of the long term unemployed. The measure also aims at maintaining links with the labour market for people who lost recently their jobs.

### Beneficiaries:

Registered jobseekers

### Action/Instrument:

Four main types:

- Short term public employment: granted only to persons eligible for employment substitution support and also for jobseekers; participants are employed for at least 4 months with 4 hour working time in a fixed-term employment relationship. (It exists by law, but not relevant in 2013)
- Long term public employment: granted only to persons eligible for employment substitution support and also for jobseekers. Qualification required jobs can be proposed. The employment lasts 2-12 month with 6-8 hours of working time in a public employment legal relationship.
- National program: Achieving the target set by the government or parliament. Granted to persons eligible for employment substitution support and to jobseekers. Qualification required jobs can be proposed. The employment lasts up to 12 months with in a public employment legal relationship.
- Sample program: The minister responsible for public employment can launch a sample program based on the other three forms of public employment. Within the framework of this programme not only the labour cost but investment and high value material costs are also supported. One of the most important types of this sample program is the so called subregional startwork sample programme that provide support for disadvantaged subregions.

### Finanacina/Support:

Within the framework of public employment, the income realised from work is higher than the amount of the social benefit but lower than the minimum wage established at the primary labour market.

The public employment is financed from the Labour Market Fund, the usage of the financial frame is regulated by government regulation. It is implemented by employment offices.

### Eligibility:

Registered jobseekers, prior target groups:

- cumulatively disadvantaged jobseekers who receive employment substitution support
- jobseekers who do not receive jobseekers' or social benefit
- disabled people
- homeless people
- refugees
- Roma people

### Legal basis:

- Act CVI of 2011 on Public Employment and Public Work and Amendments to Other Acts;
- (Act IV of 1991 on Furthering Employment and Provisions for the Unemployed),
- Government Decree 375/2010 (XII. 31.) Korm. on the grants of the public employment,
- Government Decree 170/2011 (VIII. 24.) Korm. on laying down public employment wage and guaranteed wages.
- Government Resolution 1044/2013 (II.5. ) on Certain Problems Related to Public Employment

Recent changes:

## Supplementary information

Breakdown of expenditure: Transfers to employers (Periodic cash payments)

Target groups:	Registered unemployed (All)
Treatment of unemployment spells:	Broken
Receipt of benefits:	None
Planned duration:	Typical: 5 Months, Maximum: 12 Months
Responsible institution(s):	Public employment services
Area of application:	National
Implementation:	<i>Year started:</i> 2011 <i>Year Ended:</i> Ongoing

## Identification

Country Hungary 2019 Category 7 - Start-up incentives  
Intervention n°/name 16 Entrepreneurship assistance for unemployed  
Type of action: 7 - Start-up incentives

## Description

Aim:

Support the unemployed in starting up a new enterprise or joining an existing one.

Beneficiaries:

Unemployed persons, persons with reduced capacity to work.

Action/Instrument:

Any person may apply for the following assistance to start entrepreneurial activities:

- a) upon presenting an official certificate for entrepreneurial activity, for drawing aid in the amount of unemployment benefits for six additional months maximum;
- b) compensation for not more than 50% of the costs of professional consultation as recommended by the employment centre, and used with the certificate in proof of entrepreneurial activities;
- c) compensation for maximum 50% of the costs of training courses necessary for pursuing entrepreneurial activities;
- d) if taking out a loan, compensation for not more than 50% of the costs of collateral insurance, for a period not exceeding one year;
- e) non-repayable direct assistance and/or repayable assistance for a maximum sum of HUF 3 M;
- f) subsidy of 100% of minimum wage even if the participant receives unemployment/job-seekers' benefits (maximum duration is 6 months).

Support provided to disabled persons (maximum duration is 12 months):

- the lowest level of unemployment benefit for 12 months
- total training costs.

Finanacina/Support:

Labour Market Fund Decentralised Frame of Employment Part.  
Labour Market Fund Rehabilitation Part.

Eligibility:

Unemployed, who:

- receive unemployment benefits,
- for whom the employment centre is unable to offer suitable employment and
- start up a new enterprise or joining an existing one
- want to have a pass for entrepreneurs
- want to be an entrepreneur in agriculture
- disabled.

Legal basis:

Act IV of 1991 on Job Assistance and Unemployment Benefits.

6/1996 (VII. 16.) MüM regulation.

11/1998 (IV. 29.) MüM regulation.

Recent changes:

## Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments, Lump-sum payments)

Target groups: Registered unemployed (All, Disabled)

Treatment of unemployment spells: Broken

Source: Eurostat LMP database. Date of extraction: 31 March 2021

Receipt of benefits: Cash benefits (Source: Current intervention)  
Planned duration: Typical: 6 Months, Maximum: 6 Months, Maximum extended: 12 Months  
Responsible institution(s): Public employment services  
Area of application: National  
Implementation: *Year started:* 1991 *Year Ended:* Ongoing

## Identification

Country Hungary 2019 Category 8 - Out-of-work income maintenance and support

Intervention n°/name 29 Job-seeker and entrepreneurial benefits

Type of action: 8.1.1 - Unemployment insurance

## Description

### Aim:

The aim is to support those people who lost their jobs and to help them to ease their subsistence while they are searching for a job with or without the help of local employment office.

### Beneficiaries:

Jobseeker

### Action/Instrument:

From 1st September 2011 the system of the jobseekers benefits was significantly changed in Hungary. The conditions and the disbursement of the jobseekers' allowance were modified.

The jobseekers had to spend at least three hundred and sixty days in employment during the 5 years instead of 4 years prior to becoming a job-seeker.

The disbursement period is reduced to 90 days.

The second part of disbursement doesn't exist anymore.

The amount of jobseeker's and entrepreneurial benefit can be calculated on the basis of the contribution-base\*.

The sum is 60% of the contribution-base. The minimum sum is 60%, the maximum sum is 120% of the statutory minimum wage prevailing at the time of submission of the application..

\*Contribution-base: The amount of contribution-base can be calculated on the basis of the average monthly amount of the labour-market contribution paid by the jobseeker during the four calendar quarters prior to becoming a jobseeker.

### Finanacina/Support:

The Solidarity Part of the Labour Market Fund

### Eligibility:

Shall be granted to person who:

- a) is registered jobseeker by the PES
- b) is not eligible for invalidity or accident-related disability pensions and is not receiving sick-pay
- c) wishes to find employment, but is not able to find a job and the local employment office is also unable to offer suitable employment
- d) has spent at least three hundred and sixty-five days in employment during the four years prior to becoming a job-seeker.

### Legal basis:

Act IV of 1991 on promoting employment and on the provision of Unemployment Benefit

### Recent changes:

## Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments)

Target groups: Registered unemployed (All)

Treatment of unemployment spells: Not relevant

Receipt of benefits:	Cash benefits (Source: Current intervention)		
Planned duration:	Maximum: 9 Months		
Responsible institution(s):	Public employment services		
Area of application:	National		
Implementation:	<i>Year started:</i>	2005	<i>Year Ended:</i> Ongoing

## Identification

Country Hungary 2019 Category 8 - Out-of-work income maintenance and support

Intervention n°/name 31 Job-seekers' Allowance

Type of action: 8.1.2 - Unemployment assistance

## Description

### Aim:

Because of the changes in the labour market more and more employees find that they are able to work only for shorter times with fixed-term contracts or temporary employment. So they are not able to gain the necessary 365 days in employment over the four years prior to becoming a jobseeker.

### Beneficiaries:

Registered jobseeker

### Action/Instrument:

Jobseekers' Allowance type "c": jobseekers' assistance recipients within 5 years before retirement:

The sum is a fixed amount, 40% of the statutory minimum wage prevailing at the time of submission of the application.

The assistance will be granted till eligibility for old-age pension, disability pension or accident-related disability pension.

Jobseekers' allowance type "a" and "b" ceased.

Jobseekers' allowance "c": conditions of eligibility changed and it shall now be granted to someone who has received jobseekers' benefit for at least 45 days.

### Financing/Support:

The Solidarity Part of the Labour Market Fund

### Eligibility:

Jobseekers' allowance "c" shall be granted to person who:

- a) is no more than three years away from attaining retirement age as applicable at the time of submission of the application, and
- b) has received jobseekers' benefits for at least 45 days, and
- c) has exhausted the eligibility period for jobseekers' benefits, and
- d) has reached the age referred to in Paragraph a) within three years of having exhausted the jobseekers' benefit eligibility period, and
- e) has the service time necessary for old-age pension.

### Legal basis:

Act IV of 1991 on Promoting Employment and on the provision of Unemployment Benefit

Recent changes:

## Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments)

Target groups: Registered unemployed (Older)

Treatment of unemployment spells: Continuous/Continuous

Receipt of benefits: Cash benefits (Source: Current intervention)

Planned duration: Maximum: 5 Years

Responsible institution(s): Public employment services

Area of application: National

Implementation: Year started: 2005 Year Ended: Ongoing

Source: Eurostat LMP database. Date of extraction: 31 March 2021

## Identification

Country Hungary 2019 Category 8 - Out-of-work income maintenance and support

Intervention n°/name 41 Employment substitution support

Type of action: 8.1.2 - Unemployment assistance

## Description

### Aim:

To provide support to disadvantaged working age people who otherwise cannot provide for their livelihood.

### Beneficiaries:

Registered jobseekers

### Action/Instrument:

The disadvantaged labour market situation of working age people for support, who otherwise can not provide for their livelihood. The subsistence are not guaranteed if the family is a unit of consumption per capita monthly income does not exceed the minimum old age pension.

The notary of the competent local government defines the eligibility for the availability support of a person

- a) who has exhausted the eligibility period for jobseekers' benefit and jobseekers' assistance, or
- b) whose eligibility for jobseekers' benefit and jobseekers' assistance was ceased before the expiry of the eligibility period because of the new wage earning position and who after the earning position is not eligible for jobseekers' benefit and jobseekers' assistance, or
- c) who cooperated with the Public Employment Service at least for 1 year within two years preceding the submission of the application.
- d) whose eligibility for nursing allowance, child home care allowance, child raising support, regular social benefit, health damage annuity of the miners, temporary allowance, rehabilitation benefit, invalidity pension, invalidity pension for accident, temporary widow(er)'s pension was ceased and who cooperated with the Public Employment Service at least for 3 months preceding the submission of the application

The recipient of support has to request the Public Employment Service to register in the registry of NES as jobseeker and comply with the jobseeker's agreement in order to find employment, and participate in the public employment work.

The sum is a fixed amount, 80% of the minimum statutory old-age pension prevailing at the time of submission of the application.

### Financing/Support:

Central Government Budget

### Eligibility:

No possibility of paid work including community employment due to a shortage of jobs.

Taking part in a training course not eligible for income replacement.

### Legal basis:

Act III of 1993 on Social Administration and Social Benefits

### Recent changes:

## Supplementary information

Breakdown of expenditure: Transfers to individuals (Periodic cash payments)

Target groups: Registered unemployed (All)

Treatment of unemployment spells: Continuous/Continuous

Receipt of benefits:	Cash benefits (Source: Current intervention)		
Planned duration:	Unlimited		
Responsible institution(s):	Local government		
Area of application:	National		
Implementation:	<i>Year started:</i>	2009	<i>Year Ended:</i> Ongoing

## D - Reference data

**R.1.1 Registered unemployed**

**28 Registered jobseeker**

Registered jobseeker is a person

1. who is in possession of all the necessary conditions for the establishment of an employment relationship, and
2. who is not pursuing studies as a full-time student at any educational institution, and
3. who is not eligible for old-age pension or rehabilitation benefit, and
4. who is neither employed, nor pursues any other gainful activities, with the exception of temporary employment, and
5. who cooperates with the competent local employment office to find employment, and
6. who has been registered in the registry of the National Employment Service as jobseeker.

Minimum age to be registered jobseeker: 15 years old.

Minimum age to be employed: 15 years old.

**40 Jobseeking Agreement**

Registered jobseekers

**47 Long-term registered jobseeker with job integration agreement**

Registered jobseeker is a person

1. who is in possession of all the necessary conditions for the establishment of an employment relationship, and
2. who is not pursuing studies as a full-time student at any educational institution, and
3. who is not eligible for old-age pension or rehabilitation benefit, and
4. who is neither employed, nor pursues any other gainful activities, with the exception of temporary employment, and
5. who cooperates with the competent local employment office to find employment, and
6. who has been registered in the registry of the National Employment Service as jobseeker.

Minimum age to be registered jobseeker: 15 years old.

Minimum age to be employed: 15 years old.



Abbreviations

Abbreviation, Description